



“Olectra Greentech Limited Q2 FY '25 Earnings
Conference Call”

October 25, 2024



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MODERATOR: **MR. AMAR KANT GAUR – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Olectra Greentech Limited Q2 FY '25 Investor Conference Call, hosted by Axis Capital Limited.

As a reminder, all participants' 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 “**”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amar Kant Gaur from Axis Capital Limited. Thank you, and over to you sir.

Amar Kant Gaur: Thank you, Neha. Good evening, everyone. On behalf of Axis Capital, I welcome you to the Q2 FY 2025 post results conference call of Olectra Greentech Limited.

From the Management Team we have with us Mr. B. Sharat Chandra – CFO; Mr. P. Hanuman Prasad – Company Secretary and Compliance Officer; along with teammates from Finance and Strategy.

I will now hand over the call to Mr. Sharat Chandra for his “Opening Remarks”, post which we can have the Q&A. Over to you, Mr. Sharat Chandra.

Sharat Chandra: Thank you, Amar. A warm welcome to all of you, who have joined us today for the Olectra Greentech Limited Earnings Call for the Quarter 2 '24-'25. We are taking as read the Presentation, which is put on our website along with a Safe Harbor statement thereon.

Before I talk on the key financial highlights for the 2nd Quarter, I would like to state that overall results of Quarter 2 have set the trend for the future second half of the year. And we are reasonably confident of delivering the guidance, especially with regard to the targeted volumes for FY '25. We have registered our highest ever quarterly revenue, EBITDA, and profit after tax. Till date, we have delivered 2,217 electric vehicles. I would like to present the key highlights of your company as of 30th September at a glance.

Olectra buses have successfully covered more than 28 crores kilometers across the length and breadth of the country. The strong demand continues with the company's net order book of electric buses stands at 10,503 numbers after delivering 315 buses in Quarter 2 Financial Year '25. Our focus continues on increasing our manufacturing capacity and enhancing our technology capabilities. The construction work of the new state-of-the-art plant at Sitarampur is in full swing and your company has transitioned to the new facility, as informed earlier, in quarter one.

Now I will begin with providing the key highlights:

Coming to the Consolidated Financial Year for the Quarter 2 FY '25:

On our revenue, Olectra has clocked its highest ever quarterly revenue at Rs. 523.67 crores, marking a growth of 70%, over Rs. 307.16 crores from Q2 of last year. Our EBITDA was at Rs.

85.69 crores, once again our highest ever quarterly earnings, up by 90% from Rs. 45.06 crores in Q2 last year. PAT at Rs. 47.65 crores, up by 156% from Rs. 18.58 crores in Q2 of last year.

On a standalone basis, Olectra has clocked the highest-ever quarterly revenue at Rs. 514.07 crores, versus Rs. 297.87 crores of the previous year, up by 73%. The company's EBITDA for Quarter 2 reached an impressive Rs. 83.24 crores, once again our highest ever quarterly earnings, up by 88% from Rs. 44.19 crores in Q2 last year. The PAT stood at Rs. 48.2 crores, up by 130%, from Rs. 20.99 crores in Quarter 2 last year.

So, thank you and over to the Axis team for the Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Gaurang from Utility Unified. Please go ahead.

Gaurang: Congratulations on the fantastic set of numbers. It is more than the expectations that the numbers are up. Sir my query is with related to the operational revenue which Olectra gets as a virtue of partly owning the operational firm, Evey Trans. So, I was specifically interested in BEST and MSRTC as that's where our major chunk of numbers are. So, suppose when we deliver 5,150 buses for MSRTC, and 5,100 buses for BEST, that will happen for the next year, put together that number is roughly around 10,250 electric buses.

So, my question is, Evey Trans could be operating those buses at an average of 300 kilometers per day, that is 200 kilometers for BEST and 400 kilometers for MSRTC at an average of Rs. 70 per kilometer. So, if so, am I right in projecting that the yearly revenue of Evey Trans would be around Rs. 7,856 crores for that financial year? And again, if so, I want to know what percent of this Rs. 7,856 crores will be part of Olectra's profit and loss sheet? And what would be the net margins from this operation that the company has projected? That's my question.

Sharat Chandra: Yes, Gaurav, see basically with regard to the numbers what you have quoted for Evey Trans, I think based on 10,250 numbers at Rs. 70, the turnover will be approximately whatever you have stated. So, as far as we are concerned, Olectra, just to clarify once again, so we manufacture and supply and sell the buses through Evey Trans. So, our revenue is recognized the moment we sell the bus to them. Post delivery of the buses, we take care of the maintenance for the entire project duration, which will be about 12 years. So, during the operations, based on a number of kilometers, whatever Evey Trans buses of 10,250 buses are operating, we will be generating annual maintenance service revenue, which could be approximately, say, about Rs. 5 per kilometer on average. I hope I have clarified your question.

