14th May, 2024

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

Sub: Transcript of Investor/Analyst Meet call pertaining to the Financial Results of the Company for the Q4-FY 2023-2024

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Analysts / Investors Call on Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2024 held on 8th May, 2024.

The Information is being hosted on the company's website www.jupiterwagons.com.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,
For Jupiter Wagons Limited
(formerly Commercial Engineers & Body Builders Co Limited)

RITESH KUMAR SINGH
Digitally signed by RITESH KUMAR SINGH
Date: 2024.05.14 14:21:22 +05'30'

Ritesh Kumar Singh
Company Secretary and Compliance Officer

“Jupiter Wagons Limited
Q4 FY '24 and FY '24 Earnings Conference call”

May 08, 2024

MANAGEMENT: MR. VIVEK LOHIA – MANAGING DIRECTOR – JUPITER WAGONS LIMITED

MR. SANJIV KESHRI – CHIEF FINANCIAL OFFICER – JUPITER WAGONS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Q4 FY '24 and FY '24 Jupiter Wagon Limited 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sudeep Anand from Systematix Institutional Equities. Thank you, and over to you, sir.

Sudeep Anand: Thank you, and good evening, ladies, and gentlemen. Thanks for joining us today in the Q4 FY '24 and FY '24 Earnings Conference Call of Jupiter Wagons. On behalf of Systematix, I would like to thank the management for giving us the opportunity to host this call. Today, we have with us; Mr. Vivek Lohia, Managing Director and Mr. Sanjiv Keshri, Chief Financial Officer.

I'll now hand over the call to the management for their opening remarks. And after that we can open for the Q&A. Thanks, and over to you, sir.

Vivek Lohia: Thank you, Sudeep for the introduction. Good evening, everyone, and thank you for joining us on this call to discuss the earnings for the fourth quarter and financial year 2023-'24. We have sustained robust momentum in our performance with stellar growth in revenue, EBITDA, and profit after tax, both for the quarter and the full year. This performance validates the strong execution across core operations, as well as the scaling up of newer business lines. There are strong tailwinds at present for our sector due to several years of underinvestment, and we are pleased to be at the forefront of this exciting opportunity.

We are delighted to announce that the total income amounted to INR 1,100 crore plus in Q4FY24, marking an impressive year-on-year increase of 57%. EBITDA has shown remarkable growth soaring to INR 14,772 lakhs, reflecting a substantial 59% year-on-year increase. The EBITDA margin was 13.3% in Q4 FY '24, highlighting our focused execution strategy as we continue to report industry-leading margins. Notably, profit after tax has surged by 156% year-on-year, reaching INR 10,422 lakh. We are proud to have achieved the significant milestone of surpassing INR 1,10,000 of revenue in a single quarter for the first time ever.

This exceptional performance in the fourth quarter caps off a remarkable financial year for Jupiter Wagons Limited, characterized by record-breaking revenues of over INR 36,00,000 lakhs and a profit after tax of INR 33,279 lakhs in FY 2023-'24. Given the strong performance, the Board of Directors has recommended a final dividend of INR 0.30 per share, accompanied by the interim dividend of INR 0.30 per share, the combined dividend for financial year 2023-'24 amounts to INR 0.60 per share, resulting in a meaningfully higher payout to shareholders.

Let me first start with railways. We continue to see robust demand from both the public and private sectors. Over recent years, there has been a notable increase in government funding directed towards the railway sector, accompanied by a marked rise in actual spending. Notably, 3 new railway corridors are presently under construction, promising significant relief from congestion within India's rail network. Moreover, over the past 12 to 18 months, numerous substantial contracts have been awarded, spanning bullet trains, Vande Bharat trainsets, high-power locomotives, freight wagons, forge wheels and more.

Railway authorities have implemented various strategies to bolster their share in the freight transportation mix. Projections indicate a rise in the rail freight modal mix from 29% in fiscal year 2024 to 35% by fiscal year 2031, driven by factors such as cost and efficiency of rail over road, GDP growth, improved infrastructure and connectivity supported by increased government focus on rail freight.

In the Freight segment, private sector enrolment and wagon procurement has surged significantly, buoyed by government initiatives like liberalized wagon investment scheme, automobile freight train operator scheme and wagon leasing scheme. As a result, demand for freight wagons is expected to witness substantial and sustained growth. Passenger services too remain a focal point with capacity being expanded for passenger rail as well and development through metro rail projects in several Indian cities.

In terms of outlook, we are pleased to report an order backlog of INR 7,10,166 lakh our highest ever. This has been aided by order wins from both public and private sector customers, including Ministry of Railways, Ministry of Defence and a leading auto manufacturer. These contracts involve the manufacturing and supply of various types of wagons, bolstering our order backlog and providing strong visibility for the future. Jupiter continues to maintain its position as a leading provider of private wagons in the industry.

During the quarter, we acquired Bonatrans India Private Limited which further solidifies our integrated business model. It empowers us with the critical ability to manufacture wheel sets in-house, thus enhancing our vertical integration and overall production efficiency.

