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To,
Corporate Relations Department
BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

BSE Scrip Code: 538970
Script ID: WARDINMOBI
Ref: Wardwizard Innovations & Mobility Limited (“Company”)

Sub: Transcript of Earnings Conference Call for the Third Quarter and Nine Months ended December 31, 2023, Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the attached Transcript of Earnings Conference Call with investors held on **Monday, 22nd January, 2024** at 16.00 HRS (IST) to discuss the Company’s Financials and Operations for the Third Quarter and Nine Months ended December 31, 2023.

Further pursuant to Regulation 46 the aforesaid Transcript of Earnings Conference Call has been made available on the website of the Company under the following link:

<https://wardwizard.in/recordings-transcripts/>

We request you to take the same on your record.

Thanking you,

For WARDWIZARD INNOVATIONS & MOBILITY LIMITED

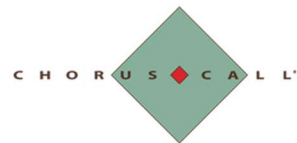
Jaya Ashok Bhardwaj

Company Secretary and Compliance Officer



“Wardwizard Innovations and Mobility Limited
Q3 FY24 Results Conference Call”

January 22, 2024



MANAGEMENT: **MR. YATIN GUPTE – CHAIRMAN AND MANAGING DIRECTOR – WARDWIZARD INNOVATIONS AND MOBILITY LIMITED**
MR. DEEPAK DOSHI – CHIEF FINANCIAL OFFICER – WARDWIZARD INNOVATIONS AND MOBILITY LIMITED
MS. JAYA BHARDWAJ – COMPANY SECRETARY AND COMPLIANCE OFFICER – WARDWIZARD INNOVATIONS AND MOBILITY LIMITED

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY24 Earnings Conference Call of Wardwizard Innovations and Mobility Limited hosted by Kirin Advisors. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors Private Limited. Thank you and over to you, ma'am.

Chandni Chande: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Wardwizard Innovations and Mobility Limited. From management side, we have Mr. Yatin Gupte, Chairman and Managing Director, Mr. Deepak Doshi, Chief Financial Officer, and Ms. Jaya Bhardwaj, Company Secretary and Compliance Officer.

Now, I hand over the call to Mr. Deepak Doshi. Over to you, sir.

Deepak Doshi: Thank you. Good evening, ladies and gentlemen. I wish you a very happy 2024. I extend my warm welcome to Wardwizard Innovations and Mobility Limited's third-quarter result conference call. Before we delve into the specifics of Q3 financial year 24, let me provide you a brief overview of Wardwizard Innovations and Mobility Limited. We are one of the leading manufacturers of electric two-wheeler and three-wheeler vehicles in India, operating under the brand name Joy e-Bike and Joy e-Rik.

Being the first listed entity on BSE in electric vehicle manufacturing, we are mainly focused on the growth potential in the Indian EV segment to provide clean and greener alternatives to the existing users of mobility. Through Joy Bikes, we have been providing a greener alternative to traditional fuel-driven bikes. We have footprints in 400 cities, 19 plus states, and union territories across India.

Joy e-Bike initiated deliveries of new electric two-wheeler, MIHOS, and electric three-wheeler Joy e-Rik from April 2023 in Gujarat and Maharashtra, and subsequently, extending to several other states across India. To date, we have undergone a restructuring that includes over 130 plus showroom distributors at the district level, aimed at boosting efficiency and enhancing our relationship with Taluka-level dealers. Since April 2023, Saif Ali Khan and Kareena Kapoor Khan have come on board as brand ambassadors for Joy Bike.

Their star power and credibility have significantly boosted our brand, fueling continued success and growth. Highlighting key launches and initiatives, we collaborated with the Dogra Regiment to establish Wardwizard's EV Center of Excellence in Ayodhya, Uttar Pradesh, offering skill development for retired army officers. Our presence at the Green Vehicle Expo showcased our entire range, emphasizing commitment to sustainable mobility.

We proudly sponsored the India Tour of Ireland 2023, renaming it the Joy E-Bike Cup, reinforcing our dedication to sports, partnership, and sustainable innovation, and furthermore, through our marketing efforts, we have secured the role of official partner for Aaj Tak News. We are happy to share with you that we are receiving a steady demand for our e-vehicles,

achieving a remarkable 70% quarter-on-quarter growth, with 9,065 units sold in Q3 of FY24. This substantial increase surpasses the sales volume of 5,328 vehicles in Q2 of FY24, and 3,522 vehicles in Q1 of FY24, reflecting a significant 51% quarter-on-quarter growth.

Our collaboration with ANS Power focuses on advancing next-generation lithium-ion cell technology and further manufacturing of Gaza sales, making a significant step to the progress of electric vehicles in India. Furthermore, the company has secured the Bureau of Indian Standards BIS certification for these sales, guaranteeing their high quality and reliability. As part of strategic initiatives, we have entered into a collaboration with Triton EV, a prominent U.S. electric vehicle manufacturer.

This collaboration will revolutionize the electric vehicle market in India and the UAE. We collaborated as manufacturing partners for Triton's battery-operated trucks, two-wheelers, and three-wheelers. Key aspects include technology transfer for hydrogen battery packs and mutual sharing of vendors and suppliers to enhance operational efficiency.

This partnership aligns with both companies' commitment to environmental sustainability and innovation in the electric vehicle industry. These developments, underpinned by a substantial 2,000-crores MOU with the Government of Gujarat, involve investments in research and development of electric two- and three-wheelers, the establishment of motor assembly, lithium-ion cell production, and development of ancillaries for raw material manufacturing.