Gaurang: So, the revenue realized for Olectra would be per kilometer Rs. 5, and what will be the net margins on this that we have projected?

Sharat Chandra: So, net margins on this will be about around 15%.

Gaurang: And my second question is related to Chennai bus tender which recently got completed, where Switch won the tender for 500 electric buses. My question is whether we participated. Because

Switch has quoted some Rs. 70 or Rs. 80 per kilometer for the non-AC and AC buses, respectively. So, did we participate? And if we did, were we like really high in the bid that we could not give it to this tender or what is the reason?

Sharat Chandra: So, one second. Just I will ask my colleague to just clarify this question.

Management /Strategy: Good evening. Evey Trans Private Limited has participated in this tender since it is a GCC tender. And from Olectra side, we have provided our bus cost and AMC cost to Evey Trans, and they have taken a call. And as per their calculation, they have bid this tender.

Gaurang: Yes, but the bids were around Rs. 74 for non-AC and Rs. 80, I think, for AC as per the article in one of the newspapers that I read. So, is it that we have lodged the competitive touch or is it because the delivery schedules were very stringent that we were not considered?

Management /Strategy I think this is as per the Evey Trans and Evey Trans calculations, we cannot comment on that.

Sharat Chandra: See, Gaurav, just to clarify, Evey Trans at the time of bidding uses manufacturing authorization form of Olectra. And based on the project metrics with regard to number of kilometers, the number of buses, the project duration, and all the scheduled trips, so we provide the tentative cost. And based on that, they bid.

Gaurang: So, probably this time there were a lot of technical specifications that were added and probably we could not probably outbid them. This is what is my understanding. Okay. Yes. Thank you. Those two questions. Thank you. Thank you for the clarification. All the best for the H2.

Sharat Chandra: Yes, thank you.

Moderator: Thank you. The next question is from the line of Yash from JM Financial Limited. Please go ahead.

Yash: My first question is on receivables. So, what sort of receivable days should we work with? And how much time will it take to liquidate the receivables? I assume it's from Evey Trans only, most of it. So, that's the first question that I have.

Sharat Chandra: Yes. See, as far as receivables is concerned, if you see the past three quarters or four quarters, the receivable is coming down. So, currently it's about five and a half months. And overall net working capital cycle is less than three months. So, we expect maybe in couple of quarters, improvement in the working capital cycle.

Yash: But will the receivable number stay elevated?

Sharat Chandra: See, as we increase our sales, the receivable numbers obviously will go up, but in terms of overall number of days, it will come down.

Yash: And what are the risks that you carry? I mean, in case of this receivable in the worst case, is there any risk?

- Sharat Chandra:** We do not foresee any risk. And the other good thing is all the contracts, new contracts, the customer, Evey Trans has secured sanctions in terms of term loan facilities. And we hope, accordingly, the working capital cycle to come down.
- Yash:** Just to delve a little on this, what is the amount of guarantees that Olectra has given to Evey Trans, if any, corporate guarantees against the loans?
- Sharat Chandra:** No, we have not given any corporate guarantees.
- Yash:** And my second question is, what is the sort of volumes we are looking at for the second half? And is the new facility which you mentioned, is it now completely running or what is the status of it if you could provide some?
- Sharat Chandra:** Yes. As communicated in the last earnings call, we have met the target for Q2. And Q1 and Q2, it's in-line with our guidance. And we are aligned and on track with our target of executing about 1,500 numbers in this financial year.
- Yash:** So, that means about 1,000 in H2 that you are targeting?
- Sharat Chandra:** Yes, that is what is the targeted volume.
- Yash:** And the new facility is up and running or what is the status of it?
- Sharat Chandra:** Yes, it is up and running. As well as partially we have started the facility, and we have shifted from the old facility. And currently, we have the capacity to meet this target.
- Yash:** And in the 2nd Quarter, what was the number from the new facility if we could give that.
- Sharat Chandra:** See, the entire numbers are from the new facility, we have delivered about 315 numbers.
- Yash:** And the last question is, what is the bid pipeline like for the next two quarters, three quarters? Any material bid pipeline that you have for the new orders?
- Sharat Chandra:** So, you are talking about new tenders?
- Yash:** Yes, new tenders.
- Management /Strategy:** Currently, we are L1 for one of the tenders. And also, we are also expecting a tender from the CESL and for the tenders which are there in pipeline, there is a tender from NW Karnataka, and we are also expecting tenders from some other new states also.
- Yash:** So, what is the quantity of the L1 that you mentioned?
- Management /Strategy::** You can say that the tenders will be about 2,000 to 3,000 buses.
- Yash:** That you are L1 in?

