

**JUPITER WAGONS LIMITED**  
(formerly known as Commercial Engineers & Body Builders Co Limited)  
(CIN No – L28100MP1979PLC049375)

Date – 22<sup>nd</sup> February 2023

To,  
The Corporate Relationship Department,  
**BSE Limited**,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
Security Code: **533272**

The Manager, Listing Department,  
**National Stock Exchange of India Limited**,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051.  
NSE Symbol: **JWL**

Dear Sir/ Madam,

**Sub: Transcript of Analysts / Investors Call pertaining to the Unaudited Financial Results of the Company conducted on 17<sup>th</sup> February, 2023**

**Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”) read with SEBI circular dated September 09, 2015, bearing reference no. CIR/ CFD/ CMD/ 4/ 2015 (“Disclosure Circular”).**

Dear Sir,

In furtherance to our intimation dated 15<sup>th</sup> February, 2023 and 18<sup>th</sup> February, 2023, please find enclosed Transcript of the Analysts / Investors Call on Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter / nine month ended 31<sup>st</sup> December, 2022 held on 17 February, 2023.

The Information is being hosted on the company’s website [www.jupiterwagons.com](http://www.jupiterwagons.com)

Kindly take the same on your record.

Thanking You

**Yours Faithfully**  
**For Jupiter Wagons Limited**  
(Formerly known as Commercial Engineers & Body Builders Co Limited)

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Deepesh Kedia  
Date: 2023.02.22  
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**Deepesh Kedia**  
**Company Secretary**



“Jupiter Wagons Limited  
Q3 FY2023 Conference Call”

February 17, 2023

**MANAGEMENT: MR. VIVEK LOHIA – MANAGING DIRECTOR – JUPITER  
WAGONS LIMITED  
MR. SANJIV KESHRI – CHIEF FINANCIAL OFFICER – JUPITER  
WAGONS LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to Jupiter Wagons Limited Q3 FY2023 Conference Call hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jigar Kamdar from Systematix Institutional Equities. Thank you and over to you!

**Jigar Kamdar:** Thank you. Good afternoon and a warm welcome to everyone to the Q3 FY2023 results conference call of Jupiter Wagons Limited. The management of Jupiter Wagons will be represented by Mr. Vivek Lohia, Managing Director, and Mr. Sanjiv Keshri, Chief Financial Officer. I will now handover the line to the management for their opening commentary. Over to you.

**Vivek Lohia:** Thank you Jigar. Good evening, everyone and thank you for taking the time to join us for the Q3 earnings call. The results were declared earlier this week on Tuesday, and I hope that each one of you had the opportunity to review them.

All of you are familiar that we are a comprehensive mobility player with offerings across railways, roadways, and marine transportation. Even as we cater to multiple international customers, we see immense opportunity in addressing the large and growing market in India. The opportunity in India is scaling rapidly as the infrastructure outlay continues to be enhanced. In the Union Budget 2023 presented just a fortnight ago, the Government has proposed a record budgetary allocation of Rs.2.5 lakh Crores for the Indian Railways which is significantly higher than the previous year. This allocation is intended to help the railways develop world class infrastructure, significantly scale up freight operations, while meaningfully growing and transforming passenger services. This also will go a long way in achievement of railways target of loading a three billion tonnes of freight by 2040.

We see significant scope in each of our business lines encompassing wagons for freight transportation, coaches for passenger transportation as well as manufacturing of locomotives and braking systems as well as supply of railway infrastructure and components such as crossings, couplers, draft gears, and bogies. In the road segment, we provide commercial vehicle bodies and have announced the launch of electric LCVs at the auto expo last month. In marine transportation, we supply ISO Marine Containers to global and domestic customers.

In that backdrop, I will cover the Q3 FY2023 results. We are pleased to share that it was a strong quarter with improved contribution from all segments. Revenue for Q3 was Rs.645 Crores higher by 116% from Rs.298 Crores in Q3 last year. EBITDA for the quarter grew by 239% and the EBITDA margin improved to 12.8% from 8.1% in Q3 last year an improvement of 470 basis points. PAT for



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the quarter stood at Rs.46 Crores up by 407% from the same quarter last year. Our order book position for the quarter stands at Rs.5,700 Crores as on December 31, 2022. We are confident about continuing this growing trajectory given the high visibility across our business segments and the initiative to scale newer business verticals.