The strategic initiatives are anticipated to create over 5,000 employment opportunities in the state, contributing significantly to both the electric mobility sector and the regional job market. Further, Wardwizard Innovations and Mobility Limited and BEEAH Group have signed an MOU in Dubai to collaborate on manufacturing electric vehicles and promoting sustainable practices. Wardwizard Innovations and Mobility, known for Joy bikes and BEEAH Group, a UAE-based waste management leader, aims to revolutionize the EV landscape in GCC countries and Africa. The primary goal of this partnership is to revolutionize the electric vehicle landscape in GCC countries and African nations.

The collaboration will focus on the production of two-wheelers, three-wheelers, and battery operated trucks, both small and large, in the UAE. BEEAH Group will provide technical support and assistance to Wardwizard Innovations and Mobility Limited, leveraging its network in the GCC and African regions to boost sales. At the 10th edition of Vibrant Gujarat Global Summit, Wardwizard Innovations and Mobility Limited revealed six concept models of electric vehicles.

The company aiming to broaden its electric vehicle portfolio with new technologies and innovations displayed two high-speed electric scooter concepts and four electric commercial vehicle concepts, including a six-seater golf cart, a garbage vehicle, an e-cart, and an e-loader vehicle. Adding to the excitement at the summit, the company also introduced cutting-edge hydrogen fuel cell and electrolyzer technology. In a move to explore alternative cell chemistry, we presented a prototype of hydrogen-based fuel cell-powered scooter, a ground-breaking step in our technological journey.

Our focus on branding and increasing market presence is consistent. Our Joy e-Bike brand achieved a remarkable fit by opening 130-plus exclusive showrooms and 750-plus touch points across India in just six months. Industry Outlook. The India Electric Vehicle market size is estimated at USD34.80 billion in 2024, and it is expected to reach USD110.74 billion by 2029, growing at a CAGR of 26.05% during the forecast period 2024 to 2029.

The reasons influencing the rise of EV are state subsidies and the continued encouragement of EV adoption among Indian private automobile owners and corporate and leasing clients. Government norms, incentives, and rebates, and awareness of e-mobility are attracting consumers to buy EVs, making EV the fastest-growing segment. The presence of a large number of lithium-ion battery manufacturers and growing investment in electric power population technology are driving the market growth for EVs.

So we see robust opportunities ahead of us and with our technological strengths and aspiration to become the leader in the two- and three-wheeler EV segment, combined with our advancements in lithium-ion cell technology and raw material manufacturing through our ancillary cluster project, we are well-positioned to leverage the opportunity and garner a higher share of overall pie. Our commitment is to deliver sustainable and innovative electric mobility solutions to the dynamic Indian market. Now let me take you through our financial performance during the reported quarter.

The Q3 financial year 2024 reported a remarkable growth in revenues and profit with steady expansion in profit margin. On a consolidated basis, our revenues for the reported quarter grew at 52% Y-o-Y to 106.3 crores with a suspended 81% Y-o-Y growth in EBITDA to 11 crores and 59% Y-o-Y growth in net profit margin to 5.4 crores. The rising volumes, along with our cost control measures, enabled us to improve our EBITDA margin to 10.6% and NPM to 5%.

We are very confident that the growth momentum will continue on the back of rising demand and various strategic initiatives taken by us. I am grateful to all my stakeholders for being a part of our growth journey and their continued support.

With this brief note, now I open the floor for question and answer.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star & 1 on their touch tone telephone, if you wish to remove yourself from the question queue you may press star & 2. Participants are requested to use handsets while asking the questions. Ladies and Gentleman we will wait for a moment while the question queue assembles. The first question is from the line of Shubham Upadhyay from The Microcap Minute. Mr. Upadhyay, please go ahead with your question.

Shubham Upadhyay: Good evening everyone. I am from The Microcap Minute. So, first of all, congratulations on a good set of numbers. So, my first question is that...

Moderator: Shubham, may I request you to use your handset?

Shubham Upadhyay: Yes, hello. I am using my handset. Can you hear me?

- Moderator:** Yes, I can hear you.
- Shubham Upadhyay:** Yes, yes. So, my first question is that recently, as the management said that they have opened 100 plus exclusive showrooms and 750 touchpoints across India. So, what kind of expansion plans are they looking in terms of the exclusive showroom opening and touchpoints in the next six months or one year horizon?
- And my second question is regarding the strategic partnership, which the company has done with Triton. So, what is the timeline for the introduction of these hydrogen battery packs into the market? Thank you.
- Yatin Gupte:** These are the only two questions right now?
- Shubham Upadhyay:** Yes, these are the only two questions.
- Yatin Gupte:** Okay. So, the first question was asked was as we have opened 100 plus distributors across India, the next six-month plan is we will be opening another 100 in these six months. And in the next financial year, the total amount would be more 150 showrooms.
- So, the 100 which we are having currently, more 100 in the next six months and more 50 in the next entire financial year. So, total number of showrooms which we will be having in the next financial year would be 250 showrooms. That would be distributor showrooms.
- The second question was the technology of hydrogen battery? Yes, we are exploring into this segment as of now. We have also showcased our first two-wheeler in India, which was hydrogen-packed two-wheeler.
- So, this is the concept two-wheeler which we have introduced. It will take another 18 months to graduate into or we can confidently say that we can be into this hydrogen battery pack. It will take next 18 months minimum.
- So, by next 18 months, we will be ready with the pack. But yes, as far as pricing is concerned, I am currently not confident at what pricing it would be. But next 18 months, we will be ready with this battery pack.
- Shubham Upadhyay:** Okay. Yes. Thank you. That answers my question. I will rejoin the queue.
- Moderator:** Okay. Thank you. And the next question is from Majid Ahamed from Smart Sync Investment Advisory Services.
- Majid Ahamed:** Am I audible?
- Moderator:** Yes.
- Majid Ahamed:** Yes. Okay. A very good set of numbers. So, my question is, number one is, what is your bifurcation of sales between three-wheelers and two-wheelers currently? And so, can I ask one by one question or I can complete this in a question and you can..

