



TVS Motor Company Limited  
Management Call with Spark Capital  
November 28, 2022

Speaker 1

Hello.

Speaker 1

Morning Jenna.

Speaker 1

Look up to see them. Yeah, I'm able to see. I'm able to see. Ohh sure. Uh.

Speaker 2

From Spark so we have. From new  
one on we have so Saurabh and so

Speaker 2

you can just probably just give a quick introduction and.

Speaker 2

Hi, good afternoon. Thank you for taking the time to meet us and really appreciate your time. Uh  
just a quick background on

Speaker 3

you one and then we can jump into TBS. Newnan was started in

Speaker 4

2004 by Arshad Zakaria. We've  
been long term investors in

Speaker 4

India. You know one of the few  
funds that have gone through the

Speaker 4

ups and downs of the cycles over  
the last 20 odd years. You know

Speaker 3

we started as a multi asset fund  
doing public privates and real

Speaker 3

estate, but over the last 10  
years we've basically skewed

Speaker 3

towards doing.

Speaker 1

Republic marketing, investing  
and so we like to pay sort of

Speaker 1

thematics in India long term,  
sort of two to three years old.

Speaker 1

We don't really short any  
stocks. So you know ours is a

Speaker 1

long bias to India Focus fund.

Speaker 2

And you know, that's sort of a  
sort of thesis.

Speaker 2

We wanted to spend some time

with you and understanding

Speaker 3

what's happening in the two week  
space and particularly you know

Speaker 3

from your perspective how do you  
see the Ed cycle play out?

Speaker 2

And you know, just.

Speaker 3

Basically you know pick your  
brains and learn from you about

Speaker 3

the you know the two week cycle  
has been a great, great cycle I

Speaker 3

mean great industry for in India  
over the last 20 years. But the

Speaker 2

question is we into a transition  
phase and how do how do you guys

Speaker 3

see it play out over the next  
few years.

Speaker 3

Can I? Would you like to?

Speaker 3

Something. Something. Sorry,  
something urgent. So I just sent

Speaker 2

a message. Yeah, take your time.

Speaker 2

Uh, see Evie um, as we speak.

Uh, uh.

Speaker 1

The transition to EV is uh, real  
uh. Of course, there are a lot

Speaker 1

of support from the government  
side of fame and real I.

Speaker 1

But from the customer side, when  
I look at it.

Speaker 1

If I look at last three months,  
almost 10% of the scooters.

Speaker 1

From the evil side now.

Speaker 1

Lewis motors.

Speaker 2

Now, uh, it's. It's a  
combination of many things

Speaker 2

happening. One is.

Speaker 2

Any new technology?

Speaker 2

I think those people who are  
urban, especially educated, they

Speaker 3

look at it's green.

Speaker 3

It's the, it's the new.

Speaker 3

Overall, total cost of ownership  
in future will come down. It may

Speaker 3

not be coming down now, but in  
future it will come down.

Speaker 4

So my view Vietnamization is  
going to be real.

Speaker 3

Whether the numbers people are talking about is going to be at

Speaker 2

that percentage, what are the support infrastructure is going

Speaker 2

to put? What are the other?

Speaker 1

Uh, support what government is going to give.

Speaker 1

How it is going to pan out in the rural? This may be the

Speaker 3

challenges going forward, but.

Speaker 3

The inflation in the oil import.

Speaker 2

Depreciation of the currency, all these are going to put a lot

Speaker 2

of pressure on the oil prices in India. I'm not even bringing

Speaker 2

the.

Speaker 1

Uh.

Speaker 1

Uh, sustainability. I'm not even bringing the green portion of it

Speaker 1

in India now.

Speaker 1

Coming back to TV, US uh, we started the journey on EV.

Speaker 2

Almost seven or eight years back. And that is the

Speaker 3

culmination of IQ.

Speaker 3

So when we are talking today, we are working as though.

Speaker 3

The entire transition is going to be easy.

Speaker 3

OK, while I'm talking, please don't misunderstand me. That IC



Speaker 3

is all stopped, no.