Management /Strategy:: L1, we are L1 for about 327 buses.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much, sir, for this opportunity and many congratulations for a good set of numbers. Sir, I just wanted to understand how we would see the ramp up in our volumes? I mean, this quarter, I think, we delivered about 315 buses; is that right?

Sharat Chandra: Yes, correct.

Deepak Poddar: Yes. So, how do we see ramp up going into third quarter and fourth quarter? And what sort of volumes are we targeting for FY '26 and '27, yes?

Sharat Chandra: Yes. As indicated earlier, Q3 and Q4 will be better than H1. So, for the target for this year it is 1,500 numbers, and next year we are targeting more than 2,500 numbers. Next financial year, you are talking about '26-'27. '26-'27 definitely will be 5,000 plus numbers.

Deepak Poddar: '27 is 5,000 plus, and '26 is 2,500 buses, right?

Sharat Chandra: We are targeting anywhere between 2,500 to 5,000 numbers.

Deepak Poddar: Because, I mean, our current order book is close to about 10,000 buses, right?

Sharat Chandra: Correct.

Deepak Poddar: And that we need to deliver over 1.5 to 2 years?

Sharat Chandra: Correct.

Deepak Poddar: So, ideally, isn't that your, I mean, delivery in FY '26 would have to be much higher than what we are indicating?

Sharat Chandra: We are actually planning to complete this 10,500 numbers in the next two financial years.

Deepak Poddar: Next two, FY '26 and '27; that's what you are saying?

Sharat Chandra: Right.

Deepak Poddar: And what are the margins one should look at? I mean, we saw some movement in your margins, right? I mean, with the increase in volume you are getting some operating leverage advantage as well. So, your margin currently is at 15.6% EBITDA margin in the 2nd Quarter. So, how should one look at the margin traction going forward?

Sharat Chandra: See, the margins quarter-on-quarter will depend on the product mix. And as we see larger volumes, when we talk about 10,000 numbers, we expect the margins to stabilize around anywhere between 10% to 12%, because we have to be in line with the competition, in line with the volumes. Because

the fixed cost will also go up, and whatever additional contributions we earn from the revenue and the fixed cost absorption will be there. And on the near-term future, the margins could be like this, what we are earning now. But over the long-term, the margins would come down in percentage terms, but in absolute numbers, as you are aware, it will be very high.

Deepak Poddar: Okay. So, what you are trying to say in the near term, this 15.5% margin can be sustainable, but as we go towards executing this entire product mix of 10,000 buses, your margins would, I mean, range between 10% to 12%.

Sharat Chandra: Yes. It all depends. See, we are working towards localization, we have been working on reduction of our raw material costs. So, that is where we are seeing better margins in this quarter. So, it all depends on various variables, which are going to be there. So, we would give the guidance around 12%.

Deepak Poddar: 12%, okay. On an average, for this 10,000 buses as a whole, right?

P. Hanuman Prasad: Correct.

Deepak Poddar: And generally, what is the realization we get per bus?

Sharat Chandra: If you look at the product mix, on average, it's about Rs. 1.5 crores.

Deepak Poddar: And how do we see the debt scenario? I mean, do we have to get more debt for executing? Because it's working-capital intensive, right, so as you increase the volume, you would need some capital for working capital. So, how are we placed there?

Sharat Chandra: As of now, we have sufficient limits to take care of the next six months to one year. And what we are seeing is, basically, our customer, Evey Trans, all the new projects, the financial sanctions or financial closures are already in place in various stages of the documentation. So, what we anticipate is, basically, our working capital requirements will not increase as all the financial sanctions and all the financial closures are completed for these two major contracts.

Deepak Poddar: So, do we expect an increase in debt going forward?

Sharat Chandra: So, as of now, basically, our debt will increase with regard to the term loan, where we have availed for the new facility. So, on utilization of this facility, we have actually a sanction of Rs. 500 crores. So, by utilizing this facility, our term debt will increase, which over a period of four to five years, we expect the repayment should happen.

Deepak Poddar: So, term debt is of Rs. 500 crores, right? Am I right?

Sharat Chandra: Yes.

Deepak Poddar: So, that will increase effective when?

Sharat Chandra: It's already in place, we have started availing in this quarter.