In Q3, we have delivered close to 1,500 wagons, which is an average of 475 wagons per month. This is substantial improvement in run rate compared to prior quarters and we seek to strengthen this even further. As we discussed during the last call, we had placed a large order for wheel sets, which has resulted in a bit of debottlenecking of the availability of wheel sets and is now aligned to the pace of our manufacturing. This has resulted in speedy and efficient delivery of wagons and the numbers are clearly reflecting that.

Similarly in other segments the performance of CV bodies and components have also improved. The overall prospect of the business remains favorable as demand for medium and heavy commercial vehicles is improving on back of better monsoons, macroeconomic conditions and the need for replacement and an uptake in infrastructure, mining, and construction activities. General manufacturing activity and consumption trends have also been a boost helping support for demand for trucks. As a result, the industry volumes are now back to the FY2019 recorded levels.

When it comes to the brake disc business, we are pleased to announce that we are making steady progress towards full commencement of the operations. The foundry is in final stages, and we are confident that we will start our trial productions by March 2023. The machining centres have already been commissioned resulting in commencement of machining production to meet the demand of existing orders from Indian Railways. Furthermore, our 3D coordinated measurement machine has also been commissioned to enable high-precision inspection. The plant will be fully operational by March, and we expect to be favorably positioned for the tenders, which are due to be finalized in the next one or two months.

The braking system business at DAKO is also making steady progress and we will share further updates in the next quarter. We are also hopeful to complete the acquisition of Stone India in the coming quarter.

We see that the potential of the EV is growing very fast in India, and I am happy to share our launch of the eLCVs JEM TEZ and EV STAR CC at the auto expo and both the vehicles were very well received. Jupiter Electric Mobility, the commercial electrical vehicle division of Jupiter Wagons, is working towards being the market leader in India's commercial electric vehicle category, thanks to strategic alliance and partnership with Green Power. With the launch of JEM TEZ and EV STAR CC, the company is poised to enter a new era at the Jupiter Group. The eLCVs are powered by batteries and have a range of 80 to 250 kilometers in a single charge. We envision having a full range of



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electric vehicles in future including buses, LCVs, MCVs and HCVs. We will start with commercial production in Q3 FY2024. With this, I would like to take any questions you may have. Thank you so much and over to you.

**Moderator:** Thank you. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have the first question from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

**Sarvesh Gupta:** Good evening and thanks a lot for taking my question. In terms of your margin profile this quarter, we have reached more than 12% and I believe we still have a lot of run rate to grow given the order book that we have and the large order from railways, so how do you see the gross margin percentage profile and EBITDA profile going forward?

**Vivek Lohia:** Thank you Sarvesh. As you rightly said that we have a considerable order book in hand. Fortunately, for us whatever orders we execute every quarter we are seeing that equal number of order books being added and on back of that we are constantly improving both backward integration as well as better management, so going forward we see a definite improvement in margins, but right now it will be very difficult to quantify the same.

**Sarvesh Gupta:** Okay. Any guidance on your gross profit like what kind of gross profit profile that is possible given the order book that you have from railways?

**Vivek Lohia:** Gross profits, you will see similar trends, but yes as I mentioned that our braking systems, the business is going to, the next year especially both the JVs will fully start the commercial production, so if you add the numbers from the JVs definitely there will be an impact on both EBITDA and on the gross profits.

**Sanjiv Keshri:** Sarvesh, when the revenue will increase, then the variable expenses are not increasing in the same proportion, so you will see that definitely there will be a good number of additions in the EBITDA margin also.

**Sarvesh Gupta:** Understood. From this large railway order what kind of working capital days is what we are looking at? Is it very different from the overall company's working capital day profile?

**Vivek Lohia:** No. Our working capital days have no significant changes.

**Sanjiv Keshri:** It will be as we have reported in the March 2022 because all the ratios and the requirements are given there, so it will be on the similar line.