This strategic move underscores our commitment to bolstering our capabilities and ensuring a more streamlined and cohesive production process. By bringing wheel set manufacturing under our umbrella, we are poised to achieve greater control over quality, timelines and cost effectiveness, thereby solidifying our position in the market and driving sustained growth. This development marks a significant milestone in our journey towards excellence and underscores our relentless pursuit of innovation and operational excellence. Further as part of Make In India initiative and to reduce import dependency, we would set up manufacturing facilities for complete backward integration of wheel set manufacturing. Further, the integration process following the acquisition of Stone India is progressing smoothly and remains on track.

Looking ahead to fiscal year 2025, we are optimistic about our prospects, particularly with eminent launch of our eLCVs. Additionally, plans are underway to expand our brake system and braking business, further enhancing our outlook for the coming year. In our braking system and brake disc segment, we are witnessing encouraging progress in line with our expectations. We anticipate a significant increase in execution and performance throughout fiscal year 2025 and remain confident in the growth trajectory of these businesses. With that, we are ready to take questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Congratulations on a very good set of numbers. So my first question is, what would happen the private wagon ordering for FY '24? And is it possible to give us a sense of market share and the outlook for FY '25?

Vivek Lohia: Yes. Good evening, Mohit, and thank you. Private, again, Jupiter continues to dominate the private segment. So if you look at the private order books, I think Jupiter share would be more than 60% to 70% in this segment. This year, we have delivered the maximum number of private rakes. I think over 100 rakes have been delivered by Jupiter, which is by far the -- if you compared to the rest of the industry, there's a significant difference between us and our next competitor.

Going forward also, our private order book remains very robust. I think 40% of our order book is still private, and we continue to see the momentum. And this year, we will be manufacturing a very -- I think more of our order book will be much more specialized wagons, both in the steel, cement as well as the auto segment and which will continue to be industry-leading designs.

Mohit Kumar: Sir, last year, we had a very good opportunity from the government side from the Indian Railways side directly. Sir, is there any color you can think about, think about the opportunity from the Indian Railway this particular year? And is there any tender which are awaiting to be closed as of now?

Vivek Lohia: Yes. Already, there is one tender. I don't remember that I think it's close to about 6,000 wagons, which is going to be finalized very shortly. But beyond that also we see the growth momentum to continue, and the freight loading numbers have been increasing substantially, which we can see, as well as the core sector, especially the demand for the coal for the steel and other core sectors remain very strong. And we expect the growth momentum to continue. I think post elections, we should see significant tenders coming up.

Mohit Kumar: My last question is what is our plan for Bonatrans India? Can you please help us with a medium-term outlook? What is the kind of capacity you're looking at or the kind of Capex you require to achieve this capacity?

Vivek Lohia: So this year, we are looking to produce about close to 14,000-to-18,000-wheel sets in Bonatrans and we are looking at revenues of about INR400-odd crores. This will, I think, significantly help us as this -- a lot of the production will be captive, and that will definitely help Jupiter in terms of our own freight production, as well as our margins. Beyond that, I think our focus is to completely backward integrate this facility. We plan to do it over the next 18 to 24 months. There will be a sizable investment there. And we already have the technology lined up through our foreign -- our partnerships in Europe.

Further, I think there's a significant export potential because one of our significant partners and promoters in Jupiter Wagon, which is Tatravagonka, they are again, very keen to acquire wheel sets from India. And right now, they are facing a challenge because of the Russia and Ukraine conflict. So yes, so we are very bullish about that business.

Moderator: Thank you very much. The next question is from the line of Rishabh Parekh from Sunidhi Securities.

Rishabh Parekh: Just a couple of questions. One is on Bonatrans. Can you all give some more color on the kind of capacity expansion that we will be doing in terms of how many wheels sets you will be able to manufacture once the full capacity is on stream and revenue and margin impact on that? And what would be the amount of the Capex spend?

Vivek Lohia: So in terms of capacity, I think we are looking to produce around ~200,000 wheels, which is about ~100,000-wheel sets. So that is the capacity plans which we have, out of which a significant portion definitely will be earmarked for exports. As you're aware that Bonatrans already has all the necessary certifications, both in India for supplying to the metro, as well as for Vande Bharat. Today, Bonatrans is a significant supplier to Siemens, Alstom, BEML for the Vande Bharat as well as the LHB coaches, we are supplying wheel sets. So all the necessary Indian -- as well as freight. So all the Indian accreditation is there. Further, it is accredited to supply to Europe as well as to North America.

So the idea is to build capacity so that we can play a significant role in these markets. In terms of investments, I think our Capex in this business will be anything between INR1,000 crores to INR1,500 crores of Capex, which we are looking to invest in this business. And margins, again, I would not like to comment on margins right now, but definitely, compared to the wagon business, the margins are higher in the wheel set segment.