- Yatin Gupte:** Complete with your question and then we can answer?
- Majid Ahamed:** Am I audible? Hello?
- Yatin Gupte:** Yes, you are audible.
- Moderator:** Yes, sir.
- Majid Ahamed:** Yes. So, can I ask all the questions at one time or I can ask?
- Yatin Gupte:** No, you can ask me all the questions. I am noting it and then I will be answering it.
- Majid Ahamed:** Okay. That's fine. The next question that I have is, what is the bifurcation between high-speed and low-speed vehicles? And the third question that I have is, the current competitive intensity. I think I have already spoken in the earlier conference call as well.
- But today, we see a lot of big players, especially Hero Electric, Ola, Ather and other big players are there in this industry, especially in India. So, how do you see that? What are the plans and strategies they are looking for to navigate the current competitive landscape in EV market?
- That's my third question. And fourth question, I didn't really hear from the firm that you have had a joint tie-up in the US and in the UAE. So, by this synergy, what are the market projections that you are looking in the next year going forward as a company? And that are my questions where. Thank you.
- Yatin Gupte:** So, as you asked the first question, the sales, what bifurcation we have in two-wheeler and three-wheeler. So, currently, in this financial year, we would be booking our entire 100% into two-wheeler. Three-wheeler, we have very recently started the production.
- So, the figures would be minimum. So, I think 2,000 is the figure which we are looking at, that we would be selling in the segment of three-wheelers. Rest, entire category would be two-wheeler sales.
- Then high and low percentage, if you ask me. So, currently, the portfolio which we have, it's somewhere around 30% is low-speed vehicles, which we are selling, and 70% would be high-speed. This would be our bifurcation for this financial year.
- Business model which we have currently is, till last year, we were dealing only with dealers. So, we had small dealers, network of around 900 plus dealers we had. But this financial year, we have added distributor to it. So, currently, we are having around 110 distributors onboard. Under this 110 distributors, we have mapped our entire network of dealers, that is 900 dealers. So, in this dealership model, we would be working.
- There would be a distributor on district level, and below them, there would be dealers. As far as US and UAE is concerned, US, we have done an MoU with Triton, which they are into truck manufacturing. So, the MoU would be between Wardwizard and Triton to manufacture or contract manufacture trucks for them in Indian and UAE market.

And as far as UAE MoU is concerned, we have done this MoU with BEEAH, which is backed by Sharjah government, where they have agreed to give us land and infrastructure at Sharjah. We would be assembling two-wheeler and three-wheeler over there in Sharjah, and we would be selling these assembled units in African market through BEEAH.

Majid Ahamed: What about the competitive intensity?

Yatin Gupte: Pardon?

Majid Ahamed: I have also asked a question regarding the competitive intensity in the current EV landscape?

Yatin Gupte: Yes. So, competitors, you want to know the model against what we are doing against Ola and Ather?

Majid Ahamed: Yes. Even that and like what is the current market share in like, can you give any numbers on that?

Yatin Gupte: The current market share in electric, which we are enjoying is somewhere around 8% to 9%. And next financial year, I am very much confident that we will be surpassing 15%.

Majid Ahamed: That is great. So, like any competitive landscape or like how do you are planning to navigate that new product?

Yatin Gupte: So, this year what we did, we completely changed our business model. As I said, till last financial year, we were working only through small dealers. But now, we have started onboarding IC engine dealers and distributors as our distributors.

So, till now, we have onboarded 110 distributors, which are from two-wheeler background. And by end of this financial year, I am confident that we will be surpassing 150. And next financial year, we will be adding another 100. So, all these people would be from the IC engine two-wheeler segment. And below them, we would be having the dealer network. This is how we are planning to operate.

Majid Ahamed: So, last and final question. Yes. I have one more question.

Yatin Gupte: Yes.

Majid Ahamed: Can you give me the bifurcation between North Indian sales and South Indian sales?

Yatin Gupte: I didn't get your question.

Majid Ahamed: So, bifurcation between North India and sales and South India.

Yatin Gupte: Okay. You are talking about the sales between North and South, right?

Majid Ahamed: Yes.

Yatin Gupte: So, North India contributes somewhere around 60% to 65% and rest is South India.

- Majid Ahamed:** Okay. Thank you, all the very best. I think you have done great job.
- Moderator:** Thank you. And the next question is from Yashwanti Khedkar from Kojin Finvest. Please go ahead.
- Yashwanti Khedkar:** Yes. Thank you, sir, for the opportunity. And congratulations for the good set of numbers. Sir, I just wanted to understand about the EV two-wheelers and three-wheelers. Like how the registration happens on the Vahan portal and how we can get the numbers from them for the competitors also. Is it necessary for us or is it required for us to register on the Vahan or what is the criteria for the same? Am I audible?
- Yatin Gupte:** Yes. So, these are the two questions, right?
- Yashwanti Khedkar:** Hello.
- Yatin Gupte:** Hello.
- Yashwanti Khedkar:** Yes.
- Yatin Gupte:** Yes. So, EV two-wheeler and three-wheeler, anything which is high speed, whether it is in two-wheeler, three-wheeler or four-wheeler, it is mandatory to get registered on Vahan portal. So, there is a TC certificate which has been issued on each two-wheeler and three-wheeler, which has been converted in registration into the local RTO.
- So, as you stated, it is 100% requirement to get registered on Vahan portal if this two-wheeler and three-wheeler fall in category of high speed. Low speed, there is no mandatory requirement for Vahan portal.
- Yashwanti Khedkar:** Okay. And what is the criteria to define it on the high speed?
- Yatin Gupte:** So, any speed which is higher than 25 kilometres an hour falls in the category of high speed.
- Yashwanti Khedkar:** Okay. So, I just wanted to understand about the batteries which we use in our vehicles. Are we started manufacturing them with a couple of tie-ups we have for the technology?
- Yatin Gupte:** Yes, exactly. We have tie-up with two companies in technology and we manufacture our own lithium-ion cell. The name of the cell is GAJA. We have our own BIS certification for this.
- Yashwanti Khedkar:** Okay. So, we are using it only for captive consumption or we started selling it outside also?
- Yatin Gupte:** It is captive consumption.
- Yashwanti Khedkar:** Okay. And what is the life of the battery?
- Yatin Gupte:** The life of battery as of now is somewhere between 1000 charging cycles to 1300 cycle charges and we are working on a technology where we want to enhance this life to 1500 charging cycles.
- Yashwanti Khedkar:** And what is the one charging cycle is of?