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- Sarvesh Gupta:** Understood. Thank you and all the best.
- Moderator:** Thank you. We have the next question from the line of Komal Ladha from Yellow Jersey Investment Advisors. Please go ahead.
- Komal Ladha:** Thank you for the opportunity. I just wanted to ask that the order book that you have of Rs.5,700 Crores, when can we expect this to come in like in FY2024 or FY2025?
- Vivek Lohia:** Thank you Komal as we have always mentioned that the order books are for execution over the next two years so you will see majority of the execution, close to 60% of the execution should happen in FY2024 and the balance execution should go into the next year, but as I mentioned in the call every quarter we keep on building on new order books, so this will be as of now it will be a continuous trend.
- Komal Ladha:** Okay, and can you please give us the breakup of the order book like what part of it is coming from railways and private sector?
- Vivek Lohia:** 60% of our order book is from the private sector and about 40% of it is from the railways.
- Komal Ladha:** Okay, and the new EV vehicles that you launched in auto expo, what kind of revenue are we expecting from that and what can we expect the future demand of that?
- Vivek Lohia:** Revenues right now it will be very difficult to predict. Right now, our aim is to successfully start the commercial production of the vehicles. Our complete focus is towards that. In terms of demand as you know in the eLCV segment in India, annual sales are about close to 5 lakhs to 7 lakhs vehicles today if you look at both IC engines and CNG and all the variants. As per all the conservative market estimates also in the next five years, we expect that electric vehicles will command about at least 10% market share, so we are quite bullish on the segment.
- Komal Ladha:** Okay, thank you so much.
- Moderator:** Thank you. We have the next question from the line of Anik Mitra from Finartha Research. Please go ahead.
- Anik Mitra:** Good afternoon. Thank you for taking my questions. Can you give me the expense breakup segment and revenue breakup for this quarter?
- Sanjiv Keshri:** As per the requirements, we are not preparing any segment item because the segment reporting is not applicable on us, but for the better understanding we had given the numbers, means how many



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numbers of wagons and the vehicles are dispatched during this quarter and nine months, but the revenue numbers we are not disclosing anywhere as per the requirement also.

**Anik Mitra:** Can we assume like 70% to 80% contribution of the railway comes from wagon segment?

**Vivek Lohia:** Yes again Mr. Mitra as we said that we are not disclosing numbers but yes wagons so as of now it constitutes a significant percentage of the revenue.

**Anik Mitra:** Okay, Volume of CMS crossing, and containers has gone down in this particular quarter. Can you throw some light on this?

**Vivek Lohia:** You will again see an improvement in the numbers. It was just that the focus right now was to increase the wagon production so significant thrust and then our foundry was towards the wagon outturn, but now the company has realigned the foundry business, so I think from the next quarter you would see the numbers coming back.

**Anik Mitra:** Okay. The number of wagons you have delivered this quarter, what is the ratio of Indian Railways and private sector in this quarter?

**Vivek Lohia:** As I have told you today close to 60% of our order book is private, so you will find in terms and the deliveries also it will be a similar mix; 60% of what we supply would be private and the balance would be Indian Railways, but private business makes a bigger volume for us than the railway business.

**Anik Mitra:** What is current scenario of wheelsets because last quarter it seems you were referring some crisis in the market. What is the current scenario because last quarter also you had referred unavailability of wheelsets?

**Vivek Lohia:** No. We never referred to non-availability of wheel sets. We have said that for our non-railway, for the private business we are focusing on importing wheelsets rather than banking on Indian Railways and the position remains the same. We have been getting steady supply of imported wheelsets and we have placed a significant order and that supply is going to improve going forward so that has remained our position and for our Indian Railway orders, we are getting wheel sets from Indian Railways, and we do not see any challenge in that.

**Anik Mitra:** Okay and final one. Regarding the margins like in the last three to four quarters, these have seen quite lot of margin improvements, so is it going to be the base going forward or like there might be some volatility because I am asking in terms of the impact of raw material costs.



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- Vivek Lohia:** No, you will not see any volatility as you may be aware that for us the raw material is a pass through, so we are not significantly impacted if the raw material prices go down or go up so as I have told you we have been improving our efficiencies as well as significant backward integration is happening so going forward and with other businesses contributing more towards the margins, you will see improvement in margins going forward.
- Anik Mitra:** Okay. Thank you. I will come back in the queue.
- Moderator:** Thank you. We have the next question from the line of Kush Tandon from Ananta Capital. Please go ahead.
- Kush Tandon:** Thanks for the opportunity and congratulations on outstanding numbers for the last three quarters. Just one trend that I have been observing is our material cost was 73%, 75% and 77% for the last three quarters, so that cost has gone up a little bit as a percentage of sales, but our margins have improved because of volume at an EBITDA level so was there some high-cost inventory in the last quarter that impacted this kind of gross margin profile?
- Vivek Lohia:** No, it is not that. It is only as I have maintained that we have been importing wheelsets so obviously and the imports have started coming in from the last quarter so what happens is the inventory levels because we have to maintain a significant stock of wheelsets given the uptick in production, so I think that could be a reason for that.
- Sanjiv Keshri:** The second reason is that as we mentioned that in the wagon sales where the government and the private both and the margin level in both are different, so it also depends what is the mix of the government and the private wagon sales so the gross margin will also vary 1% or 2% based on this mix.
- Kush Tandon:** Okay, got it and just on your order book of Rs.5,700 odd Crores, we understand that there is a large order from the Indian Railways, so how do we see this order book behaving because this order repeatability of such a large order; just wanted to understand your thoughts on how this order book can grow in the next few quarters and may be the next one and a half to two years?
- Vivek Lohia:** As you are aware that Indian Railways is now coming up with a global tender for anything between 50,000 to 60,000 wagons, which we are expecting to be finalized over the next one year that will have a significant impact on the order book and you can see a sizeable upside on the order book and in the interim as I have mentioned that every quarter, we have been adding a sizeable order book from the private sector and given that the kind of enquires, which we are seeing and that is not only the one type of wagon. Now we are seeing various sectors enquires coming in, so we do not see a challenge in the next one year in terms of any additional orders not coming in so that trend will continue and as