Rishabh Parekh: And just a follow-up question on this. So that we are going to do ~15,000-to-18,000-wheel sets in FY '25. So, what could be the improvement in our margin because a lot of this would be for Capex. So how much margin expansion can we see in FY '25 because of integrated wheel sets?

Vivek Lohia: So again -- but I will not comment on the overall -- in terms of numbers. But what I would say is that definitely compared to FY '24 and FY '25, not only because of wheel sets, but because of the braking business and the other new segments which the company has entered, there will be improvement in margins, and it will be a very visible improvement in margins. It will not be something marginal, but there'll be a visible improvement in margins.

Rishabh Parekh: Sure. And can you give us some color on Kovis and DAKO for '25?

Vivek Lohia: So as I've been telling in all my earlier calls that this year, you will see the execution in both the businesses. I think combined in both the businesses, we have order books of more than INR300 crores plus, and there is going to be significant exports also happening. So I think FY '25 is when we are going to start seeing revenues and profits being accreted in both the businesses.

Rishabh Parekh: And the ballpark revenue number can it be about INR 500-odd crores?

Vivek Lohia: We are looking at least about INR 300 crores of revenue at least in both the businesses.

Rishabh Parekh: Sure. And sir, last question on our net debt. So post-acquisition and QIP, what is our net debt position?

Sanjeev Keshri: Net debt is around 0 because the long-term borrowing we don't have, and we have the sufficient cash available. And if you take the short-term borrowing also, so it is around 0.

Moderator: The next question is from the line of CA Garvit Goyal from Nvest Analysis Advisors, LLP.

CA Garvit Goyal: Congrats for a good set of numbers. My question is on the Bonatrans only. Just a clarification on, like you mentioned in this year, we will close to around INR300 crores kind of top line. So just to understand a bit like are we going to produce for the outside players? Or are we going to the captive consumption? Because you mentioned 2 things there. So can you clarify the same?

Vivek Lohia: Yes, no, as I mentioned in Bonatrans it will be both captive as well as the outward market because that is again a significant business for us. As I mentioned that we are already a primary supplier for most of the metro projects in India as well as for the Vande Bharat and LHB passenger coaches. So that business is going to continue to remain a significant business for us. Compared to freight per wheel set, both in terms of the pricing and definitely in terms of margins because these are more complicated wheel sets. So it's much better than on the freight business. So, it will be a mix of both captive as well as outward business.

CA Garvit Goyal: So INR 300 crores is from the outward business. Is that understanding, correct?

Vivek Lohia: No, no, INR300 crores, basically -- I said, it will be between INR300 crores to INR400 crores. It will be -- that includes both the captive as well as the outward business.

CA Garvit Goyal: No. If it is captive consumption, then how it will be there in the top line? It can't be there in the topline, right?

Vivek Lohia: So the total revenue, which we are expecting from Bonatrans in FY '25 is around INR 400 crores. This INR 400 crores will include both the captive business as well as the outward business. But in terms of the breakup, specific numbers right now, we are not in a position to share.

CA Garvit Goyal: Okay, sir. Okay, fine. And sir, Board approved INR 1,000 crores QIP. So can you please put some color on the purpose of raising those funds like what are the exact plan for the utilization of these funds? Like you mentioned about the new products, including those automated doors and the vacuum toilets as well. So, can you please elaborate on your plans on it like what is the expected Capex for it and how the funds are going to be utilized?

Vivek Lohia: I think for us, right now, the most significant and the major Capex is towards the wheel business, where we see a very assured road map and a market which is there. And as I mentioned that it is a very margin positive business. So, most of the I think whenever we do the fund raise will be towards the Capex requirement of the wheel business. And definitely, some portion of it will be used for other businesses, but the significant investments will go towards the wheel growth.

CA Garvit Goyal: Right, sir. And sir, in this quarter, we did a run rate of -- in this quarter, we did a run rate of 840 per month for the railway wagon. So considering that we are currently at 900 capacity, right? And with significant orders to be executed in the next 12 months, like you mentioned, and the order book is also reflecting the same, so do you see any slowdown in ramping up these orders or upcoming order inflows? And if not then, so what are your plans to further expand on the capacity on the wagon side beyond 1,000 wagons per month?

Vivek Lohia: So as I mentioned, we are -- right now, our target is to achieve 1,000 wagons. We are not looking to expand beyond that as of now. But then again, that is also subject to how the order book flows over the coming years. We don't see any significant slowdown in the order books. I think on the delivery, post elections, you will see whatever indications which we have, there will be an uptick in terms of the demand. So again, our first target is to achieve a consistent run rate of about 1,000 wagons. From thereon, we will decide as to how to move forward.

CA Garvit Goyal: So by when it is expected, sir?

Vivek Lohia: By I think quarter 2 is what we are looking at.

Moderator: The next question is from the line of Mahesh Bendre from LIC Mutual Fund.

Mahesh Bendre: Sir, on wagon side, the incremental orders that are expected to come up maybe during the year. Given the current order book of all the wagon manufacturers, do you think there is a scope for us to improve our realizations in those new orders of wagons and margins could be much higher in those?

