

7<sup>th</sup> February, 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 Un-audited Financial Results of the Company for the Q3-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 Un-Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2023 held on 2<sup>nd</sup> February, 2024.

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 Commercial Engineers & Body Builders Co Limited)*

**Ritesh Kumar Singh**  
*Company Secretary and Compliance Officer*



Jupiter Wagons Limited  
Q3 & 9M FY24 Earnings Conference Call  
February 02, 2024

**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 the Jupiter Wagons Limited Q3 and 9 months FY24 Earnings 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 9 months and Q3 FY24 earnings call of Jupiter Wagons Limited. On behalf of Systematix, I would like to thank the management for giving us the opportunity to host this earnings 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 up for the Q&A. Thanks and over to you, Vivek 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 third quarter and nine months of FY24. We are pleased to announce that we have sustained robust momentum in our performance with stellar growth in revenue, EBITDA, and profit after tax for the quarter and the nine months ending December 31st, 2023.

This performance validates the progress in execution of our strategic objectives as we continue to scale our diverse business lines, encompassing mobility solutions. In Q3 FY24, we reported total income of INR 90,081 lakhs up 39.4% year-on-year, EBITDA for the quarter stood at INR 12,480 lakhs up 54.7% y-o-y. The EBITDA margin has improved by 140 basis points from 12.5 in Q3 FY23 to 13.9 in Q3 FY24. This has been driven by enhanced product mix and economies of scale.

We continue to report an industry-leading EBITDA margin. Profit after tax for the quarter stood at INR 8,340 lakhs higher by 79.8% y-o-y. For the first nine months, we reported total income of INR 2,54,090 lakhs up 86.7% y-o-y, EBITDA for the period stood at INR 34,331 lakhs up 113.4% y-o-y. The EBITDA margin has improved by 170 basis points from 11.9% in nine months FY23 to 13.6% in nine months FY24. Profit after tax for the period stood at INR 22,858 lakhs higher by 170.2% year-on-year.

The wagon business has sustained strong performance, enabling us to surpass the milestone of INR 90,000 lakhs in total income this quarter, despite losing 10 days of production due to Pooja and other festivities in West Bengal. As you can see from our presentation, wagon volumes have increased further this quarter, averaging nearly 850 wagons a month.

The expansion of Kolkata foundry and establishment of a greenfield foundry at our unit in Jabalpur will result in doubling of overall foundry capacity to 5,000 metric tons. The new

foundry at Jabalpur is expected to take around 18 months to set up and combined with the brownfield expansion at Kolkata will enable us to enhance wagon production to approximately 1,000 units per month. The addition of the Jabalpur unit is expected to result in significant cost savings, especially in freight expenses.

Our strategic focus on improving backward integration, reducing freight costs, and implementing production efficiency measures are designed to further enhance operational efficiencies, laying the ground for an enriched margin profile. We also witnessed increasing volumes of CV bodies and our JV company JWL KOVIS has witnessed a ramp up of hubs to the export market. In an eventful quarter from the perspective of order wins, the wagon business won orders of over INR 2,200 crores from Government of India as well as private customers.

This includes a substantial INR 1,617 crores order from Indian Railways, an INR 473 crores order from Defence Ministry and an INR 100 crores order from an Automotive Major for four sets of double-decker automotive carrier wagons. Aided by our global partnerships, we continue to introduce pioneering technologies to the mobility sector in India.

Additionally, we received an order valued at INR 112 crores for axle-mounted brake disc systems in our JV company JWL DAKO CZ India, reflecting our strength and expertise in wagon and associated component manufacturing. With these wins, the aggregate order backlog now stands at INR 7,076 crores.

Another meaningful development during this quarter was the successful conclusion of our second round of Qualified Institutional Placement amounting to INR 403 crores by issuing 1,28,06,595 new equity shares to Qualified Institutional Buyers, which includes prominent investors like Tata Mutual Fund, HSBC Mutual Fund, Bandhan Equity Fund and FIIs like Societe General and Cophall Mauritius Investment Limited.

Our business of braking systems and brake discs are scaling as expected with anticipation of a significant uptick in execution and performance through FY 2025, instilling confidence in the brake business. In electric mobility, we await ARAI (Automotive Research Association of India) certification for our E-LCVs with scheduled commercial launch in the fourth quarter of this financial year. In December 2023, ACUITE upgraded our long-term and short-term bank rating to AA- and A1+, respectively, indicating enhanced credit quality and reduced default risk.