- Deepak Poddar:** Started availing in this quarter, okay. Understood. Fair enough. I think that would be from my side. All the very best. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Sudhakar Rao, an individual investor. Please go ahead.
- Sudhakar Rao:** I am Sudhakar from Hyderabad. Hearty congratulations for the excellent results for this quarter. I have a few questions, sir. The gross margins were very good at 15.65%. Was it due to improved operational efficiency and localization of components, or due to the composition of the type of buses delivered and restricted only to this quarter? Or whether we can expect the same margins in the future also?
- Sharat Chandra:** Yes. Thank you, Mr. Sudhakar. Basically, it's a mix of both. So, in terms of we have been working towards localization and our cost of efficiencies we are bringing in. So, that is one reason, and also the product mix. It's a combination of both which has given us this margin. And we expect, overall, if you look at the gross margins, we expect on a company as a whole between 25% to 28%.
- Sudhakar Rao:** 25?
- Sharat Chandra:** 25% to 28% the gross margins. When we talk about gross margins, I am talking about the material versus the sales.
- Sudhakar Rao:** Have you finally drawn the plans to raise equity through QIP and other things? You are going ahead with the debt only?
- Sharat Chandra:** As of now we are actually funding the project through internal accruals and debt. So, the management is yet to decide on any kind of fundraising activity. So, at an appropriate time, whenever there are internal clearances, the management is going ahead for a fundraise, we will definitely notify the shareholders.
- Sudhakar Rao:** Still, there is a possibility, even though we are almost halfway through the new project implementation?
- Sharat Chandra:** Not now, Mr. Sudhakar. Basically, as we are growing, in the future.
- Sudhakar Rao:** Okay, because you cannot say, okay. For the present project on hand with greenfield, I think you are already tied up for the debt. So, you might be mostly going ahead with that. Regarding the deliveries and your capacity, present capacity, and when the full capacity of 5,000 buses will come, there is a lot of confusion. In each con calls there is a different story I get. Last time you said that you will be doing 1,500 buses in this financial year.
- Sharat Chandra:** Correct.
- Sudhakar Rao:** But so far, the deliveries are not so promising, will you be able to reach 1,500 in this financial year?

- Sharat Chandra:** Mr. Sudhakar, actually we have given a guidance of about 300 numbers in this quarter. Against that, we have done about 315. Overall, H1, we are in line with the guidance whatever we have given for H1. And we have indicated also, H2 will be the biggest of the year. And we are confident of meeting the guidance of 1,500 numbers at this juncture.
- Sudhakar Rao:** Okay. Earlier, you said that the total capacity of 5,000 will be ready in this financial year by March. That was the last time you had said that.
- Sharat Chandra:** Yes, s, we have mentioned that.
- Sudhakar Rao:** Just now I heard you say that next year's capacity will be only 2,500. How come they do not match at all?
- Sharat Chandra:** No, no, I have not said capacity, I said the target. Capacity, we are building to 400 buses per month by the end of this financial year. What I mentioned is the target for this year is about 1,500 numbers. Next year and the next two years we will complete the order book 10500 numbers we are planning to complete within the next two financial years.
- Sudhakar Rao:** So, from April '25 onwards, sir, there can be deliveries of 400 buses per month?
- Sharat Chandra:** That is our target.
- Sudhakar Rao:** One more thing, other expenses have doubled to Rs. 12 crores from Rs. 6 crores. Any extraordinary items or any --
- Sharat Chandra:** In line with the growth in operations, in line with the growth, there is no extraordinary items, extraordinary expenses.
- Sudhakar Rao:** One more small request, sir, the financial figures in the quarter, they are given in lakhs. Considering the growing size of the business, if the figures are given in crores, it will be easier to read and understand. Please consider this if there's no law prohibiting.
- Sharat Chandra:** Yes, we will just examine and then we will discuss with our auditors and then do the needful.
- Moderator:** Thank you. The next question is from the line of Sanjay from SK Securities. Please go ahead.
- Sanjay:** Congratulations on a good set of numbers. I am very happy that this time whatever number we have committed and really you got the number, so congratulations to your whole team. My question is, you just mentioned about in H2 you are targeting delivery of around 1,000 buses. So, in Q3 what number you are targeting?
- Sharat Chandra:** The overall Q3 will be better than Q2, that much I can say as of now.
- Sanjay:** And generally, this Vahan Portal generally gives a 90% accuracy of numbers, because some numbers are not there. In October, it showed number in about single digit. So, any challenges, delay in delivery, because there is not much delivery happening in October month.