Vivek Lohia: Yes, Mahesh, definitely, as I mentioned in my call that we are right now focusing on a lot on the private order book. And there also, there are certain new designs of wagons, which we are currently in the process of executing which those are very complicated designs and most of the industry is not producing those wagons. I think Jupiter is the only producer of those wagons. So that definitely, we expect the margins to improve. And combined with brakes getting produced in-house and wheel sets again becoming captive, so definitely there will be an impact on the margins.

Mahesh Bendre: Sir, is it also true for the Railway wagons?

Vivek Lohia: So, on the railway side the, I think the margins are consistent, and they're going to remain like that. But definitely, you -- going forward, you will not see any significant uptick in margins. The uptick in margins in the railway business will happen through the efficiencies which we bring into the business.

Moderator: The next question is from the line of Bharat Shah from ASK Investment Managers.

Bharat Shah: I wanted to understand the cash flows for the year, operating and the financing and investment cash flows.

Vivek Lohia: I will give the line to Mr. Sanjiv, the CFO, he will guide you on that.

Sanjiv Keshri: Yes, the operating cash flow this year, we have generated the cash of around INR 100 crores. And after the payment of the income tax, there is a use of the -- actually in the operating around INR 6 crores only. But that actually increased due to -- we increased our sales revenue from INR 2,000 crores to INR 3,600 crores. And consequently, that inventory has increased by around INR

400 crores. So this is the reason that you are finding that there is a cash used around INR 6 crores in the operating cash flow.

Bharat Shah: I don't get all the breakup of the cash, operating, finance, investment cash flow for the year.

Sanjiv Keshri: Yes, it is available. Yesterday, as per the LODR requirement, the cash flow is already given to the stock exchange. So you will find that detailed cash flow there.

Bharat Shah: I'll check that out. Sorry, I missed that. And on the order book, what I heard was about INR 7,100 crores, right?

Vivek Lohia: Yes, you are right.

Bharat Shah: And what is the breakup of that? And what kind of execution cycles do we see?

Vivek Lohia: So I think of the 7,000 majority of it is related to our wagon order book. I think, close to about 75% would be wagon, and I think these order books have to be executed over the next 18 months.

Bharat Shah: And the balance?

Vivek Lohia: Balance would be related to the CV business, the commercial vehicle business, which we have. The containers and the brake system also.

Bharat Shah: And that would be fulfilled by what time?

Vivek Lohia: In this financial year FY '25.

Bharat Shah: Entire remaining almost about INR 1,700 crores, INR 1,800 crores of CV business would be executed in the current year.

Vivek Lohia: Yes, correct. Absolutely.

Bharat Shah: And from the wagon business, I presume in the year maybe 2/3 of the order book will get utilized.

Vivek Lohia: As I've told you, 18 months is the execution timeline and every quarter, we keep on adding significant order books. So, it there will be a rollover which will happen on the order book side. So, and as you've seen over the last year, 1.5 years, though our execution has increased significantly, but our order book keeps on increasing quarter-on-quarter. So, I think it will you'll continue to see those trends going forward.

Bharat Shah: So, INR 1,700 crores of CV, about INR 3,600 crores of wagon. So that means INR 5,300 crores and maybe some amount of the current year order book executed. So, about INR 5,500 crores, INR 5,600 crores turnover is a reasonable possibility, right? For the current year?

Vivek Lohia: Again, specific numbers, we are not in the habit of disclosing, but yes, if you look at the breakups something in the similar vicinity is what we are looking at.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Congrats on a good set of numbers. So, 2 questions from my side. One would be great if you could discuss how are we seeing the private sector ordering as far as the wagon business is concerned? And second, also on our brake business, how has the ordering and tendering been in FY '24? And what is -- how do we see FY '25 mapped out?

Vivek Lohia: Yes. Thank you, Parvez. So, in terms of the private order book, I don't -- as I mentioned that the order inflow is very strong. And this is even though currently wagons under General Purpose Wagon Investment Scheme (GPWIS), basically, the BOXN wagons, there is still the railway has not lifted they had put a temporary hold on that, which we also expected to get lifted post elections. But despite that I think the order book has remained very significant. And we are now executing a lot of designs which are very unique and are being done for the first time.

And where Jupiter is maybe one or very few of the wagon riders who are executing these designs. So this gives us a significant chance to improve our margins, as well as to further build on these order books. And I think as and when the requirement for the BOXN wagon comes up, I think that will be significant because whatever we can understand from the industry is that still there is a huge requirement for these wagons. So as and when railway clears the same, you will see a substantial jump in terms of the ordering, which is going to happen in those.

Parvez Qazi: And similar outlook on the brakes business?

Vivek Lohia: On the braking side, I think the demand continues to be very robust. As you know, the Rolling Stock program of the Railways is very significant. So, as well as now you're seeing a lot of replacement demand coming in because both in terms of the passenger as well as on the freight side, the fleet utilization has gone up significantly. So, I think you're going to as I've been mentioning, I think year-on-year, you're going to see significant increase in terms of the total requirements for braking -- from the braking business.