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and when this global tender comes out and gets finalized, we will see a significant jump in our order book.

**Kush Tandon:** Okay great. One last question from my end. Once we have the brake system being done in-house and if you not depending on purchasing it from the third party, which you are doing right now, what kind of margin improvements can we look at? Will you be able to quantify that?

**Vivek Lohia:** At this moment, honestly, we have not looked at it from margin point of view, but definitely you will see a margin contribution coming in and there will be a reasonable impact on the margins because of that. Now, quantifying it would be very difficult, there will difficult be a reasonable impact.

**Kush Tandon:** Okay and if I just check one last question. We currently have a capacity of 600 wagons per month.

**Vivek Lohia:** Yes. Not a capacity. The target is to achieve on a steady state to achieve a target of rolling out 600 wagons per month, but then also it also depends on the mix. We are not only making one type, unlike some other players; we are making different and various kinds of wagons because lot of wagons are different margins inbuilt so may be the numbers the overall the top line numbers may be less, but on the margins there are a lot of wagons, which have definitely a lot of added margins to it so that mix so from month to month you will see some variation on the top line but there will be definitely positive impact on the margin side.

**Kush Tandon:** Okay thank you. All the best.

**Moderator:** Thank you. We have the next question from the line of Tushar Raghatate from Kamayakya Wealth Management Pvt. Ltd. Please go ahead.

**Tushar Raghatate:** Good afternoon and congratulations for your good set of numbers. I understand as per the national logistics policy and the railway policy, there will be a catalyst for the private player to do capex in the wagons. Now, I just want to understand in case there is any XYZ wagon manufacture, and we now have this braking system with us, so I just want to understand difference. If my understanding is correct each wagon cost is about Rs.32 lakh to Rs.35 lakhs, so what would be the difference which will be beneficial for us because we are having this braking system with us. You mentioned in the last con-call it is made up of 10% of the wagon cost, so I just want to understand the difference which we might get?

**Vivek Lohia:** Thank you for your question, but I am not very clear as to what exactly you wanted to understand, but what I have said earlier and I am reiterating is that as you rightly said that the brake constitutes about 10% of the cost of the wagon, so definitely it is a big contributor, if you look at wheel sets and steel that would be about close to 50% of a wagon price, so the balance of the balance 50% if you look at



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what is being supplied by the wagon builder out of that brake system constitute a significant part, so definitely as I have been reiterating it will have a sizeable impact on the margins.

**Tushar Raghatate:** Fair enough. In respect of our strategic partnership with Tatravagonka what is the opportunity we are seeing for exports as we can understand the energy prices are skyrocketing in Europe, what is the opportunity for Jupiter Wagon in the next two years in terms of exports and in terms of braking systems?

**Vivek Lohia:** As, I have already said that we are definitely looking at the export market at the component level and in the next year you will see a significant export numbers in our various verticals and on the wagon front also there are some opportunities at the export side and we are in discussions with Tatravagonka on the same and again their partnership we are looking forward in the significant strength, which they have in contributing towards the global tender, which is coming right now.

**Tushar Raghatate:** Fair enough. My last question in terms of our LCV business so any the order book we have for the same or any capex plan for the business going forward?

**Vivek Lohia:** Right now, there is no significant capex plan. As I have told you it is an ongoing order book because we are a captive manufacturing facility for the OEMs both for Tata Motors as well as Eicher. Today honestly 60% to 70% of the load bodies, which they manufacture is done by us so and if you see an increase in the volumes, we will benefit from the same.

**Tushar Raghatate:** Fair enough. I will get back in the queue. Thank you.

**Moderator:** Thank you. We have the next question from the line of Komal Ladha from YellowJersey Investment Advisors. Please go ahead.

**Komal Ladha:** I just wanted to know, Sir you said that the margins in private and in railways differ. Can you please tell me how much does it differ?