- Sharat Chandra:** I think we clarified in the past about the Vahan Portal. So, as far as olectra is concerned, we manufacture and deliver our buses to our customers. And the customer completes the other process of registering and getting the approval from the STU. And there will be a time lag between delivery and the registration. So, that is one aspect. Second is, till recently some of the states are not included in the Vahan Portal, so there could be differences because of these reasons.
- Sanjay:** Sure, I can understand. But there is no challenge in the production and delivery so far in October. It's going smoothly, right, in the new facility?
- Sharat Chandra:** Yes, it's going on smoothly in the new facility, yes.
- Moderator:** Thank you. The next question is from the line of Ritvik Gurang, an individual investor. Please go ahead.
- Ritvik Gurang:** It is that the Q2 Results are indeed amazing. And I am very happy to know that Q3 will be much better than Q2. So, congratulations on the performance of Olectra Greentech.
- Sharat Chandra:** Yes, thank you, Mr. Ritvik.
- Ritvik Gurang:** Yes. I have a question, sir. My first question is regarding the insulator business. In future, do you have any plans of demerging the insulator business into a separate entity? Because in the world of mergers and acquisitions, I see companies demerging their original business and focusing on the new business. For example, in case of Unilever, they are demerging their ice cream business into a separate entity. So, any plans of demerging the insulator into a separate entity?
- Sharat Chandra:** Mr. Ritvik, as of now, there are no intentions of demerging the insulator into a separate entity.
- Ritvik Gurang:** Because the insulator business is growing at a snail pace compared to the bus business, bus business is growing very fast. So, that is why I asked that question. And my second question is regarding the gratuity funding. I have seen your annual report where your gratuity liability has shot up from Rs. 2 crores to roughly around Rs. 3 crores. Your liability is growing. So, any plans of creating a trust and funding the liability to the trust? As you know that there are tax benefits for funding the liability.
- Sharat Chandra:** Yes. As of now, we are actually providing based on the actuarial valuation. So, as we grow we may have to deliberate this internally. As of now, we have no intentions of creating a separate trust.
- Ritvik Gurang:** Yes, I understand, sir. But you can do a part funding of the trust. And you can do a SIP and fully fund the liability.
- Sharat Chandra:** Your suggestion is noted, Mr. Ritvik. We will deliberate internally.
- Ritvik Gurang:** Maybe in two years it would be a good idea to start gratuity funding.
- Sharat Chandra:** Noted, Mr. Ritvik. Yes.

- Ritvik Gurang:** So, thank you very much, sir. I look forward for great performance of Olectra. I have been invested in September 2017, and since 2020 the time is magical for Olectra.
- Sharat Chandra:** Thank you, so much.
- Ritvik Gurang:** You are like Tesla.
- Sharat Chandra:** Thank you. Definitely with the support of shareholders we hope to reach those milestones.
- Ritvik Gurang:** Thank you very much, sir. I have no other questions.
- Moderator:** Thank you. The next question is from the line of Umashankar Mukherjee, an individual investor. Please go ahead.
- Umashankar Mukherjee:** Congrats, sir, for the great results. And I have two questions, small. One is that, apart from BYD, are you planning for any vendor for our battery technology from India? And secondly, are you targeting any small private player for our contract like apart from the transport, state transport? Any private, are you targeting small, small customers and getting orders? That's it. Thank you.
- Sharat Chandra:** Mr. Shankar, thanks for the query. Basically, we have a very long-term relationship with BYD. And currently, we are sourcing for all the STU related from BYD., I think we have indicated in the past, we have a strong R&D team and we have been working on an alternative platform and we have delivered in the past on working on an alternative platform. So, there is no such restriction as such per se.
- And with regard to private players, we have in the past, last year we have sold about 19 buses to a private player known as Fresh Bus. We continue to engage with private parties. This market is slowly picking up, the traction is yet to happen. But there are a lot of opportunities, definitely the opportunities will be much higher than the few markets, maybe in two, three years' time. So, we are working with various private customers, and we hope to finalize the contracts in the near future.
- Umashankar Mukherjee:** Sir, the follow-up question would be like, BYD I know you have a contract in 2030. But seeing the geopolitical issues across the globe, and China especially has a relation with India, so is it possible to have an alternative Indian partner, Indian manufacturer of getting suppliers for batteries to be in the safer side; is that what you are saying?
- Sharat Chandra:** Yes, definitely. Basically, in the recent past the government of India has sanctioned PLI scheme, and a few Indian companies have started in the manufacturing batteries. So, it will take another two- or three-years' time, definitely which our company will explore, based on technology and the cost and economics. So, definitely, this will help in the long term.
- Umashankar Mukherjee:** Thanks sir. For e-tippers, any update on e-tippers, any new order, e-tippers or hydrogen? Reliance, we got some news, tie-up, do you have any update on this?
- Sharat Chandra:** E-tipper, we have delivered till date about 51 numbers. We have been conducting a lot of demos and trials across various project sites. The traction is yet to happen. We expect the traction to come

in in the next six months to one year. As far your question on hydrogen is concerned, as these technologies are at a very nascent stage, we have decided to discontinue considering the current economic viability. And as we have a very huge order book, we are now focusing on completing the delivery process.