Moderator: The next question is from the line of Rishabh Parekh from Sunidhi Securities.

Rishabh Parekh: Can you just throw some light on the container business?

Vivek Lohia: Yes, Rishabh, so the container, we are very bullish on the container business. This year, I think has been a transitional year for us with regard to that business. We have moved from -- earlier, we were making the very generic marine containers. But this year, we have moved on to manufacture very specialized containers, especially related to Battery energy storage container (BESS) and data centers. So that has been our core focus.

We are now working with a lot of marquee names global names, such as GE, Schneider, Toshiba, Tata Solar. So these are the kind of names which we are now working with, and the certain containers that we are producing, which have been produced for the first time in India. And I think going forward, we will continue to focus on these segments. And I think the next step this year, which we are moving towards is providing the complete integrated solutions -- both for BESS as well as for data centers. And given government's focus in both the segments and especially for power storage in the solar sector that has been a key challenge. So we see significant order books coming in this segment.

Rishabh Parekh: And just wanted to understand your capacity expansion plan because in your presentation, it mentions that 1,000 wagons per month will come on stream once the 2,000-ton foundry is started, which will take 18 months. But to the previous participant, you mentioned that it will start in Q2, the run rate 1,000 wagons per month. So I was just a little confused.

Vivek Lohia: No 1,000 wagon will come see we are doing 2 foundry capacity expansion. One is on the existing foundry and one we are looking at a new foundry in Jabalpur. So the 1,000 will come in as soon as the expansion, which takes place in the existing foundry, which we are expecting in Q2, before end of Q2, that capacity will come online. So that is when -- around that time is when also we are seeing -- going to see an increase in our wagon numbers happening.

Rishabh Parekh: And the additional 2,000-ton foundry will add on how much capacity?

Vivek Lohia: So there given that, one, which will definitely help us in terms of margins because again, in Jabalpur if we have a captive capacity, we'll save a lot on the transport cost. And secondly, we are looking I think one business which we are very focused on is on the weldable crossing side, where we have significant orders, and the outlook is very strong. Because I think in the next 3 to 4 years, what we can understand is the railway looking to buy more than 100,000 of these crossings. So today, our main constraint is on the capacity. So we are now looking to bring -- build significant capacity for this business. So I think a lot of that capacity, which will get freed up will go towards that business.

Rishabh Parekh: Understood. And sir, can you just throw some light on our RITES JV?

Vivek Lohia: There is no JV. We have a MOU with RITES where we participate together in a lot of the -- most of the global tenders. So that is in, that MOU continues, and we are regularly participating in tenders. I think the global tenders take time to convert into order books, and we expect, I think in FY '25, we should see significant order books coming out from these tenders.

Moderator: The next question is from the line of Aakash from Dalal & Broacha.

Aakash Bohra: First of all congrats to the management on great set of numbers. Sir, I would request a breakup for the complete full year FY '24 revenue that we did of INR 3,640 odd crores. If you could give a breakup for that product segment wise?

Vivek Lohia: Okay. Thank you, Aakash. And I'll pass on the line to Sanjiv. I think he can share.

Sanjiv Keshri: Aakash, you can mail to us. We will give the detailed breakup. Right now, I'm not carrying that breakup. But on a broad way, around 76% or 77% is from the wagon and balance is from the other CV business and containers.

Aakash Bohra: Okay, sir. No worries, we'll take it offline. My second question was on the brake system and the brake disc side Sir wherein, you all said that both businesses combined, you should be able to manage around INR 300 crores plus of revenue, right? So what kind of margins are you expecting there?

Vivek Lohia: Again, as I've mentioned earlier, these the margin profiles are much better than in terms of our existing business. So you will see margins upward of definitely upward of 14%, 15%.

Aakash Bohra: For KOVIS and DAKO, right?

Vivek Lohia: Yes.

Aakash Bohra: Or company level as a whole.

Vivek Lohia: In these 2 businesses, at that business levels.

Aakash Bohra: Okay. Got it, sir. Secondly, we had some interesting orders in this year, especially we won that special military wagons wherein -- there will be higher value margins. Also the double-decker wagons for automobile. If you could just let us know what is the delivery schedule for those kinds of the orders that we won, this year from Indian Railways?

Vivek Lohia: So we are continuing to supply the military wagon, those that is ongoing. For the double-decker wagons, our prototypes are going to go for approvals this month itself. And I think August or September is when we are looking to start supplying those items.

Moderator: The next question is from the line of Rahil Dasani from Mittal Analytics.

Rahil Dasani: I had a question around the Vande Bharat. So we can see a lot of Vande Bharat tenders coming in right now. The bidding year is quite competitive from the international players like TMH who recently won the 120 trains tender and the next in line are Alstom, Stadler, and Titagarh JV, so what sort of participation do we expect from our side, excluding the wheel sets and any upcoming tenders where we are taking part?