This positive assessment reflects improved financial standing, providing a stable outlook. The tailwinds for our business are likely to sustain expanding on infrastructure in the vote of account presented yesterday.

Honourable Finance Minister has indicated plans to establish three significant corridors aimed at addressing congestion issues in existing rail lines, primarily in the eastern part of the country. These commodity-specific economic rail corridors are designed to facilitate faster freight movement, reduce turnaround time, and lower logistic costs for mineral and cement corridors and a high traffic density corridor. This will be in addition to the eastern dedicated freight corridor which was completed during the quarter and undertook its first commercial service on



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November 1. In addition to this initiative, the finance minister revealed plans to convert 40,000 normal rail bogies into Vande Bharat to enhance the safety, convenience, and comfort of passengers. Furthermore, key rail infrastructure projects such as Metro Rail and Namoo Bharat will see expansion into more cities, contributing to the overall development of the country's rail network.

We anticipate a sustained growth momentum in the demand for wagon, passenger coaches and metro coaches. This continued thrust by the Government, supported by greater investments and participation by the private sector, is leading to accelerated investment into the rail sector and rapid scale-up of demand for wagons and accessories. We are well poised to capitalize on this opportunity and our optimism is grounded in an impactful partnership, cutting-edge technology, strategic global expansion, and a solid order book.

We can now take up your queries.

**Moderator:** Thank you. The first question is from the line of CA Garvit Goyal from Invest Analytics. Please go ahead.

**Garvit Goyal:** Good evening, sir. Congrats for a good set of numbers. My first question is on the commercial EV side. So, whether the testing has happened for the same? I think you mentioned some delays have happened on this side. So, what is the reason for the delay that is done? And secondly, are we still intact on selling 5,000 to 6,000 vehicles in FY25 with an approximate revenue of INR 300 crores to INR 400 crores?

**Vivek Lohia:** Yes, thank you. So, there is no delay in our rollout plan. We have always mentioned that it will be in the last quarter of this financial year, and it is as per our targets. The vehicle is currently under final certification by ARAI, and we are expecting the certification very shortly. So, in terms of the rollout, there is no delay at all. In terms of volumes, I don't think we have given any forward-looking projections on volumes. So, I think just after post-rollout only, we will be able to give any indicative volume. But right now, we have not given any volume projections.

**Garvit Goyal:** So, do we expect any kind of revenues from EVs in FY25 or it will not be there?

**Vivek Lohia:** No. If we are launching the vehicle by end of FY24, FY25 will see a good set of revenues coming in from the EV business. But however, we have not given any kind of indication on the revenue numbers.

**Garvit Goyal:** So, will it be profitable in the initial year?

**Vivek Lohia:** I think, you know, it's two forward-looking questions. I think once the rollout happens, then we will take it from there.

**Garvit Goyal:** Understood, sir. Coming to your brake system part, we are doing it via JV called DAKO and subsidiary Stone India. Can you share the ballpark order book that Stone India is having right now? What are the developments happening in their own and what is the outlook for FY25 brake system segment?