Moderator: Thank you. The next question is from the line of Nanda Padmarjun, an individual investor. Please go ahead.

Nanda Padmarjun: Thank you. Congratulations on a great set of numbers, Q2 numbers are really, really good. I have two questions. The first one is, in Q1 you updated that we sold five buses to Microsoft. Did we sell anything in Q2? If yes or no, are there any further pending orders from the same entity?

The second question is on margins, I am assuming that the rate that we fixed with Evey is fixed per bus for each of the contracts pre-signed. And over time, the industry believes that the battery rates will come down, which would mean that the overall cost should come down significantly, which implies that the margin should actually expand as we grow with time. Is there anything fundamentally wrong in my assumptions?

Sharat Chandra: Yes. Basically, you are right in saying that the battery costs are expected to come down. Yes, we also have the same expectations. As far as the margin percentage is concerned, what we gave a guidance is basically it could stabilize around 12% based on competition and volumes. And as far as we operate, I think you must be aware on cost-plus model. So, if the cost comes down, the sales price will also come down accordingly. If the cost goes up, the sales price will go up. And these are all based on mutual discussions and agreements. So, when we are talking about 10,500 numbers, there will be a mutual agreement between both the companies and accordingly the price is fixed at cost-plus.

Nanda Padmarjun: And the other question on Microsoft deliveries?

Sharat Chandra: Microsoft deliveries, we completed whatever order we had in hand, but we are still in discussion with various other parties, private customers. Maybe we will soon finalize and we are in advance stage of discussions.

Moderator: Thank you. The next question is from the line of Anil Singh, an individual investor. Please go ahead.

Anil Singh: You mentioned that by March 2025, we will have a capacity of 5,000 buses per year.

Sharat Chandra: Yes.

Anil Singh: Is it correct?

Sharat Chandra: Correct, yes.

Anil Singh: But you are giving a projection of delivery of only 2,500 buses for FY 2026.

- Sharat Chandra:** No. Basically I clarified. I will clarify again. It will be 2,500 to 5,000 numbers, anywhere between that range. And we expect to complete the existing order book in 2025-'26 and '26-'27.
- Anil Singh:** So, my question is that you are saying the capacity of 5,000 buses will be ready by March 2025. Why cannot we say with full confidence that we will be delivering 5,000 buses or 80% of the capacity, that is 4,000 buses in the next financial year? It's a huge gap, I mean, to say that. Even if you want to be conservative, 2,500 buses next financial year is a very 50% of the capacity, which we are building by March 2025 itself. I just want to get clarification whether --
- Sharat Chandra:** See, on a conservative note, 2,500 is what I have indicated, but our target is to reach anywhere between 4,000 to 5,000 numbers.
- Anil Singh:** Yes. That gives us good confidence. And we want that the positive side of the company should be spoken very openly so that we can get rid of these kinds of confusions. Second thing is, like, you are seeing that the other segment of e-truck business has already taken off, and there are many competitors who are getting the orders from different players. Are we also gearing up for that, or we are still just focusing only for delivering these e-buses, and just happy with that?
- Sharat Chandra:** No, no, we are continuing to work on the e-tippers. We have been doing a lot of demos and trials across various project sites. So, parallely, our teams are working on that, and with more priority and focus on delivering the existing order book on buses. And e-trippers are definitely there in our portfolio, and we expect orders to come in, because the traction is yet to happen in this business.
- Anil Singh:** Now, even e-truck business also is getting good traction. The government of India itself is focusing a lot on that in the next two financial years. Are we focusing for that?
- Sharat Chandra:** Yes, definitely.
- Anil Singh:** So, is there any, like, what is the capacity we will have, like, in terms of buses and trucks? Can we say that by March '26 we will have 10,000 buses capacity?
- Sharat Chandra:** We are targeting.
- Anil Singh:** And do you think that the internal accruals will be sufficient enough to build a capacity of 10,000 buses, or we will be going for the funding, fundraise?
- Sharat Chandra:** We expect the cash flows to improve significantly by doing these numbers, when we talk about 4,000, 5,000 numbers. As of now, there's no plans of any equity fund-raise. So, the debt, the sanctioned debt which we are availing now, we expect the numbers, the planned capacity to be ready for 5,000 numbers. As far as civil is concerned, we are building up the capacity up to 10,000 numbers. Whatever additional plant and machinery, balancing equipment is required, we may need maybe around Rs. 100 crores to Rs. 200 crores to increase from 5,000 to 10,000 numbers.
- Anil Singh:** Sir, recently, Government of India announced that they are looking for Rs. 1.75 lakh crores of budget for these e-buses and e-trucks. Do you think that we are just by building 10,000 buses order

book or 10,000 buses capacity, is that sufficient that we are trying to be in the Top 5 players of the country? It's way behind; isn't it?