Vivek Lohia: So excluding wheel set, I think on the braking side, we have significant participation in these. where you will see Jupiter coming in, along with that, I think from Siemens, we have received an order for supply of battery systems which is part of the EV side of our business for the Vande Bharat. So yes, definitely, I think on wheel set is something, again, I think as for the wheelset as I mentioned that we are a significant supplier for wheelsets for the Vande Bharat. So all these, I think if you look at these 2, 3 businesses, which I'm talking about here, if you look at the coach, the value of ours would be about anything between 30% to 40% of the total overall value of a coach.

Rahil Dasani: Okay. And lastly, like I said, these 3, 4 entities who are dominating the tenders right now. So are we partnered with any of these entities and how do we see the competition between the Indian JVs in comparison to these international entities.

Vivek Lohia: So right now, see, we are -- as I've told you, we are working closely with the likes of say Siemens. But definitely, we are not partnering with them to -- partnering with anybody to bid for the tenders because, again, which we feel that these are very margin negative right now, the pricing is very margin negative, and we build -- and in future also, we don't see many significant tenders for Vande Bharat for the complete supply of Vande Bharat coming because most of the railway workshops are now manufacturing it.

But there is a significant demand for the component levels, such as the brake systems, the wheelsets, the battery systems -- and that's where these are very high-technology items. So it's -- again, the competition is very limited because it requires a lot of accreditation and technology. So these are the areas where we are focused on, and I think we are in a very strong position. So that is where we will continue to focus on.

The next question is from the line of Ankita Rathi from Rainbow Securities Private Limited.

Ankita Rathi: I have a question that in your PPT presentation, and in investor presentation, you have mentioned the JWL KOVIS numbers. So the numbers in brake disc assemblies are 0 in quarter 4 FY '24. Can you just give me the reason for it.

Vivek Lohia: Ankita, honestly, I have not looked at those. I have to revert back to it. But yes, I think -- the reason could be that we were focusing on the export business, I think quarter 4 is where we were looking at -- we had a lot of export orders. Our focus was on the exports. So the assemblies, I think we started -- we have already started from FY '25. And what I can understand is that at that time, we had all the old orders which we had, those deliveries we had completed.

And for the new orders for about we have currently orders for about 12,000 brake disc supplies, the deliveries were all commencing from Q1 FY '25. I think this was the only reason.

Ankita Rathi: Okay. About the exports, like the export numbers are also not very high. It's only 606 numbers in quarter 4 FY '24 rather than it was 2,194 numbers in quarter 3 FY '24.

Vivek Lohia: No. If you look at the other components, 4,199, that is also part of the export numbers. And I think in that last quarter, as I told you, the production was going on, all the revenues, you will see the revenue booking happening in Q1. So, I think once the Q1 results come out, you can -- you will get a very clear picture of the trend.

Ankita Rathi: Okay. And also, one more question. The CMS crossing numbers...

Vivek Lohia: So that's why you'll see that drop which has happened.

Ankita Rathi: One last question. The CMS crossing numbers have also declined from the last year.

Vivek Lohia: So, to answer your last -- as I mentioned that we are right now in terms of the foundry capacity is a constraint for us because as you have seen that our wagon numbers have increased significantly. So, a lot of the capacity was towards wagons. And that's why there's a drop in the CMS numbers, as I mentioned earlier that as we keep on adding more capacity, you will see a renewed focus in that business.

Moderator: The next question is from the line of Bharat Shah from ASK Investment Managers.

Bharat Shah: We did about INR 3,600 crore turnover in the year gone by. When do you think we can be INR 10,000 crore business, saying 3 to 4x? Would it be outlandish to think that in 3 to 4 years, we can be that size?

Vivek Lohia: So, Bharat ji, definitely not. As I mentioned that -- on the wheelset, I think all the Capex is done, that is going to be a significant contributor if we produce about 100,000 wheelsets, we are looking at revenues of upwards of INR 3,000 crore there. Brakes, as I mentioned in the next 3 years, we are looking back to be a INR 1,000 crore business for us. So, we are very, very bullish on our numbers. And so no, I think 3 to 4 years, it could overall at the company level, definitely is something which is within our target limits.

Bharat Shah: Which means less than INR1,000 crores turnover in fiscal '22, financial year '22, say by '28, we can be more than 10x the business that we did in financial year '22.

Vivek Lohia: Yes, definitely

Moderator: Thank you. The next question is from the line of Mahesh Atal from Atal & Association.

Mahesh Atal: Yes, my first question would be on the foundry thing that we are going to come up in Jabalpur, what would be the capital outlay for that.

Vivek Lohia: About close to INR 200 crores, if I am not wrong for...

Mahesh Atal: Yes. But my follow-up on that would be why we are looking to do it on a greenfield thing when the other foundries and there are inorganic opportunities? Are you also looking in that direction to acquire any foundry or something like that rather than waiting for 18 months and because there are RDSO approved foundries, right?