- Yatin Gupte:** One charge to discharge is one cycle charge. As you use your mobile, right, you put it on charging at night. So, that is one cycle charge. That is 0% to 100% and 100% to 0% is one cycle charge.
- Yashwanti Khedkar:** And once it is charged, how many kilometres it can run?
- Yatin Gupte:** It varies as per our different models. So, it starts from 75 kilometres to 120 kilometres in two wheelers.
- Yashwanti Khedkar:** 75 to 120?
- Yatin Gupte:** Yes, 120.
- Yashwanti Khedkar:** 120. Okay. I also wanted to know, about is there three wheelers? Even the same regulation is applicable for the three wheelers also? The high speed will be registered on the Vahaan portal and the low speed will not be?
- Yatin Gupte:** Three wheelers is high speed. Exactly. It is the same criteria.
- Yashwanti Khedkar:** Okay. So, can you just help me with two things? One is the installed capacity of our two wheelers and the three wheelers separately. That is each of them. And also the installed capacity of our battery manufacturing with the installed capacity utilization for all the two segments?
- Yatin Gupte:** So, for two wheelers, our capacity is 4,50,000 vehicles in two shifts. For three wheelers, current capacity is somewhere around 18,000 to 20,000 three wheelers for a year, which we are increasing now. And as far as battery packs are concerned, currently battery packs, we are getting it assembled from two different suppliers. And the capacity which they have is somewhere around 20,000 to 30,000 units per month.
- Yashwanti Khedkar:** And what is the utilization for all the three?
- Yatin Gupte:** The utilization is for two wheelers, currently the plant is running on 5,000 units per month. For three wheelers, we have very recently started. So, it is somewhere around 500 to 600. And battery packs, again, same. It goes around 5,000 to 7,000 units per month.
- Yashwanti Khedkar:** Okay. As I said, again, one more question. I just wanted to understand what is the cost of making that unique showroom which you had open in Jaipur? And what are such showrooms you are planning to open going forward? How many in the current year, that is, by March '24? And what are plans for that?
- Yatin Gupte:** I already answered this.
- Yashwanti Khedkar:** Sorry, I might have missed on this.
- Yatin Gupte:** No problem. Okay.
- Yashwanti Khedkar:** Thank you, sir.

- Yatin Gupte:** So, no issues. 250 is the figure which we are looking by next end financial year. So, currently we are having 110 showrooms which are open. More 40 we will be adding before March and more 100 in next financial year.
- Yashwanti Khedkar:** Okay. And, sir, what is the cost of each of them? I just wanted to understand.
- Yatin Gupte:** The cost of beautification of this particular showroom is somewhere between INR8 lakhs to INR12 lakhs.
- Yashwanti Khedkar:** INR8 lakhs to INR12 lakhs. And all this plant capacity expansion will be funded from the internal sources or you are looking for some borrowed funds?
- Yatin Gupte:** No. Yes, we are borrowing funds. So, in terms of debt, we are looking to take debt and again through equity options, we are open.
- Yashwanti Khedkar:** Okay. Thank you so much. I'll join back in the queue.
- Yatin Gupte:** Thanks.
- Moderator:** Thank you. And the next question is from Yashi Lohia from The Microcap Minute.
- Yashi Lohia:** Okay. Thank you for the opportunity. So, I had one question that can you give me your future numbers? Like, what will be your future...?
- Moderator:** Hello, ma'am. May I request you to use the handset?
- Yashi Lohia:** Yes, I'm using the handset. Am I audible right now?
- Moderator:** Ma'am, your audio is not clear.
- Yashi Lohia:** Am I audible right now?
- Moderator:** Yes, ma'am.
- Yashi Lohia:** Yes. Thank you. So, I had one question that can you give us your future numbers? Like, what will be your future savings, your future EBITDA margins and your future net profit margins?
- Yatin Gupte:** So, currently what we have produced or sold are somewhere around 18,000 units. Last year, it was 36,000 units. And by March end, we are targeting that we would be closing this year by selling around 44,000 units.
- Yashi Lohia:** Okay. And what will be your increasing margins if you can say for the next two to three years?
- Yatin Gupte:** Next two to three years, yes, it would be promising because the management has taken a decision in our ancillary unit. We would be manufacturing lithium-ion batteries, battery packs, controllers, chargers, and wiring harness. So, this will help us to get down by around 8% to 10% in our costings. That would be passed on in our balance sheet or to the distributor and the end consumer. So, next year, we are confident that our margins would be increasing by 8% to 10%.