Sharat Chandra: See, today, if you look at it, entire India, taking into consideration all the capacity of all the players, it's definitely below the market's demand and market expectations. So, we are going step by step, we are first targeting to reach 5,000 and 10,000 numbers. And if really the market demand and market expectations comes into reality, we will accordingly take a decision to increase our capacities.

Anil Singh: I think that that gives good confidence to all of us that we are gearing up for the future capacity requirement as well. Thank you very much and all the best to the entire team.

Sharat Chandra: Thank you, Mr. Anil.

Moderator: Thank you. The next question is from the line of Prithvi Bhora, an individual investor. Please go ahead.

Prithvi Bhora: Sir, I just wanted to understand what is the current localization and how do we see it over the next few years?

Sharat Chandra: As far as the localization is concerned, we have been working continuously. It's a continuous process, except the battery cells and some of the power train components, other components are localized in India. We have developed various vendors. And localization is a continuous process. What we speak today will be different after three months, six months. So, we continue to strive to localize as much as possible.

Prithvi Bhora: Correct. So, do we meet the Government of India requirements to claim for the subsidies?

Sharat Chandra: Yes.

Prithvi Bhora: My second question, if and when BYD decides to set up a manufacturing plant and sell the e-cars in India, the electric cars in India, if and when, will it be through the same company or will it be a different entity, which will be formed?

Sharat Chandra: As of now, Olectra, we are focusing on electric buses and then electric truck segment. We do not have any interest in passenger vehicles.

Prithvi Bhora: I am talking of commercial vehicles, sir.

Sharat Chandra: Correct. Even commercial vehicles, we do not have any focus. We do not have any interest as of now.

Prithvi Bhora: So, Olectra is only for e-buses and the trucks; correct?

Sharat Chandra: Yes, correct.

- Prithvi Bhora:** So, one last question from my side; I am missing the question. I will let it go if somebody would want to go ahead.
- Moderator:** Thank you. The next question is from the line of Rajiv Marthiv, an individual investor. Please go ahead.
- Rajiv Marthiv:** Sir, my first question is, what is the run rate per month from October?
- Sharat Chandra:** What is it, run rate?
- Rajiv Marthiv:** Yes, per month but manufacturing.
- Sharat Chandra:** See, next October to March we are targeting about 1,000 numbers. So, it will progress from October onwards it will go up, so that we meet the target of 1,000 numbers, this is H2.
- Rajiv Marthiv:** Now, what is the revenue projection for 2025 and '26?
- Sharat Chandra:** I could not hear. Can you repeat?
- Rajiv Marthiv:** What is the revenue projection for 2025 and '26?
- Sharat Chandra:** Next year?
- Rajiv Marthiv:** Yes, 2025, the current year. Yes, it's about 3,500?
- Sharat Chandra:** Current year, the top line we expect about 2,500.
- Rajiv Marthiv:** And next year?
- Sharat Chandra:** Next year, it will be somewhere between 5,000 to 7,000 numbers. It all depends on the volume. We are targeting about 4,000 to 5,000 numbers. Accordingly, the top line could be about 7,500 numbers, gross.
- Moderator:** Thank you. The next follow-up question is from the line of Gaurang from Unified Unity Search. Please go ahead.
- Gaurang:** So, I have a couple of questions. My first question is, the last new product that was launched was way back in April 2022, that was an electric tipper. So, my question is, are we working on any new variant of that tipper, like a trailer or something that we would be showcasing any sooner?
- Sharat Chandra:** See, we are working on a truck sides. Tippers is a dumper, so we are working on various products in fact. And in appropriate time we will be notified of it. In the truck segment itself, our R&D team has been working on various products.
- Gaurang:** So, when can it fructify, probably say another year or so, or will it take little more time?