**Vivek Lohia:** Thank you Komal. Definitely since railway places a huge volume orders and in bulk so they get a better pricing as compared to private sector and in private sector again the margin depends on the type of wagon, which we are executing so it will be very difficult for me to pinpoint any number but a lot you can make out from our EBITDA numbers as compared to our peers and you can understand the kind of the additional margins we get out of executing that business.

**Komal Ladha:** Okay and the order book that you said, can I get the breakup of like how much is it from brakes, wheels, and wagons?



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- Vivek Lohia:** The brake today the order book is about close to Rs.50 Crores as we have just started that business, but as I have already mentioned that in the coming financial year you will see a significant order book coming into the brake business. The wagon order book would be close to Rs.5,200 Crores.
- Komal Ladha:** There is brake of Rs.50 Crores is included in Rs.5,700 Crores?
- Vivek Lohia:** Yes.
- Komal Ladha:** And the rest is from wheels I assume?
- Vivek Lohia:** No. The rest order book is containers and CMS crossing and load bodies also.
- Komal Ladha:** Okay and you said that you are exporting wheelsets.
- Vivek Lohia:** We are not exporting wheel sets. We are going to be exporting the brake system and we are currently exporting CMS crossings.
- Komal Ladha:** Okay, so are you importing wheelsets?
- Vivek Lohia:** We are importing wheel sets yes.
- Komal Ladha:** From where?
- Vivek Lohia:** It is mainly from China as of now.
- Komal Ladha:** Okay thank you.
- Moderator:** Thank you. We have the next question from the line of Akshay Kothari from Envision Capital. Please go ahead.
- Akshay Kothari:** Thanks for the opportunity. Just wanted to understand since we have a sizeable order from private players also, why not backward integrate on the wheelsets part?
- Vivek Lohia:** Thank you. As you were aware that till now Indian Railways does not have any policy in terms of wheelset manufacturing, so again recently only they have come up because it was a flip-flop kind of a policy. Sometimes they were allowing use of private wheelsets and then certain points they were stopping that, but now I think they have come out with a tender for wheelsets and definitely going forward there is more consistency, so we are exploring that area as well.
- Akshay Kothari:** Okay. Currently we do not have any plans to backward integrate because we feel that.



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- Vivek Lohia:** As of now no. We do not have any plans, but we are looking at it.
- Akshaya Kothari:** Alluding to previous participants and from the previous con-call I think Rs.33 lakhs is the one-off sale price of one wagon, which we have been awarded. What is the cost of manufacturing one wagon?
- Vivek Lohia:** This is a very difficult. I do not think we are able to answer that. Again, I have told you that there is a various mix of wagons, which we do.
- Akshay Kothari:** The IR order
- Vivek Lohia:** No, I do not think I can specify in terms of cost of manufacturing. It varies from quarter-to-quarter, so it is very difficult for us to pinpoint. We are mainly manufacturing for the IR order; our order book is mainly the stainless wagon.
- Akshay Kothari:** Okay, so just wanted to understand what the element is. I understand it is a fixed price contract so have we booked stainless steel on a back-to-back basis because nickel and ferro chrome prices are very volatile.
- Vivek Lohia:** So we have booked a significant amount of stainless steel, but as I have told you it is a pass through for us because then we have an escalation and de-escalation formula built into our order books and which captures this movement on prices pretty comprehensively and we have seen that over the past years, so I do not see a challenge in terms of movement in steel prices, however, we have a significant coverage on our stainless steel.
- Akshay Kothari:** Okay and hearing it from other players it seems that these contracts were fixed price contracts?
- Vivek Lohia:** No. They are fixed price contracts, but there is an escalation and de-escalation formula built into all the contracts for all players.
- Sanjiv Keshri:** Mr. Kothari the tender is the only public domain so you can go and check that what are the terms and conditions are there.
- Akshay Kothari:** Okay I will do that. Thanks a lot. That is, it from my side.
- Moderator:** Thank you. We have the next question from the line of Anik Mitra from Finartha Research. Please go ahead.
- Anik Mitra:** Thank you for the opportunity once again. What is the status of your metro rail and high-speed train manufacturing projects? Is there any progress over there?