- Yashi Lohia:** Okay. And are we going to expand in the charging infrastructure too?
- Yatin Gupte:** No. As of now, we have not thought about expanding in charging infrastructure because it is an added cost. So, that's the reason we are giving portable chargers and portable batteries.
- Yashi Lohia:** Okay. And are we planning for any future expansion in other than India also?
- Yatin Gupte:** Other India, yes. Next financial year, we might open our African market and southern Asian countries. This is what we are looking at. But it will be in third quarter of next financial year.
- Yashi Lohia:** You said southern Asian countries, right?
- Yatin Gupte:** Yes.
- Yashi Lohia:** Okay. Thank you so much.
- Moderator:** Thank you. And the next question is from Tushar Sarda from Athena Investments. Over to you.
- Tushar Sarda:** Yes, thank you for the opportunity. I wanted to understand about your distribution strategy. So, these dealers are your own showrooms or they are third-party showrooms? And how does the economics of a showroom work?
- Yatin Gupte:** So now, we have our own showrooms in India. They are 22. They are company-operated showrooms. Simultaneously, now, we have revamped our sales network. So, now, we are having around 110 distributor showrooms across A-class and B-class cities. And below them are the dealers. So, we have around 850-plus dealers which are mapped under these 110 distributors, which we have recruited in this financial year.
- Tushar Sarda:** So, the dealers have a showroom or it's just a...?
- Yatin Gupte:** So, dealer is -- now the discretion is to a distributor. That's what exactly definition he would be giving for a dealer. But for us, the dealer is 500 square meters of space with minimum vehicles of 15, 15 vehicles he should have.
- Tushar Sarda:** And how much does he need to sell every month to...?
- Yatin Gupte:** So, that targets are being given to distributors, not to dealers. Because the distributors, the targets are somewhere between 60 to 80 vehicles per month. And then, that particular dealer, if he's having 10 -- that distributor is having 10 dealers under him, this target has been deployed by that particular distributor. So, we don't get into distributor and dealer network. We are more concerned towards recruiting and having good showrooms by the distributors.
- Tushar Sarda:** Okay. And how much commission do the distributors earn and how much do they pass on to dealers?
- Yatin Gupte:** If distributor is concerned, then they get somewhere around 5% and they pass on around 8%.
- Tushar Sarda:** Distributors get 5%?

Yatin Gupte: See, the total varies from 8% to 12%. So, if you consider 12%, the distributor gets 3% and rest of...

Tushar Sarda: He passes on to the dealer.

Yatin Gupte: Yes, exactly.

Tushar Sarda: And the average selling price of vehicle is how much?

Yatin Gupte: It starts from INR72,000 to INR1.25 lakhs. So, average is...

Tushar Sarda: For last quarter, what is your average?

Yatin Gupte: Last quarter, the average may be INR85,000.

Tushar Sarda: INR85,000. Okay. And this year, you said you will finish at 44,000 vehicles, right?

Yatin Gupte: Yes, 44,000.

Tushar Sarda: What is the target for next two years?

Yatin Gupte: Next two years, yes -- next year, we are confident that we would be surpassing what we are doing this month. But still, we will be touching around 75,000 to 80,000.

Tushar Sarda: And FY'26?

Yatin Gupte: '26, it may be around 1,25,000.

Tushar Sarda: Okay. And margins you mentioned will rise by 8% to 10%. Current margins are 8%, so you think it will become 10% or it will become 16%, 18%?

Yatin Gupte: No. Current margins are 8% to 12%. It varies as the variants are there. And what I said is, we would be increasing our -- in our balance sheet, we would be increasing 8% to 10%. But now, this 8% to 10% entirely will not be given to the distribution channel. Some of it, we would be transferring to our balance sheet also.

Tushar Sarda: So, it will go to what? 16%? 15%, 16%, double-digit margins?

Yatin Gupte: Yes, by 15%. Yes.

Tushar Sarda: 15%, 16%, right?

Yatin Gupte: Yes, 15% would be -- yes, 15% to 16% would be there.

Tushar Sarda: Okay. And how does your working capital cycle work? The inventory is on your books or is on the books of the distributor? They pay you or...?

Yatin Gupte: Yes, they pay us in advance.

Tushar Sarda: So, whatever inventory is there is just the factory inventory, which is all the goods and transit?

- Yatin Gupte:** Factory inventory. The FG, the finished stock.
- Tushar Sarda:** Okay. And there should be no receivables that means in the balance sheet?
- Yatin Gupte:** Yes, there are some receivables, but...
- Tushar Sarda:** But not very big, I mean...
- Yatin Gupte:** Yes, not very big, exactly, not very big.
- Tushar Sarda:** Okay. Thank you for answering my questions.
- Moderator:** And the next question -- sir, does that answer your questions?
- Tushar Sarda:** Yes, my questions are answered.
- Moderator:** Thank you, sir. So the next question is from Jay Desai from MGA Ventures. Please go ahead.
- Jay Desai:** Hi. Congratulations on your numbers. Just quickly, two, three questions. First, I'll start with, just to understand, what is the quality of the team, especially in the R&D segment?
- Yatin Gupte:** Yes, now, R&D team, which we have, we are having in two parts. That is, we have one local R&D at Vadodara and the second R&D, which we have is in Singapore. So, local R&D, which we have, it has been led by Mr. Vineet Akre, who has huge experience in electronics. And the R&D team, which is led in Singapore, has been led by Mr. Avishek. So, Avishek is a doctorate in lithium-ion technology and solar technology. So, he leads R&D from Singapore and Vineet Akre from Vadodara.
- Jay Desai:** Okay, got it. Second question is, so on your manufacturing setup, you've explained a lot of things. Just generally ballpark to achieve your numbers in the next three to five years, how much more capex or capital would you require to achieve your targets in equity? Debt, of course, you'll take for working capital, but in equity form.
- Yatin Gupte:** In equity form, the capital which would be required is somewhere around -- for next financial year, it would be around INR250 crores.
- Jay Desai:** Okay, INR250 crores, correct. Okay. And last question which I have for myself is that, of course, Ola, we all know that were going to get listed at INR60,000 crores market cap that they're aiming at, burning around INR70,000 crores-INR80,000 crores. You all have run the business very well I think INR250 crores, with a PAT number.
- Just if you have to differentiate between you all and Ola or other guys in the market, what would be that key differentiator? And secondly, in terms of the experience of riding the bike of Joy against Ola, what would be your take, why is Joy Bike superior than Ola today?
- Yatin Gupte:** So I can only say that, if you compare Ola and Joy e- Bike, I can say that we have established network after sales. So this is what differentiates between the other competitors and us. So here,

if Joy e-Bike is concerned, the complaint gets resolved in the next 48 hours. This is what I can vouch on.