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- Vivek Lohia:** So, again FY25 outlook is very strong. As I had mentioned in my last call, we were expecting sizable order books for the LHB brake systems. We already have got an order book of about INR 115 crores from Indian Railways. And we are going to be starting the execution in the coming quarter. Again, as I have projected, the brake business in FY25, we should see revenues of anything between INR 400 to INR 500 crores.
- Garvit Goyal:** Understood. That is from Stone India. And the JV, I think it will contribute to your work online, right?
- Vivek Lohia:** No, I am talking about the brake business all put together. We are looking at a revenue of INR400 to INR500 crores in FY24. And as we have mentioned that over the next three years, we expect the business to be about INR 1,000 crores.
- Garvit Goyal:** Understood, sir. And one last question on the order book. So, we are having INR7 ,000 crores kind of orders. So, can you give a breakup in terms of what portion is.
- Moderator:** Mr. Goyal, may we please request you to return to the question queue for any follow-up?
- Garvit Goyal:** Just last question. I think it is almost completed. So, we are having order book 7,000. So, I just need the breakup in terms of wagons, commercial bodies, and CMS.
- Sanjiv Keshri:** Garvit, we would like that you send the email to us, then we will provide that. right now, we are not carrying the breakup of the order books.
- Garvit Goyal:** Okay, sir.
- Moderator:** Thank you. The next question is from the line of Mr. Balasubramanian. Please go ahead.
- Balasubramanian:** Good evening, sir. Thank you so much for taking my questions. Sir, we have raised the QIP of INR 403 crores. How much we have utilized till now and what are the plans for that? And on the capex side, how much we have spent in this quarter and how much we are focusing in the next 2 to 3 years? And we are doing capex specifically for this Jabalpur plant on the foundry side. And how much cost benefits we can expect in the next 2 to 3 years?
- Sanjiv Keshri:** Hi, Bala. We have raised the QIP around INR 403 crores and the bifurcation is already given in the PD. On the utilization side, around INR 90 crores has been utilized against this QIP amount. On the capex side, the capex is going on. But on the payment side, it has not been done to the parties because the work is under the progress.
- So, in next quarter, we will give you the exact number what the against the capex we have done. However, as per the regulation, the utilization certificate will be get uploaded within 2 or 3 days. So, you will get the details from there itself.
- Vivek Lohia:** And in terms of our capex plan, we have already mentioned that in the next 2 to 3 years, we plan to do over INR 1,000 crores of capex. And as mentioned, that will result in additional capacity of wagons. So right now, we are doing approximately 800 wagons a month.



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And our target is that with the additional capex, we will go up to about 1000 wagons. And on the brake system side also, we are expanding the brake business. So, we will be doing additional capex there.

**Balasubramanian:** Okay, Sir, on that CMS side, earlier the volumes have been restricted because of the foundry side. How can we expect an improvement on CMS side because we are doing capex on foundry side also?

**Vivek Lohia:** Yes, so as we mentioned earlier in the call, we have already undertaken a brownfield expansion on the existing foundry, which we expect to be completed in the next 3 to 4 months. I think post that expansion; you will see volumes of the CMS crossing improving significantly. Already the volumes are better, but still we are constrained on the foundry capacity.

But I think by quarter 2 FY25, you will see a significant jump in those numbers.

**Balasubramanian:** Okay, sir. Sir, what will be the railway and private mix in this quarter on the wagon side?

**Vivek Lohia:** So right now, order book is about 60-40. 40% is Indian Railways and 60% is the private order book.

**Balasubramanian:** Thank you, sir. I'll come back again.

**Moderator:** Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead, sir.

**Mohit Kumar:** Yes, good evening, sir. Congrats on a very good set of numbers, sir. My first question is on the recent tender which was put by Indian Railways and where we have got around 4,000 wagons. So, my question is why the recent tender was undersubscribed? And any comment on the competitive intensity in the tender?

**Vivek Lohia:** So honestly, we cannot speak for our competitors. So, we had bid for in the tender given the capacity which we had available since the supply had to be done in a very short period. So, we had bid for 4,000 wagons and we got that order book from Indian Railways.

**Mohit Kumar:** And any comment on the pricing?

**Vivek Lohia:** The pricing is as per our expectations, and we will continue to maintain the margins what we have projected on the pricing.

**Mohit Kumar:** Understood, sir. My second question is, sir, how do you think about the opportunities from Indian Railways, especially for the wagons for the next 6 to 12 months? And I do understand that there is one tender which is supported by the Indian Railways for the modern wagons, and which is supposed to be conducted in the month of March. Do we have the capacity to produce the modern wagons?



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**Vivek Lohia:** Definitely, we have the capacity to produce the modern wagons and we are a serious bidder in that tender. As you are aware that Tatravagonka Poprad, the leading producer of freight cars in Europe, is already our partner and a promoter in Jupiter Wagons. So, they have all the requisite technologies available. So, we are looking forward to that. And besides that, we see quite a robust demand from Indian Railways. There are two tenders right now in the pipeline for about 30,000 wagons which are ongoing.

Besides that, our expectation is that Indian Railways would require, as per their projections, would require anything between 20,000 to 30,000 additional wagons in the coming one year.

**Mohit Kumar:** Understood, sir. My last question is on the private wagon enquiry side, sir. How is the enquiry from private wagon compared to, let's say, a few quarters? I'm asking this question because the election is coming up. Is it slowing down some kind of enquiry from the private wagon side?