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- Vivek Lohia:** As I have told you, we have participated in a few of tenders like Bengaluru Metro and other tenders, so we are awaiting the outcome of those tenders. As and when we get a favorable outcome, you would immediately see announcements in that space.
- Anik Mitra:** Okay and high-speed train means, are you referring Vande Bharat?
- Vivek Lohia:** High speed yes, we are also referring to Vande Bharat where we are doing a lot at the component level in that train including the brake system and then there are other parts to that train.
- Anik Mitra:** Did you participate in this November 30th tender?
- Vivek Lohia:** No. We did not participate. At the fully built Vande Bharat rolling stock level, we did not participate, and we will have significant going-forward share in the component level in that.
- Anik Mitra:** Okay that means you will be supplying components to some of the participants?
- Vivek Lohia:** Yes, to whoever qualifies in that tender as well as IR itself. ICF also will continue to manufacture the Vande Bharat, so we will be supplying to both IR as well as whoever wins the bids in these tenders.
- Anik Mitra:** Lastly, you did mention regarding global tender of Indian Railways. Can you throw some light over there?
- Vivek Lohia:** Indian Railways is supposed to come out very shortly with a global tender for close to 50,000 to 60,000 wagons and this will be a tender, which unlike the previous tenders where we had to just supply the wagons, this will be a comprehensive tender in terms of, it will be a tender where you will manufacture as well as maintain the wagon over its life of 25 to 30 years whatever they are going to specify in the tender.
- Anik Mitra:** Why are you referring it as a global tender? Will train manufacture also participate?
- Vivek Lohia:** The reason I am referring as a global tender because it will be open to the global players as well as, but you must have manufacturing facilities in India.
- Anik Mitra:** Okay. I got it and that was from my side. Thank you so much.
- Moderator:** Thank you. We have the next question from the line of Rajiv Venkatesh an Individual Investor. Please go ahead.



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- Rajiv Venkatesh:** Congratulations on a good set of numbers. I have a couple of questions. What is the debt profile as of now and the cash generation, are we going to reduce the debt?
- Vivek Lohia:** The debt profile.
- Sanjiv Keshri:** There is a zero-term loan right now. It is around Rs.20 Crores to Rs.25 Crores against our cash balance and so it is a net zero and on the working capital, we are reducing our working capital utilization, but if you see in terms of this sanction limit so we are utilizing around 50% of our sanction limit on the working capital so it is well managed right now.
- Rajiv Venkatesh:** Okay. Thank you and are we exporting wagons because when you say we cater to the private sector right? Now I am asking this because our competitors have done some JV with the European players, so that they have a good visibility on the order book, and all so how are we exploring these opportunities?
- Vivek Lohia:** Our competitors I do not know who you are referring to, but we already have JVs. We are one of the major players who have JVs with European players, so right now we are focusing on the Indian market, but we have also participated in some tenders for selling it in the global market so as and when we win those bids we will definitely be exporting also wagons.
- Rajiv Venkatesh:** Okay, thank you.
- Moderator:** Thank you. We have the next question from the line of Hiten Boricha from Joindre Capital. Please go ahead.
- Hiten Boricha:** Thanks, you for the opportunity. I have a couple of questions. My first question is on the braking system, which you mentioned the JV is going to start next year and you referred we have a current order of Rs.50 Crores so this Rs.50 Crores is for the same JV, which is going to start in FY2024 just a clarity?
- Vivek Lohia:** No. Right now, that Rs.50 Crores order is on the brake disc JV where we have already started the commercial production.
- Hiten Boricha:** Okay and the new brake disc is going to start with another JV in FY2024 that is a different one, right?
- Vivek Lohia:** No. That is for the brakes. We have two JVs. One is with Kovis for the brake disc and the various other railway applications such as axle boxes and other items where we have started already the machining part of the business and the foundry is going to get commissioned in March, so we are expecting that full commercial production to start by end of March. In that we have a Rs.50 Crores



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order book right now and we also have some export order books and so in the next year we will see significant revenues from that business as well as on the other business we are very hopeful that we are going to start our commercial operations early next year so and when we start our commercial operations we will also add significant order books there. Both combined, you should see a definite up take in that business.

**Hiten Boricha:** Can you give the total investment in this book the JVs and what kind of revenue we expect from this?

**Sanjiv Keshri:** As Mr. Vivek told you, we have already Rs.50 Crores order and let us see when the commercial production of this brake system will be then we can give you the exact number what would be the revenue we are generating.

**Hiten Boricha:** Right now

**Vivek Lohia:** It is through tendering so to give any specific guidance would be wrong on our part, so it is too early.

**Hiten Boricha:** I am asking on the investments number, what kind of amount we have invested in this both JVs?

**Vivek Lohia:** Investments are right now ongoing so as and when we close the investments, we will again disclose those numbers, but right now as they are ongoing, so we are not at liberty to honestly disclose those numbers.