Jay Desai: Okay, perfect. Because you all have built -- genuinely you all have built a very capital efficient business in a two-wheeler EV space, whereas no one has been able to scale as much as you all have built it, right, in capital efficiency.

Yatin Gupte: Yes.

Jay Desai: Rest everyone's going left, right, center.

Yatin Gupte: Exactly. So we have our biggest network in electric space as far as dealers and distributors are concerned.

Jay Desai: Okay, got it. Thank you, sir.

Moderator: Thank you. And the next question is from Ritika Jain from HNI. Please go ahead.

Ritika Jain: Am I audible?

Moderator: Yes.

Ritika Jain: Yes, thank you so much for the opportunity. So my question is, how has the partnership with Saif Ali Khan and Kareena Kapoor Khan as brand ambassador impacted the brand visibility and the market perception?

Yatin Gupte: You want to know in numbers? Because if it is you're talking about specific numbers, then I cannot say. But yes, the presence of both celebrities have added a value to our brand. As we have started the marketing campaign, the response was very good. But I cannot evaluate how it has benefited in terms of figures or numbers. But yes, the presence of both celebrities have impacted our brand in quite a good way.

Ritika Jain: Okay, thanks. So another question is that, can you highlight any upcoming technology advancement or product launches in the pipeline?

Yatin Gupte: Yes. In pipeline, we have around three, four new product launches. One in two-wheeler scooter segment. Second is in three-wheeler segment, the loader. Again, we are getting very good response for golf cart. In recent Vibrant Gujarat, we have got very good inquiries for golf cart. So these are certain variants which would be coming in the next three to four months.

Ritika Jain: Okay, fine. Now I have another question. How do you perceive the current trends in the electric vehicle industry? And what steps are being taken to stay ahead of emerging industry dynamics?

Yatin Gupte: As far as electric segment is concerned, any innovation which is made in the space of battery, that would be beneficial. Rest everything is engineering. But battery is something which if we focus on, then the advantage goes to entire EV ecosystem. So, that's the reason we have good R&D center in Singapore where we are working on lithium-ion technology and lithium-ion, and how we can replace lithium-ion with other components.

This is what we are working on. And I think in next six or eight months or a year, we will be getting very good breakthrough on this.

Ritika Jain: Okay. Thank you so much, sir.

Yatin Gupte: Thank you.

Moderator: Thank you. And the next question is from Shivam Sharma. Please go ahead.

Shivam Sharma: So my question was, currently, which city we are present in and how we are looking to expand our reach?

Yatin Gupte: I didn't get you.

Shivam Sharma: Currently, which cities we are present and how we are looking to expand our reach?

Yatin Gupte: So currently, our presence is somewhere around 61% is in rural, that is, Tier-2 and Tier-3. And in future, we would be expanding more on urban cities also. So 110 are the major locations where we are present, almost all category A and B cities. And we would be covering another more 40 locations by this March 31st. So in almost big cities, we are there.

So if you consider 110 cities, so almost all big cities we have already covered and we would be covering more 14 locations by March.

Shivam Sharma: Okay, sir. Sir, are there any capex on the card?

Yatin Gupte: Capex on?

Shivam Sharma: Are we trying any capex expenditures? Expanding, sorry.

Yatin Gupte: For distributed network?

Shivam Sharma: Yes.

Yatin Gupte: So no, the capex is not required. The reason being the distributor which is appointed. They have certain mandatory guidelines which they have to follow as far as the interiors are concerned. So each showroom, the capex requirement is somewhere around INR8 lakhs to INR10 lakhs where they have to spend for the interiors. And rest is, everything is inventory.

Shivam Sharma: Okay, sir. Thank you.

Moderator: Thank you. And the next question is from Hemanth Manakonda. It is an individual investor.

Hemanth Manakonda: Hi, sir. Good afternoon. Sir, my first question is related to your products. I have been hearing that you will be launching four wheelers as well. Maybe in the next coming months.

Moderator: Sir, may I request you to use your handset?

Hemanth Manakonda: Okay. Sir, actually I've been hearing that we are also planning to launch four wheelers maybe in the coming months. So, is that right, sir?

Yatin Gupte: Yes, four wheelers. We are exploring this particular area. And I think we would be coming with the prototype by late third quarter of next financial year.

Hemanth Manakonda: Okay. And when will be the launch, sir, for this?

Yatin Gupte: I think it will take another quarter to launch it. So, I think by next year's fourth quarter, we would be ready with the entire setup of this four wheeler plant.

Hemanth Manakonda: Okay. Sir, actually I wanted to understand. You have been doing this four wheeler business for quite some time now. And you have recently started three wheelers as well. Any reason, sir, that you wanted to do everything at once because of the small balance sheet that we have today? You are also saying that you have capacity of INR4.5 lakhs for your two wheeler itself.

And we are doing somewhere around 35 to 40, which is around 10% of your current setup. So, any reason that rather than concentrating more on two wheelers to scale it up to 4 lakh units per year, why you wanted to launch four wheelers? Why I am asking this question is, when we come to four wheeler business, all the setup has to be different.