- Sharat Chandra:** See, any R&D actually takes about two to three years, but we expect that the duration could come down.
- Gaurang:** My follow-up question is, in the AGM, Mr. KV had mentioned about battery energy storage systems. So, I feel that it's one of the upcoming segments, where there will be a lot of talk about renewable energy getting contracted and Government of India is particularly interested in it. Since renewable energy will require battery energy storage systems in huge numbers, so where have we reached in terms of battery energy storage systems? What are the current strategies planned?
- Sharat Chandra:** So, as of now, basically we have an idea. We have deliberated internally, so it is at a very, very nascent stage. At appropriate time we will revert back to the investors.
- Gaurang:** Great to know about this, but I would love to hear about this in probably the next few quarters, because I think this has some huge potential. Okay, my other question is the electric tipper that we have made is, I believe, not from the BYD technology but it's a homegrown technology within the R&D team. And it has a CATL battery; am I right on that?
- Sharat Chandra:** Yes, you are right on that part.
- Gaurang:** So, we can say that we are no more dependent on any foreign technology. We have an in-house technology, and we can use it, right?
- Management/Strategy:** Our CFO said that still we are dependent on the foreign technology for the powertrain components as well as the cells, battery cells.
- Gaurang:** My last question; so recently I read in a Mid-Day article that Megha Engineering is going to conduct this Borivali-Thane tunnel project. It is the contractor which has been finalized. And in that article it mentions that that project will require approximately somewhere around 1,200 tipper trucks, because there is a lot of soil that is going to be dug, because it's an underground tunnel. So, my question is, whether our Olectra team has been in touch with Megha Engineering team for these particular 1,200 trucks? Because I feel this is a huge opportunity, which we should cater to.
- Sharat Chandra:** From time to time, we are in discussions with Megha Engineering. As of now there is no discussion happened on the 1,200 numbers. So, it's a continuous process.
- Gaurang:** Okay, understood. I will definitely share that article with Mr. Hanuman Prasad, probably you guys can internally discuss, because I feel it's a fantastic opportunity to cater to. So, I will share that article with Mr. Hanuman Prasad.
- Sharat Chandra:** Yes. Thank you so much for your input.
- Gaurang:** That's it from my side. I wish you all good luck for the next financial year.
- Sharat Chandra:** Yes, thank you so much.

- Moderator:** Thank you. The next question is from the line of Ayush Jain, an individual investor. Please go ahead.
- Ayush Jain:** Congratulations for a good set of numbers. I want to know, how much loan amount have you utilized up to date as a term loan and as a working capital?
- Sharat Chandra:** So, as of now we have utilized Rs. 50 crores term loan.
- Ayush Jain:** How much, sir?
- Sharat Chandra:** Rs. 50 crores term loan as of now we have utilized.
- Ayush Jain:** And what about, sir, working capital, sir?
- Sharat Chandra:** Working capital, we have used about Rs. 75 crores to Rs. 80 crores.
- Moderator:** Thank you. The next question is from the line of Sanket Kelaskar from Ashika Stock Broking, Private Limited. Please go ahead.
- Sanket Kelaskar:** Thank you for the opportunity and congratulations for a great set of numbers. I just have one question. What is your growth plan for the long term with respect to being, staying ahead of the curve like with respect to your R&D or with respect to growth? For example, many of your competitors have been tied up with foreign entities in order to scale up their technologies, so on that front.
- Sharat Chandra:** Yes. Thank you, Mr. Sanket. Actually, to clarify your question, we are tied up with the world's largest EV manufacturing company, BYD. Our agreement is till December 2030. So, they invest huge money in R&D. And whatever technologies they have on their platform, we do have access. So, we have that advantage by having the strategic and technological tie-up with BYD, which is the world's largest EV manufacturing company. I hope this clarifies.
- Sanket Kelaskar:** Okay. Thank you, sir. I am having one more question. Sir, this would be the last question. I wanted to know like what kind of initiatives are we talking with respect to safety and hazardous on our vehicle?
- Sharat Chandra:** All our buses, we have basically safety as one of our key initiatives. We have our own SOPs with regard to safety. And our buses meet the highest safety standards in terms of battery and in terms of other features.
- Moderator:** Thank you. The next question is from the line of Prithvi Bhora, an individual investor. Please go ahead.
- Prithvi Bhora:** Good evening, once again. The question I missed that time, I think I just recalled. I wanted to understand if the industry works in the fashion in which currently Olectra is executing such deals like the one in Mumbai, where Olectra manufactures and sells it to a company, let's say, Evey

Trans, who then gives it to the end customer. Is this how it is across India or is it some special kind of a set up only for Olectra?

Sharat Chandra: Yes, just to clarify, NITI Aayog, when they drafted this policy and the same, they brought in the model called GCC, Gross Cost Contract model. So, under this Gross Cost Contract model, there are three parties involved. One is the manufacturer, second is the operator or owner of the fleet, third is the state transport utility, which is the end customer. So, accordingly, as per this model, not only Olectra, all the other companies also use the same stream of operations.

Prithvi Bhora: Okay, thank you. Thank you for this. I think that really helps. Thank you. That's it from my side. Thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand over the conference to the management for closing comments. Management?

Sharat Chandra: Yes, we thank all the shareholders who have participated and have been very supportive in your company's growth journey and the patience and the faith you pose in your company. We expect good growth and profitability in H2 of this Financial Year. Thank you very much.

Moderator: Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.