Vivek Lohia: So on that -- as and when if there is some opportunity comes up, definitely, we will look at it. But as far as I know, there's given the buoyancy in the sector right now, there is no capacity which is available in the industry.

Sanjeev Keshri In the Deori, Jabalpur, we have a huge land bank available with us. So, we are just utilizing that land bank.

Mahesh Atal: No, that's okay. But I was more referring on the time because it will take 18 months' time for you to do that, right?

Vivek Lohia: But however, I don't think there is any capacity today, which is available in the industry.

Mahesh Atal: All right. And one more thing, sir, regarding any -- right now, we are having under testing approvals, which could add significantly to our top line, which is under RDSO approval or something like that?

Vivek Lohia: I think one of the most significant products is the weldable crossing, which is -- I think we are going to get the final approval in a couple of months. And that, as I mentioned, again, in terms of the approved sources, there are only 3 to 4 approved sources in that segment. And the indication is that in the next 2 to 3 years because, again, Indian Railway is moving towards high speed. So most of the traditional crossings will be replaced by weldable and all the new lines which are coming up will be all -- will have all weldable crossing only.

Mahesh Atal: You are on the approved sources under these weldable crossing, any names on there?

Vivek Lohia: No. So, whatever the interactions, which we've had in the Indian Railways. They are very clear that the other sources, which are there. Mainly global players like Vossloh is there then Voestalpine is there. I think it's mainly the global players who are the approved sources.

Mahesh Atal: So, we will be the first indigenous players who will be doing that, right?

Vivek Lohia: One of the first -- yes. So, we have a foreign partnership already. We have a partnership with the Spanish firm called Talleres. They are one of the main producers in Europe. So, they are helping us with the technology.

Mahesh Atal: Any revenue guidance on this particular business? I mean if we actually get the approval and what could be the revenue potential of this particular thing.

Vivek Lohia: So, revenue potential is significant, but again, as I've told you, I think as and when we have the capacities available, you will start -- so again, very -- I think I would not like to give any kind of revenue guidance...

Mahesh Atal: The current market size, at least Indian perspective.

Vivek Lohia: So, it is about -- the market is about INR 4,000 crores to INR 5,000 crores is the market size.

Mahesh Atal: And we'll be the only Indian player there. So we may expect a sizable opportunity there?

Vivek Lohia: Yes. Indian player with a sizable capacity.

Moderator: The next question is from the line of Senthilkumar Natarajan from Joindre Capital.

Senthilkumar Natarajan: I have 2 questions. First one is, for the additional capital requirements for expansion, will the Board resort to equity dilution or preferably Board will go for a debt, sir?

Vivek Lohia: So Senthil, it will be a mix of equity as well as debt. The Board, I think, has cleared fresh set of, I think, INR 1,000 crores of new capital fundraise the Board has cleared. So it will be a mix of both debt as well as equity.

Senthilkumar Natarajan: So what will be the mix?

Vivek Lohia: Again, I think we have not firmed up our plans as once we have firmed it up, we will definitely appraise you on the same.

Senthilkumar Natarajan: Okay. Understood. And my second question is now that order shares from the government is increasing, will this debtor period correspondingly go up in the future? We have noticed that our FY '24 debtor days increased from 37 days to 49 days. So what will be the debtor days in FY '25.

Vivek Lohia: No, I think it will -- the debtor position, you will not see any kind of significant increase in the debtor position that is going to remain between debtor position, I think, is going to be consistent.

Moderator: The next question is from the line of CA Garvit Goyal from Nvest Analysis Advisors LLP. Please go ahead.

CA Garvit Goyal: Sir, just on the electric LCV side, why are we getting delayed in terms of getting the approval from the regulatory authority?

Vivek Lohia: So there is no delay. We are expecting the approval. All our testing is now complete. So we are expecting the approval to come any day, I think, in the next week or 10 days, I think we expect approvals to be there. And I've maintained that July, we are going to be launching a vehicle and we are -- and those timelines are pretty concrete.

CA Garvit Goyal: Understood. And just on the technology part, I missed that. Can you please put some color -- put some more color on that, like you mentioned the new products that you are launching about market size of INR 4,000 crores to INR 5,000 crores?

Vivek Lohia: No. I have only talked about the weldable crossing, which we had got a significant order from Railways, and we are going to get our final approval very shortly. So I think the question was that what is the market size for that business? So I highlighted the market size for that business. But in terms of how our revenues will pan out, I think it is too early for us to comment because a lot will depend on how -- how and when our foundry capacities come online.

So depending on that I think in quarter -- by end of quarter 2 or quarter 3 will be in a more realistic position to give guidelines on the same.

Moderator: The next question is from the line of Priyesh Babariya from Max Life Insurance.

Priyesh Babariya: Congratulations for a good set of numbers. My first question is on E-LCV. So what are our targets in terms of production for FY '25 and FY '26? And what kind of a revenue and margin are you expecting on the same -- or can you give some color on this business?