You should have new manufacturing plant, new showrooms, new distributors. Everything will be different. So, I wanted to understand this point, sir.

Yatin Gupte: So, our major concentration this financial year would be only on two wheelers and three wheelers manufacturing. As you rightly said, we are under capacity as of now. But the setup, what we have done this financial year, that setup will help us to achieve getting production capacity to more than 50% in next financial year.

As far as four wheeler is concerned, four wheeler, yes, we will not be going aggressively. The management has decided that what we want is to launch a four wheeler which should be below 10 lakhs. So, this is what we are looking at. So, we will not be going into multiple variations or multiple models.

But it would be a single model which should be in the budget. This is what we are targeting. And if this readiness would be thereby, we would be getting this particular calculations by next three to four months. And if we are okay with it, then we can go with this particular one single model which would be below 10 lakhs.

So, for next financial year, we are very clear that we would be focusing more on two wheeler and three wheeler.

Hemanth Manakonda: Okay. And you will be selling this directly for Indian market?

Yatin Gupte: Yes, this would be for Indian market.

- Hemanth Manakonda:** And my second question is related to your ancillary cluster sir. There is some INR2,000 crores capital coming into this ancillary cluster. Can you please explain me in basic layman language what is this cluster? I have been trying to understand this.
- Yatin Gupte:** It's not only the entire 2,000 would be going for ancillary cluster. It also includes expansion of three wheeler. It also includes, if you go into four wheeler, it also includes the setup cost of four wheeler. So, it is for two wheeler, three wheeler, four wheeler and ancillary parts which would be coming or ancillary spare parts which would be coming into this particular one of the ancillary part.
- So, the investment would be going on setup of battery pack manufacturing. It would be going towards controller manufacturing setup. Again, speedometer which we have already signed an MOU with somebody. Setup of speedometer manufacturing, wiring harness manufacturing. So, this 2,000 goes to entire segment.
- It's not only focused towards only one or two components.
- Hemanth Manakonda:** So, you will be providing the infrastructure and some vendors can start their production there.
- Yatin Gupte:** Yes, we would be giving them infrastructure and electricity.
- Hemanth Manakonda:** So, will they supply only to user or they can supply to anyone?
- Yatin Gupte:** See now, currently which we would be starting with -- it would be supply for captive consumption. Later on, after one or two years, when the production capacity is set up, over and above production would be sold in open market but the price would be regulated by Wardwizard.
- Hemanth Manakonda:** Okay, you will be monitoring the prices.
- Yatin Gupte:** Exactly.
- Hemanth Manakonda:** And what kind of revenues you are expecting from this cluster for maybe 3-4 years down the line?
- Yatin Gupte:** Once this entire setup is done, which will take another two years. It is not a small journey. It is a longer journey. But yes, if this setup is done, then I think many other OEMs can get their own components from this particular cluster because we are planning to manufacture anything and everything which is required in EV ecosystem. So, I cannot forecast right now but yes, it would -- the business would be huge.
- Hemanth Manakonda:** Okay. Sir, I am coming to this Triton business. Only the assembly will happen in UAE market or everything, production, everything will happen there itself?
- Yatin Gupte:** So, it's not only assembling but they have given us tasks for developing vendors for them also. So, entire powertrain and the chaffee vendor development would be done by us for Indian market and the UAE market. So, it's not only assembly but it has many other value additions which Wardwizard would be doing.

- Hemanth Manakonda:** Okay. Sir, and my last question is related to your other businesses. Sir, I have been --
- Moderator:** Sorry to interrupt. May I request you to return for a follow-up question?
- Hemanth Manakonda:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from Ritika Khandelwal from MGA Ventures. Please go ahead.
- Ritika Khandelwal:** Yes. So, actually I was looking at the revenue numbers for the nine months and in YTD '23, we have revenue around INR188 crores and this year we have INR193 crores. That is also in the consolidated sense but if we look at standalone, it is around INR189 crores. So, there is not a huge difference in revenue. So, is there a particular reason for this?
- Yatin Gupte:** Yes, as I mentioned that in April, we started with a new business model. That's the reason if you see our first quarter and second quarter, the numbers were very less. But again, the recruitment which we have done in distributors' side, it is huge. So, we have recruited around 110 distributors from IC engine two wheeler segment.
- So, this is the huge achievement which we have done. And while this recruitment was going on, that's the reason the numbers were not good in quarter one and quarter two. And as you see quarter three, once all these distributors are on board, now you will see quarter three and quarter four on with very good numbers.
- Ritika Khandelwal:** So, this year how much you are expecting the revenue to be?
- Yatin Gupte:** So, top line this year what we are targeting is we would be surpassing INR400 crores. This is what we are overlooking.
- Ritika Khandelwal:** Okay. So, last one INR193 crores. We are expecting INR400 crores.
- Yatin Gupte:** No, no. Total 400. This is what we are. Y-T-D.
- Ritika Khandelwal:** Yes.
- Yatin Gupte:** We would be adding another INR150 crores-INR200 crores.
- Ritika Khandelwal:** Okay, okay. That's great. Thank you.
- Moderator:** Thank you. And the next question is from Niraj. He is an Individual investor. Please go ahead.
- Niraj:** Hello. I just wanted to know are we planning to come in hydrogen technology for all the products or is it specific to only few products?
- Yatin Gupte:** Sir, what we have showcased is hydrogen technology. So, we want to come into hydrogen technology, but we are not currently focused towards two-wheeler because the technology is not cheap. We cannot afford in two-wheeler. So, we have shown our presence in this field. Later on, we would be adding this particular technology in three-wheeler or four-wheeler, but not specifically in two-wheeler.