**Vivek Lohia:** No, we see a very robust demand from the private sector itself. And I think quarter on quarter we are seeing the demand to become more robust and our private order books have not slowed down. So, I don't think elections will have any impact on this because everybody has long term capex plans and elections will not have any impact.

And as our Honourable Prime Minister has already said that we are seeing private capital coming back in a big way. So, we don't foresee any let up on the demand.

**Mohit Kumar:** Is it right to say that the GPWI scheme contributes maximum to this private wagon order as of now?

**Vivek Lohia:** Again, I would not say it contributes maximum. But yes, there was a sizable inflow from that scheme. But besides that, also, there is a sizable demand from non-GPWI wagons.

**Mohit Kumar:** Understood, sir. Thank you and all the best, sir.

**Moderator:** Thank you. The next question is from the line of Nishant Parikh, who is an individual investor. Please go ahead.

**Nishant Parikh:** Sir congratulations on a great set of numbers. My question is regarding the 10,000 new global tender wagons that we're going to be bidding for. So, you had said in the annual report that these wagons will be more specialized in advanced nature and the average price will be higher.

I just wanted to understand what is the average utilization you're looking at and do we have any prototype of such wagons ready? That's my first question.

**Vivek Lohia:** So, yes, as I have said that these are completely different designs from what right now is flying on the Indian railways. And definitely they will have in terms of loading capacity, they will have better loading capacity. The bogies also are going to be much more modern on these wagons.



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So, as I mentioned that we are looking at being new designs and qualitative products. So, we are expecting good margins out of that order book. And again, to give any kind of margin, any further details right now on the tender would be very difficult.

**Nishant Parikh:** Correct. And one more question, sir. this order, this tender of 10,000 wagons will be given to only one player or it will be distributed among multiple players like how it happens?

**Vivek Lohia:** No, it will be given to one player, and it must be executed over five years.

**Nishant Parikh:** Okay, great. All the best for this upcoming tender.

**Moderator:** The next question is from the line of Ativ Shah, who is an individual investor. Please go ahead.

**Ativ Shah:** Hi, sir. Congratulations on a great set of numbers and thank you for the opportunity. So, I just had two questions. One is on the expansion of our wagon capacity to 1,000 wagons a month. Are we going to reach 8,000 wagons a month by the end of this financial year or is it only possible when the Jabalpur foundry comes online?

**Vivek Lohia:** No, we are going to, our target is to achieve before the Jabalpur foundry comes online. We are looking to do that. Once the Jabalpur foundry comes into line, then it can be more entrenched and then we can have much better backward integration on it.

**Ativ Shah:** And my second question was regarding wheelset manufacturing. Like you had mentioned earlier, we are seriously looking into it. So, do we have any timelines, capex plans or anything in place or is it still under strategizing phase?

**Vivek Lohia:** No, it is still under strategizing and as and when we finalize on our plans, we will announce the same.

**Ativ Shah:** That's it from my side. Best of luck.

**Moderator:** Thank you. The next question is from the line of Vikash Vijayvargiya from Acorn tree. Please go ahead.

**Vikash Vijayvargiya:** Thank you. Good evening.

**Moderator:** Yes, please.

**Vikash Vijayvargiya:** In Q2 Concall, in Kolkata, foundry capacity has increased from 2500 to 3000 metric tons and simultaneously our wagon capacity is 700 to 800 wagons. Correct?

**Vivek Lohia:** No, we are already doing 800 wagons. The idea is that we want to further enhance capacity and as I mentioned that before the end of this year, we are targeting to reach about 1,000 wagons.