Vivek Lohia: So again, in terms of margins, I think it is too early for us to comment. I think post the launch and when we have -- once we start supplies will get a better feel on the margins. But one thing I can be -- I can assure you that we are going to be -- from day 1, we are going to be margin positive on that business. Secondly, in terms of numbers, again, I think first year, we are looking to do upward of 500 vehicles. I think if we can manage that, we will be very happy with the business.

Priyesh Babariya: Sure. And my second question is on the JV which we had actually executed with the CAF which is based in France and major players in the passenger mobility sector. Are there any updates on the same? Or because we are seeing a lot of metro coaches, which are actually coming across India. So can you give some updates on that the same JV?

Vivek Lohia: So yes. So it's -- right now, we had an MOU with them, and we are working on, as you have said, there are a lot of tenders coming up. So we are working on the metro tenders we have with them. I think as and when we win a significant bid along with them, you will see further updates on that on our partnership with them.

Priyesh Babariya: Okay. So are we expecting any kind of a win in this JV as such?

Vivek Lohia: Again, as you know, these are very speculative. We whether we can expect a win or not very difficult to say. But definitely that is a business which we are looking at.

Priyesh Babariya: Sure. And what was the working capital in FY '24 in terms of number of days? And how much we can expect in FY '25 and '26?

Sanjeev Keshri: The working capital is around 75 days. And I think that will remain in FY '25 also.

Moderator: The next question is from the line of Rajesh Vora from Jainmay Venture.

Rajesh Vora: Congrats on super set of numbers, as well as the acquisition of Bonatrans. Vivek, you have consistently tried to backward integrate and Bonatrans is a big investment in that direction. So the journey of Jupiter Wagons in backward integration direction, how are we after this are we done or is there still missing pieces.

Vivek Lohia: I think right now, we are looking to consolidate all the new segments which we have entered into. I think that is our focus -- in terms of whether we are done or not, I think this is a question which is very difficult to answer. If certain very strong opportunities come in future, definitely, we will look into it. But I think today, if you look at the kind of products which we have already established, I think we have now the beside steel, which I don't -- we have no intentions of getting into the steel business. I think we are pretty much -- we have covered all the major products, which we used to -- which are bought out for us.

Rajesh Vora: Wonderful. And one side point, Bonatrans you paid around INR 270 odd crores for acquiring the company. So what -- currently, the capacity is 100,000 wheelsets per annum. So is it being poorly utilised -- what is the state of the plant? Why do we need to invest such a high amount of INR 1,000 to INR 1,500 crores. And what would have been the cost if you had to put a greenfield plant of a 1 lakh wheelsets per annum?

Vivek Lohia: So currently, the capacity is not 100,000. What we are saying is that post expansion, it will be 100,000. And currently, it's not a completely -- the plant doesn't have the complete backward integration. But today, we have to buy black materials from outside. And then we do the assembly and the machining and everything all those operations are done. So what we are -- our focus is to post acquisition to completely integrate the facility, and again further increase the capacity to 100,000 wheelsets. Right now, as I mentioned, the capacity is about close to 15,000 to 20,000 wheelsets.

Rajesh Vora: Wish you all the very best for INR10,000 crore revenue growth.

Moderator: The next question is from the line of Kaushal Kedia from Wallfort.

Kaushal Kedia: Just wanted to understand what is the update on the global tender that was supposed to happen in February.

Vivek Lohia: So as of now, we don't have any specific update on the tender. I think it's because of the election process. I think you will see movement, I think, post elections, you will see -- I think we'll start hearing from the Railways. But what I can understand is that Railway is still pretty serious on getting global designs.

Kaushal Kedia: So sir, is this like the global tender is like, of course, moving towards own design, right? Like the wagon manufacturer will give his own design instead of the RDSO who are giving their own designs.

Vivek Lohia: Yes, it is. But we are already -- if you look at the private wagons which we are doing right now, especially the new design wagons, which is coming from the private manufacturers, RDSO is not making designs. Those designs are being done by private manufacturers.

Kaushal Kedia: Okay. So sir, earlier in your conversation, you mentioned that there's a tender of 6,000 wagons which will be finalized shortly. So this was not -- you are not referring to the global tender that is separate.

Vivek Lohia: No, I was not referring to the global tender. There is a separate tender which is under finalization.

Kaushal Kedia: So what I understand is because of decision-making or with the election nothing moving, we should expect some movement maybe from August onwards.

Vivek Lohia: No from July onwards. In June, the government will get formed -- in July onwards.

Moderator: Thank you. Due to time constraints, that will be the last question for the day. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Vivek Lohia: Yes. Thank you. I want to extend my gratitude to everyone for joining today's call. The sustained momentum in infrastructure development across the nation continues to propel us forward. Our business outlook remains robust, buoyed by a sustainable backlog of wagon orders. With growing traction in emerging sectors, we expect to further expand our presence across various business lines, including brake disc and braking system. We look forward to speaking again in the next quarter. Thank you for all your participation.

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