Speaker 4

I see we have a strong team.

Speaker 4

They will, they will take care.

They will focus on domestic market, international market.

Even in IC, we give a maximum number of new products, new technology, new features both in domestic market and international market.

Speaker 4

But that doesn't require top management intervention at all.

Speaker 4

There are enough people who are very well trained who knows how

Speaker 4

to understand the customer, customer needs and focus on that.

Speaker 2

Here is something where all of us need to put our energy, mind including.

Speaker 1

1st is to create the product which is acceptable to the

Speaker 1

market while I'm talking IQ.

Speaker 1

I think we are. We are now  
trying to look at how do we ramp

Speaker 1

up very close to 10,000 this  
month and then take it to

Speaker 1

something like 25,000.

Speaker 2

If I have to ramp up first is  
demand, the customers would like our product and I'm very happy  
that.

Speaker 1

I could has got more than 25,000  
booking. I have closed the booking primarily because if you  
don't deliver.

Speaker 2

No customer is going to keep  
quiet because he gets restless.

Speaker 2

And we are only there in 180  
town stroke cities in India. We

Speaker 2

are not even there everywhere.

Speaker 3

So the first step is deliver the  
Q variance to the market.

Speaker 3

Because customer loves it. It  
is. It is seen as uh, all the benefits of an ice. OK, for  
example, it can.

Speaker 3

In Indian Indian usage  
condition, when you travel you will know that.

Speaker 4

Practically the entire family  
will sit on the scooper, 2 + 2 minimum. They will carry their  
baggages, good roads, bad roads, flyovers.

Speaker 4

Sometimes it is rainy, sometimes  
it is dusty, sometimes is very hot. Weather it. It varies. Even  
in India, now it is the winter. The pollution levels reach, so  
whatever you have seen in uh eyes, it gives all that, plus it  
gives a lot of connected features it gives.

Speaker 1

The digital connect, it gives  
voice assist, it gives every element of.

Speaker 4

Uh, modern? Uh.

Speaker 4

Modern requirements of any

consumer who uses this.

Speaker 4

It's my smartphone, so.

Speaker 1

We always say that it's  
smartphone and rules. OK, they

Speaker 1

want this, but they also want to  
write.

Speaker 1

OK, then we have.

Speaker 2

Faster charging facilities. We  
are also tied up with many infra companies in India.

Speaker 2

So that public charging happens  
as of now, most of the consumers are using home charging as of  
late.

Speaker 1

But as the numbers go up, I'm  
very sure and also application today.

Speaker 2

We have tied up with Amazon.  
There are there are many ecommerce companies. I think  
they will have fleets where they will have public charging, they  
will have their own charging facilities, OK. So we will have

to look at commuters, we have to look at own owned by the computer. We have to also look at those we are which are using for in my opinion utility purposes.

Speaker 3

We have also looking at.

Speaker 3

Coming up with the products in various customer categories, what you have seen is a commuter scooter. Now you will see many more products.

Speaker 3

You can look at a scooter range, motorcycle range, I think we have the best range today and each range is going for certain customer segments.

Speaker 3

Segment by segment, we are looking at what kind of EV products are required, how it has to be differentiated with the customer usage.

Speaker 2

And please understand with the V coming in.

Speaker 1

We have a huge potential to get into, not only to developing markets, also to the developer developed markets. So far most of our exports are into developing markets. Only product which is going to the developed markets is the partnership with which we are doing BMW 310 Series which is. More than 120,000 customers are

there in all markets, whether it is Europe, US, Japan. China, Australia, every developed market.

Speaker 1

This gives us an opportunity through EV. And uh, uh, one positive thing is, uh pretty confidential, uh, because we are with design and I can share with you.

Speaker 3

The next.

Speaker 3

Uh.

Speaker 4

New platform of the two Wheeler School 2 Wheeler for BMW is completely designed and developed by US.

Speaker 4

For the global markets and for us also for the months.

Speaker 4

Door.