**Vikash Vijayvargiya:** On the same foundry capacity of 3,000 metric tons in Kolkata?

**Vivek Lohia:** Yes.



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- Vikash Vijayvargiya:** And in the foundry in Jabalpur, is it 2,000 metric tons? Which is coming onstream in, might be 15 to 18 months. Correct?
- Vivek Lohia:** Yes.
- Vikash Vijayvargiya:** And regarding this one, EV mobility, you last time mentioned about this one is a testing schedule is a November 23. Whether it's done, sir?
- Vivek Lohia:** No, we had not mentioned November 23. We had always mentioned that the vehicle will be launched by the fourth quarter.
- Vikash Vijayvargiya:** Commercially launching is a Q4, FY24, but the testing side is a November 23.
- Vivek Lohia:** Yes, so that is as per schedule. As we have mentioned that we are awaiting final certifications from ARAI.
- Vikash Vijayvargiya:** But testing means certification is not completed? Yes, okay, testing is done at our end?
- Vivek Lohia:** Yes.
- Vikash Vijayvargiya:** And we expect a commercial launch in this quarter itself? Yes, by the end of this financial year. If it is a certification and everything goes well? Yes.
- Moderator:** Thank you. The next question is from the line of Gagandeep from Invest Analytics Advisory LLP. Please go ahead.
- Gagandeep:** Hello. Am I on?
- Gagandeep:** We are reaching a capacity of 1,000 wagons per month by FY24. That will take care for our order book in FY25. So, what after FY26? Do we have any plans related to further expansion of the wagon's capacity?
- Vivek Lohia:** Again, it is very difficult for us to comment right now, but we are enhancing our foundry capacity substantially, we are creating the pipeline for the same. So, beyond our 1,000 number, it will depend on the order flows which come in the next 2 to 3 quarters.
- Gagan Deep:** And sir, in our JV KOVIS, we did something called Hubs. Can you put some colour on it? What is the product exactly is? And how much JWL KOVIS did in the first 9 months FY24 in revenue terms in fact?
- Vivek Lohia:** Again, I don't have the numbers readily available with me. So, Hubs is part of the brake disc which we are exporting, and I think in the coming quarters we have now got substantial export order books. And the export business in the JV will see a substantial increase. And further new set of castings we will see much bigger and much more complex castings being exported out of it.



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- Gagandeep:** So, when you mentioned we are having some export orders of Hubs, so are these figures included in 7,000 order book or it is a separate figure?
- Vivek Lohia:** It is included in the 7,000-order book.
- Gagan Deep:** Okay sir. And the brake system order of INR 115 crores, that is also included in 7,000 order book?
- Vivek Lohia:** Yes, it is included.
- Gagandeep:** Thank you sir and all the best for the future.
- Moderator:** Thank you. The next question is from the line of Pankaj from Affluent Assets. Please go ahead.
- Pankaj:** Sir, in answer to one of the participants earlier, you mentioned that we are increasing our capacity from 100 wagons to 1,000 wagons. Did I hear it right?
- Gagan Deep:** No, from 800 wagons which we are doing currently, I said 1,000 wagons.
- Pankaj:** Okay, does it mean that our revenue potential increases by around 25% from here?
- Vivek Lohia:** Definitely, as the wagon production goes up, it will have an impact on the revenue.
- Pankaj:** Okay, secondly sir, just wanted to understand how sustainable our margins are, given that we are drawing around mid-teens of margins, whereas our competitors are struggling to reach even double-digit margins. So, where do we get these differential margins and that's from my side?
- Vivek Lohia:** I think that is a mix, sir. See, as you mentioned earlier, one is that we are very focused on our backward integration and efficiencies of operation. I think that's where our focus is and that's where we stand out from our competitors.
- And secondly, if you look at our order books on a continuous basis, the private order books are much bigger, and we do more specialized wagons which have higher margin profiles. And then, obviously, now we are adding much more higher technology products such as brake systems which again carry better margins in our profile. I think it's a mix of all these aspects.
- Pankaj:** And lastly, if I could squeeze in, what are other than this chapter.
- Moderator:** Sorry to interrupt. Pankaj sir, could you please return to the question queue for the follow-up question? Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.
- Parvez Qazi:** Hi, good evening and congratulations for a great set of numbers. So, two questions from my side. You said that on the wagon side, there are two tenders in pipeline from Indian Railways for 13,000 wagons. Did I get that number correct?
- Vivek Lohia:** Yes, Parvez, you got it absolutely right.