- Niraj:** Okay. What about e-cars and other products apart from two-wheelers and three-wheelers? Would we be considering hydrogen technology there as well?
- Yatin Gupte:** Not as of now.
- Niraj:** So, that would mainly be restricted in two-wheelers and three-wheelers only.
- Yatin Gupte:** No, no. We will not be using this technology in two-wheeler and three-wheeler. Yes, four-wheeler, we are quite positive that we may take this technology to four-wheeler as the costing of this particular segment is not affordable. So, it can be used in four-wheelers or heavy four-wheelers, that is buses. This is what we can explore on.
- Niraj:** Okay. In terms of market share, you said that current is 9% and we will be at 15%.
- Yatin Gupte:** In EV segment, it is currently 8% to 9% and I am confident that we will be surpassing 15% in next financial year.
- Niraj:** Next financial year, okay. I think you mentioned about current margin and future margin. Can you repeat that please? What is current margin?
- Yatin Gupte:** Current margin is what about distributors, right?
- Niraj:** Net profit margin?
- Yatin Gupte:** Net profit margin. Net profit margins, as I told that ancillary unit, we are starting our setup with ancillary units. Once this is done, we can save around 8% to 10% which can be passed on to the distribution channel and our balance sheets.
- Niraj:** Okay. By when we can expect that ancillary to start working?
- Yatin Gupte:** We have already started phase 1 and phase 2 would be in next financial year. That is next to next financial year. So, I think for next financial year, in our balance sheet, we can bring more 3% to 4% of profits. Another -- other than what we are creating.
- Niraj:** Okay. So, current year sales is INR44,000 and in next two years, we are saying we may even touch INR1.25 lakhs in the two years kind of -- any projections beyond that?
- Yatin Gupte:** No, as of now.
- Niraj:** No. Okay. Thank you. That's it from my side.
- Yatin Gupte:** Thank you.
- Moderator:** Thank you. And the next question is from Tushar Sarda from Athena Investments. Please go ahead, sir.
- Tushar Sarda:** Thank you for the opportunity again. So, you guided for INR125,000 in FY'26 and average price is INR85,000. Hopefully, it will increase in two years due to inflation.

- Yatin Gupte:** Yes.
- Tushar Sarda:** So, we can expect around INR1,000, INR1,200 core turnover with 15% EBITDA margin? Is that what?
- Yatin Gupte:** Yes.
- Tushar Sarda:** Okay. That's we can expect. And I am just looking at your website. So, there is, it says that our proud partner, Wadwizard Solutions India Pvt. Ltd. So, what is this? This is your group company? What does it do?
- Yatin Gupte:** Yes. So, that is a group company. This manufactures lithium-ion battery packs for us. Okay. And it also procures lithium-ion cells. So, as I said, we use our own lithium-ion cells that has been manufactured by Wadwizard Solutions India Pvt. Ltd.
- Tushar Sarda:** Okay. So, this is not part of the listed company? This is not a subsidiary of the listed company?
- Yatin Gupte:** It is a promoter company.
- Tushar Sarda:** Promoter company.
- Yatin Gupte:** Wadwizard Solutions India. Yes.
- Tushar Sarda:** So, when you say you will save money by manufacturing yourself, how does that work for the listed company? Because this is a separate entity, right?
- Yatin Gupte:** Yes. It's a separate entity. For example, if I am buying a battery pack from X supplier in, say, INR100, as we are saving our cost against this INR100, from Wadwizard Solutions India, we would be procuring by, say, INR90. So, this is how we are planning to save against this amount.
- Tushar Sarda:** So, Wadwizard will not make any money on what they supply to you?
- Yatin Gupte:** Yes. They will also make money. But it will not be on the higher volumes.
- Tushar Sarda:** So, why not do in the listed company itself? Why have a separate entity?
- Yatin Gupte:** Because it again requires high capital. So, I do not want to, our intention was not to burden the listed entity.
- Tushar Sarda:** Okay. Thank you.
- Moderator:** Thank you. And the next question is from Dhiraj Prasad from Mercer Consulting India Pvt Limited. Please go ahead, sir.
- Dhiraj Prasad:** Hello, sir. Good afternoon. And thank you so much for giving me an opportunity to ask questions. So, I have one question, sir, that concerns every investor. Why the promoter is continuously selling the shares in the open market? The promoter is selling to this Indian Credit Society company. And that entity is continuously dumping the shares in the open market. So, as

per the latest we are holding, the Indian Credit Society is not owning any significant percentage of the shares in the company.

Yatin Gupte: It is difficult because I am having limited knowledge against this. So, if you want, I can get back to you on this particular answer later on.

Dhiraj Prasad: Okay. Thank you so much, sir.

Moderator: Thank you. And the next question is from Yashwanti Khedkar from Kojin Finvest. Over to you.

Yashwanti Khedkar: Yes. Thanks again for the opportunity, sir. So, just wanted to understand, like we are talking about sustainability with the EV and all. But I wanted to understand that increased adoption of the electric vehicle may strain the electricity grid. So, what is your outlook on this?

Yatin Gupte: No, I didn't get your question.

Yashwanti Khedkar: So, the increased adoption of the electric vehicle may strain the electricity grid as we are dependent on the electric charge. So, what is your outlook on this?

Yatin Gupte: So, as far as electricity is concerned, I think now government has coming up with very good incentive plans in solar. So, as far as Gujarat is concerned, almost we are positive in electricity through solar. So, same way, every other state is concentrating on generating solar power. I think this can benefit and this can compensate the electricity which is being drawn by electric vehicles.

Yashwanti Khedkar: Okay. Thank you so much.

Moderator: Thank you. That was the last question. And I now hand the conference over to Ms. Chandni Chande for closing comments.

Chandni Chande: Thank you everyone for joining the conference call of Wardwizard Innovations & Mobility Limited. If you have any query, you can write to us at research at the [kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you everyone for joining the conference.

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