Speaker 3

Ebie is certain EB will happen and the way we are looking at NTS is already the changes happened.

Speaker 2

OK. While I'm talking, the reality is not reality. It will be there. I will be there. Ice transition and uh, uh, motorcycles. We have to closely

study how it is going to happen.

Speaker 4

Many of the developing markets are there, African markets, I don't think it is going to be easy tomorrow because they have their own challenges. Maybe some parts of the Asian markets might change.

Speaker 1

OK. But even in Indonesia, what we are hearing is 202425.

Speaker 1

So my view next to five years are going to be in the transition points and we have made enough investments.

Speaker 2

We have hired new experts in the areas of software electronics, digitization. In addition to our strong engineering team on the electric side, because this is what is going to make the huge difference for future.

Speaker 1

I hope I have answered that.

Speaker 2

Yes. I mean, I'm gonna ask more of a generic question. As you look five years out, you have a vision for TBS in the electric space.

Speaker 3

What would be the reasons why you would not succeed? Like what are the main challenges to achieving success in your vision?

Speaker 3

Uh, I think, I think I, I, I  
don't, I I don't, uh think that

Speaker 3

uh, we will we will have any  
kind of. Challenges, uh, the risks,  
according to me, see we always focus on the customer.

Speaker 4

OK. We never start with the  
bottom line in any business.

Speaker 4

Uh, even in IQ we started giving  
something which is liked by the customer.

Speaker 1

OK. When the top line is there,  
every line will come. That has been our faith and belief and  
that has happened also. OK, I can give you 2 big analogies.  
When we invested in Indonesia, 99% is Japanese brand. We went  
to Indonesia.

Speaker 1

We created new products for the market. We did not take Indian, Indian products because the  
consumers are different, their usages are different.

Speaker 2

And we stayed here, we stayed  
there, and uh, last three years

Speaker 2

we are profitable.



Speaker 3

Now customers love our product,  
love our product, really love our product and the numbers are  
going up month after month the numbers are going up and you  
will see the Profits and the EBITDA going up  
substantially because uh and and uh for your information, when we  
started almost 30 members were from India. Today just two are  
from India. It is completely driven by the local team. That  
is our belief, so.

Speaker 4

Another example is our previous  
credit service.

Speaker 2

Well, that is an Indian example.

Speaker 3

Today, it is one of the most profitable it is. It is already the book size is all the more  
than 20,000 crores.

Speaker 2

And uh, if I look at the delinquency rate, it's the best

Speaker 2

in the industry, correct? They  
say.

Speaker 1

Doing very good.

Speaker 2

You asked about the challenges

that we face five years down the

Speaker 2

line. Today, the challenges are more on the cost side.

Speaker 3

And as far as we internally concerned, whether fame or without fame, we don't consider that as a driving factor for the growth of the industry or profitability of the company. In all our projections famous, we assume that that will not be there.

Speaker 2

When when whenever the date is fixed is that it was March 2023

Speaker 2

and the only part which is sorry that I have only one modification.

Speaker 3

And all of us started export, all of you know that we had benefits almost 14%.

Speaker 3

But every government will start supporting industries to export.

Speaker 4

Today, the same 14% is only 1 1/2% or 2%.

Speaker 4

OK. So even even from the government side when we are talking about EV transition?

Speaker 3

Today there is a huge import bill in oil. OK, that is a huge import bill.

Speaker 4

The EV transition is going to help the government as well. The import bill is going to come down steadily. OK and?

Speaker 1

Government also knows that practically the biggest thing is

Speaker 3

uh.

Speaker 1

Uh selves. And there is no cell manufacturing in India Today.

Speaker 1

It's all important, OK?

Speaker 1

For us, the BMS is designed and manufactured by us here.

Speaker 1

Selby by same way whether it is motor controller, the biggest difference between many companies and our company is our design.

Speaker 1

Do you work with partners either  
in India or outside and we have a very clear plan of design and  
development. The benefit is when the volume goes up, you, you can  
look at a common platform IBC,

Speaker 2

you can be common, we can look  
at how to leverage the cost can come down the same principles  
whatever we have used.