**Hiten Boricha:** Okay, no problem. For my second question is on the margins so currently we are roughly utilizing, at around 55% of utilization right and as you mentioned we are looking for strong orders from the railways, so our utilizations will go up and our cost will remain the same so any color on the margin is it going to improve may be 100 or 150 basis points for the next year and next two years like any color on the margin? Are we anywhere going to surpass the 12% margin to 13.5% or 14%?

**Vivek Lohia:** On margins, you will see an improvement in margins but again to give color would be wrong on our part because it depends on how much the other businesses contribute to the revenues, so on the brake business, on the commercial vehicle business, and on the container business, there is a mix it is not only the wagon. There are a lot of other businesses so depending upon on that you can also see a significant improvement in margins, but again definitely right now be wrong for us to give any kind of guidance, but what I can say is that we see an improvement in our margins going forward.

**Hiten Boricha:** Okay, so this 12% to 12.5% kind of margin is base, and we are not expecting any decline in this margin? It is only the northwards.



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- Vivek Lohia:** As of now, we are not expecting any decline unless something significant happens, but we are not expecting any decline as of now. We definitely foresee an improvement in that.
- Hiten Boricha:** Okay I will get back in the queue. Thank you for the clarity.
- Moderator:** Thank you. We have the next question from the line of Tushar Raghatate from Kamayakya Wealth Management Private Limited. Please go ahead.
- Tushar Raghatate:** Thank you for the follow up opportunity. Now, you are looking for the acquisition of Stone India. I just want to understand what benefit it will bring on the table in terms of revenue, margins or in terms of the new product addition?
- Vivek Lohia:** Yes, thank you for the question so definitely Stone India will have an impact on the revenue as it has a significant manufacturing facility, so it will help us better in executing an order book better and also as you are aware that before the company closed they were doing a business of close to Rs.200 Crores, so they have a lot of products in their portfolio, which are still very significant both when you look at the freight business as well as the locomotive as well as the other rolling stock business, so definitely we will be adding a lot of products from Stone India, which will complement our existing portfolio. It will be a good complement to our existing portfolio, so it will improve our strength going forward.
- Tushar Raghatate:** Fair enough. Now, we are seeing the huge demand for the Vande Bharat train, I just want to understand post this acquisition in percentage terms how much Jupiter can contribute to the total sales of the Vande Bharat?
- Vivek Lohia:** In percentage terms honestly, I cannot give any figure because it depends on the OEM who will be manufacturing the Vande Bharat and what is the price they are going to manufacture it at. I do not have any visibility on the manufacturing price, but we are looking at various areas in the Vande Bharat in the braking system, in the coupling system and the other areas where we are looking to be a significant player.
- Tushar Raghatate:** Fair enough. Thank you and all the best.
- Moderator:** Thank you. We have the next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.
- Ankur Kumar:** Congratulations for a very good set of numbers and thank you for taking my question. Just a clarification almost all my questions have been answered just one clarification. You said out of that



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Rs.5,700 Crores order book, 60% will be executed in FY2024 and the rest 40% will be done in FY2025 is it right?

**Vivek Lohia:** Yes. You are right, but it is an approximate number, which I have given and as we keep on adding order books that will keep on changing every quarter.

**Ankur Kumar:** On this order book 60% order book is from the private side?

**Vivek Lohia:** Yes.

**Ankur Kumar:** In our current mix which is like Q3 can you differentiate how much was private and how much was the government?

**Vivek Lohia:** I do not know the exact numbers, but it would be in similar lines.

**Ankur Kumar:** On the non-railway side, the CVs side, how are the things looking on that front.

**Vivek Lohia:** There is a lot of positivity as you are all aware that the vehicle business in India, you are seeing a significant up take in that and as the government is putting more and more investment on the infrastructure side, on roads, on building new metro lines and on the other infrastructure definitely the steel and the mining sector, the road and highway sector there is a lot of uptake in that in these sectors and as and when there is uptake in this sector the demand for commercial vehicles definitely go up. After COVID already on the commercial vehicle side, we are back to FY2019 numbers, and everybody is very bullish that in the next one or two years we will see a lot of growth in this sector.

**Ankur Kumar:** Next year would be like quite a good decent jump in the wagon side, so do we have enough capacity to manufacture all this and supply?

**Vivek Lohia:** Yes, right now we do not have any constraints in terms of capacity and one good advantage, which we have is that we have two facilities, and both the facilities are significant additional land banks, so doing any kind of brownfield facility will not be a challenge for us and it can happen very quickly, so in terms of infrastructure we do not see any bottleneck going forward.