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- Parvez Qazi:** So, one tender is for the new-age wagons of 10,000 wagons.
- Vivek Lohia:** This is besides that. If you include that, it is about 23,000 wagons.
- Parvez Qazi:** Okay. So, the second tender of 13,000 wagons. I mean, is it like the 11,000-odd wagons which Railways awarded recently?
- Vivek Lohia:** It is a completely new design of wagons. The designs are separate. So, there is a tender for 12,000 wagons of that design and there are two small tenders of 500 each.
- Parvez Qazi:** And then there is obviously the new-age wagon tender of 10,000. That is in addition to these. That is in addition.
- Great. The second question is, just wanted to get some update about Stone India. How are things progressing there?
- Vivek Lohia:** So, the progress on Stone India is as per our expectations. And as we have mentioned that by the beginning of FY25, we will be commencing commercial operations in that company.
- Parvez Qazi:** Thanks. And last question for Sanjiv ji. Sir, would it be possible to get the gross debt and the cash numbers at the end of Q3? Gross debt and cash numbers at the end of Q3?
- Sanjiv Keshri:** The gross debt, if you see, we are net debt-free because the around INR 300 crores is the short-term borrowings we have right now in books. Against that, around INR 500 crores is lying on the liquid cash we have. And this is the number. So, we are net debt-free. Sure.
- Parvez Qazi:** Thanks, and all the best for future.
- Moderator:** Thank you. The next question is from the line of Anay Mittal from Invest Research. Please go ahead.
- Anay Mittal:** Sir, I will ask only one question, sir, but I would request you to spend some more time on explaining this question. See, we are not, as investors, long-term investors, we are not seeing you as a wagon manufacturer, right? As you rightly pointed out some time back that you are a mobility player, correct?
- You are transforming yourself from being a wagon manufacturer to a mobility player, right? So, I am coming from the point of de-risking your revenue model from depending on railway orders or orders from railways, to being a consistent company churning out revenue and growth on a year-over-year basis. So, what is your strategy on that, sir?
- We can see that you are entering defence, you are getting into LCV on EV side, right? So, if you can spend some time explaining how we can see you as a mobility player rather than a wagon manufacturer. Thanks.



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**Vivek Lohia:**

Thank you. I think you have highlighted most of the products. So, right now, primarily, wagon is one of our key focus areas and we see a lot of opportunity in this segment in the next 3-4 years.

We see a lot of robust demand and this segment growing year-on-year. However, on the other side, we are already into manufacturing of commercial vehicles, into manufacturing of containers and our idea is to take that business forward. So, we are launching our first line of E-LCVs, and the idea is that in the coming 1 or 2 years, we will have at least 3-4 vehicles from 1 ton payload all the way up to 5-ton payload.

So, that will give us a substantial presence in that segment and the E-LCV segment is growing at a very rapid pace. Even if you heard Honourable Finance Minister mention in the budget, it is one of the priority sectors again for the Government of India and they are very focused on developing this segment. Besides that, again, as I mentioned earlier that right now focus is to add products which have a high level of technology, and the brake business is one of the ways through which we are introducing these products.

They are not only meant for the Indian market, but they will be also exported to the global market, and we have already started that process and you will see over the next year or 2 years that a substantial part of the revenue of the company will be coming out of exports. We already have a MOU with RITES where we are already working on a lot of export tenders, and we expect results very shortly. So, the idea is that obviously it will take some time for you to see the results but in the coming year or 2 years, we expect that more than 50% of our revenues come out of non-wagon business. That is how we are strategizing ourselves as a company.

**Moderator:**

The next question is from the line of Devesh Kasliwal from Antique Stock Broking. Please go ahead.

**Devesh Kasliwal**

Sir, in the last quarter that you had mentioned that you were L1 in an export wagon order of around 600 wagons if I am not wrong and you were expecting it in this quarter. Just a follow up on that. Have you got that order and the opportunities going forward in the export business in terms of number of wagons every year or a percentage of the book?

**Vivek Lohia:**

No, we have not got that order yet but what we can understand is that it is in the final stages of deliberation. So, we expect it very shortly. Again, right now we have participated in tenders for about close to 3,000 wagon order books. So, these numbers you will see some export order books flowing soon.

**Devesh Kasliwal:**

The second question was on the container business. It has seen a regrowth in this 9-month period. If I am not wrong, you are planning to focus on other businesses. Even then how do we look at this business going forward for the next 2 years?

**Vivek Lohia:**

As I mentioned, our focus is now on specialized and high-end containers. So, that is why you see the revenues coming down, but the margins have improved. Now, it took us some time to get the prototypes approved and get the infrastructure ready for these containers.



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These are containers which are being produced in India for the first time. So, over the next financial year you will see substantial growth in this segment and now we have quite strong and robust order books. So, you will see growth as well as good margins.

**Moderator:** The next question is from the line of Inderjeet Chakraborty from Script Trading Corporation. Please go ahead.