**Ankur Kumar:** Last question, what is your current capacity utilization?

**Vivek Lohia:** I would not know the exact number, but I think it will be close to about 70%.

**Ankur Kumar:** Thank you and all the best.



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- Moderator:** We have the next question from the line of Arvind Singh Chaudhary from RMO House Investments LLP. Please go ahead.
- Arvind Singh:** Good evening. I just want to know that what is the status of your QIP and are you planning it on a premium or discounted rate from the current market price.
- Vivek Lohia:** On the QIP front, we will be starting to work on it. We will let you know as there is any development on that and again premium and discount are very difficult for us to tell you right now.
- Moderator:** We have the next question from the line of Akshay Kothari from Envision Capital. Please go ahead.
- Akshay Kothari:** Thanks for the opportunity again. Continuing the previous participants question what is the thought process behind raising these funds, where are we going to deploy it?
- Vivek Lohia:** The whole idea was that going forward we are wanting to add a lot of capacity in our existing business and there are other opportunities also, which we see and the QIP document is available as and when we will go for the QIP and you will get to know the exact details of the usage of the funds because right now it is a work in progress so very difficult for me to specify on those lines.
- Akshay Kothari:** Okay. This Jupiter Electric Mobility we are planning commercial launch by Q3 FY2024, so what is our go-to market strategy in this. Can you give any colour on that?
- Vivek Lohia:** Definitely as we have already mentioned initially, we will be launching the smaller vehicle and it will be both targeted towards the institutional customers and also the retail and that would be the strategy and also for us it is more the vehicles which we are going to launch as I have told earlier also, they are all going to be very connected vehicles. They will have a lot of tech-in-built to the vehicles. It is not only about selling the vehicle to the customers. We are giving them much higher warranties in terms of the battery life. We are giving them a lot of fast charge capabilities which are currently not there in the market and, we will do remote monitoring of the vehicles, so throughout the journey of the vehicle there will be a very significant interaction with the users of the vehicle. They can get the best use of the vehicle.
- Akshay Kothari:** Okay thanks.
- Moderator:** Thank you. We have the next question from the line of Anik Mitra from Finartha Research. Please go ahead.



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- Anik Mitra:** My last question is in eLCV what your rule would be like what exactly you are doing. I understood that we are doing some battery pack manufacturing; commercial body you are already manufacturing, so what else you are going to manufacture over there.
- Vivek Lohia:** I could not exactly understand your question but whatever I have understood is that when it comes to the electric vehicle, we will be manufacturing the entire vehicle ourselves because it is our product unless right now, we are working for the OEMs. We are doing the manufacturing for them, but when it comes to the both the ELCV that is our own product and the vehicle will be rolled out by us, so we will be doing the manufacturing of the entire vehicle.
- Anik Mitra:** Will that be under your brand name.
- Vivek Lohia:** Yes, it will be under our brand name.
- Anik Mitra:** Okay and that is from Q3 FY2024.
- Vivek Lohia:** Yes.
- Anik Mitra:** Any ballpark number, like what sort of revenue we can identify?
- Vivek Lohia:** As I have stated earlier right now our focus is towards launching of the vehicle and setting up our distribution and manufacturing infrastructure, so that is where our focus is in terms of ballpark numbers, again very difficult to say right now as I have told that this market is close to about 5 to 7 lakh vehicles are sold every year and we expect electric vehicles to make significant penetration given that huge price advantages, it has especially in this segment in terms of ownership of the vehicle and the per kilometer running cost, so definitely we are very bullish on the segment.
- Anik Mitra:** By what period you can expect some consistent revenue flow, any guidelines?
- Vivek Lohia:** Again, I am telling you it is too early right now. Today our sole focus is not the volumes; it is the customer experience that is to have the right product and to provide value to our customers and that is what we are focusing on right now and we believe that if we get that right revenues and numbers will follow.
- Anik Mitra:** Got it. Thank you so much. Best of luck.
- Moderator:** Thank you. Due to time constraints that was the last question. I would not like to hand it over to the management for closing comments.



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**Vivek Lohia:** I would like to thank the participants for their Q&A. Everybody was very forthcoming and I am hoping that we have been able to address everybody's queries to the best possible way and as I have reiterated earlier also the company is on a strong growth path and we are seeing a significant uptake in this sector and there is a railway tender also which is going to come very shortly close to about 50,000 to 60,000 wagons so going forward we are confident on maintaining our growth path and we are hopeful to continue this journey, thank you.

**Moderator:** Thank you. On behalf of Systematix Institutional Equities that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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