**Inderjeet Chakraborty:** Namaste Mr. Lohia and everybody present. I just have a small clarification question which is you said that you are having this 10,000 global wagon tender. So, when would we expect that thing to be finalized? Can you please tell that? That's all.

**Vivek Lohia:** When it will be finalized, honestly you must go back to Indian Railways for that. But the tender is supposed to open sometime in February. The global tender is only supposed to open in February, but finalization is honestly not enough.

That is something which you must ask Indian Railways.

**Inderjeet Chakraborty:** I thought it was already getting finalized or something like that. No, no.

**Vivek Lohia:** It is supposed to open in February. Okay. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Mehul Mehta from Nuvama PCG. Please go ahead.

**Mehul Mehta:** Good evening team. Thanks for the opportunity. My question is in earlier response to question you answered that in terms of non-wagons business, we should be looking at about 50% of business from non-wagon business going ahead. So, is there any planning on that part to enter passenger trains as well?

**Vivek Lohia:** Definitely, that is one segment which we are looking at and we are in discussions with couple of global players. And as and when something materializes, we will be announcing that.

**Mehul Mehta:** And will it be in terms of like a JV with any player to enter passenger trains or in terms of passenger train components or it would be on both sides we can look at?

**Vivek Lohia:** So, components we are already in the component business as your aware brake system we are already supplying. We are doing certain other components such as couplers, the brake disc. So, we are looking at supplying complete train sets.

**Mehul Mehta:** Right. Okay. Thank you. And one more question last is that in terms of working capital cycle at December end, could you share like you know, debtors, creditors, and inventory numbers?

**Sanjiv Keshri:** Mr. Mehul, if you could please send the email, we will share that because this is not in the result. So, I am not carrying that number with me.

**Mehul Mehta:** Got it. Thank you. I am done.



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- Moderator:** The next question is from the line of Akash from Dalal and Broacha. Please go ahead.
- Akash:** Hello. Yes, thanks for the opportunity, sir. My question is more on our focus on our brake disc and brake system business. So, initially, you know, we had guided that, you know, both businesses combined will be generating a top line of around INR100 crores this year and will scale up to as good as INR250 odd crores next year. So, how well have we done on that front? And if you could share some colour on how these businesses will be shaping up in the coming next two years.
- Vivek Lohia:** So, what I had mentioned was that on the brake disc, we expect to do a revenue of INR100 odd crores this year and we are in lines for the same. On the brake system business, I clearly mentioned that we will be getting orders in this financial year, and which will be executing over the next financial year. And as you can see that we have already won an order book of INR100 crores. So, as I have mentioned earlier in my call, in next financial year, overall, on the brake business, we are looking at revenues of anything between INR400 crores to INR500 odd crores, of which exports also will form a sizable part.
- Akash:** Got it, sir. And the second question was relating to the new impetus that yesterday's budget gave for replacing all the normal bogies with Vande Bharat bogies. Will we benefit out of that in some way?
- Vivek Lohia:** Definitely, because we are supplying a lot of critical components as brake systems and couplers and other such components. So, it is something which we are going to benefit substantially from, and we are looking ahead for the tenders to come out for these conversions.
- Akash:** Got it. So, is our current order book on brake system pertaining to Vande Bharat?
- Vivek Lohia:** No, the current order on brake system is pertaining to the LHB coaches, but in brake disc, we already have orders for Vande Bharat. And on the brake system, our prototype is on the process of getting ready and we will be getting into that segment very shortly.
- Akash:** Got it, sir. Any guidance on how these two businesses will shape up?
- Vivek Lohia:** As I told you, in the next 3 to 4 years, we are looking at the brake business to be about a INR1,000 crores business for us. So, we are very, very bullish on this segment and again, as the rolling stock population goes up, not only the OEM business, but the replacement business as well as the maintenance business, you will see a substantial contribution coming from all these segments.
- Akash:** That's great to hear, sir. Thanks.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the management for closing comments.
- Vivek Lohia:** Thank you. I appreciate everyone's participation in today's call. The ongoing momentum in infrastructure development nationwide continues to provide a strong tailwind. The business



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outlook remains strong with a large backlog of orders for wagons supported by increasing traction in new areas. We anticipate further scaling up across business lines of brake discs and braking systems too. We look forward to interacting in the next quarter. Thank you. Thank you.

**Moderator:**

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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