Speaker 1

To. To to reduce the to to  
reduce the uh.

Speaker 3

Post on one side and also to  
colonize on the other side. So

Speaker 3

this becomes a win win for the  
supply chain as well As for the country.

Speaker 4

The volume is the key. That's  
why I said I'm strategy has been

Speaker 3

00:17:23.623 --> 00:17:25.840  
customer, customer, customer  
delight.

Speaker 3

00:17:26.790 --> 00:17:30.975  
Leading to developing certain

platforms which are common for huge scale.

Speaker 2

00:17:32.690 --> 00:17:33.630

Even in the EV.

Speaker 2

00:17:34.530 --> 00:17:38.690

Then very clearly owning those

design areas where the cost can make a more from the customer side if we have to differentiate like a Jupiter 110 and Jupiter 125 and then enter.

Speaker 1

00:17:47.070 --> 00:17:48.170

OK, performance.

Speaker 1

00:17:49.030 --> 00:17:53.133

The connectivity, the kind of digitization each customer wants. For example we starting with I can only give you analogy 160 Apache 162 V 164 V 182 hundred 225 then 300 with the.

Speaker 2

So each one has got a segment, each one is focused on certain customer segments. You can see the same analogy here in the EV as well.

Speaker 1

00:18:12.570 --> 00:18:16.567

OK. That is what is going to increase the customer delight, increase the volume.

Speaker 1

And this is going to help us to  
work with the supply chain to control the cost and reduce the  
cost.

Speaker 4

And according to me.

Speaker 1

00:18:30.770 --> 00:18:33.863

But government will find a way  
of supporting this industry transition.  
Because they did in their own  
interest, this is required.

Speaker 2- Import Bill has to come down,  
means some other thing has to

Speaker 2 : go

Speaker 1 --> 00:18:50.164

OK, I understand that. Like what  
what I'm trying to understand is

Speaker 1 --> 00:18:50.790

or guesses.

Speaker 1

00:18:51.790 --> 00:18:54.955

There are a few assumptions that  
go into what do you think the

Speaker 2

00:18:54.955 --> 00:18:55.810

future will hold?

Speaker 3

00:18:56.910 --> 00:19:00.402

But which are the assumptions  
that are very critical for this

Speaker 4

00:19:00.402 --> 00:19:03.500

to be true? That's what I'm  
trying to understand like.

Speaker 1

00:19:04.570 --> 00:19:08.270

Is like, is what is the risk to  
this vision being true like?

Speaker 2

00:19:09.630 --> 00:19:14.288

See, there are there are two,  
three. The biggest, biggest risk

Speaker 3

00:19:14.288 --> 00:19:15.620

I'm seeing is the.

Speaker 4

00:19:17.190 --> 00:19:18.660

Semiconductor availability.

Speaker 1

00:19:19.910 --> 00:19:23.440

OK. What's the biggest risk is  
getting constant demand.

Speaker 2

00:19:23.440 --> 00:19:27.223

Fortunately demand is there. If  
you give a good product, EV

Speaker 3

00:19:27.223 --> 00:19:31.258

customers are saying I can come  
and buy, we are only present in

Speaker 4

00:19:31.258 --> 00:19:35.230

180. When I go All India, the  
demand can be much, much higher.

Speaker 1

00:19:35.970 --> 00:19:39.085

And we have the capability of  
with the products now from the

Speaker 2

00:19:39.085 --> 00:19:39.750

ramp up side.

Speaker 3

00:19:40.940 --> 00:19:42.950

I need to get the parts on time.

Speaker 4

00:19:43.750 --> 00:19:48.230

Or ahead of time? How do we work  
with this suppliers? How do we

Speaker 4 --> 00:19:49.980



give them the confidence?

Speaker 4

00:19:50.700 --> 00:19:54.713

That because some of them are  
very big suppliers on the last

Speaker 4

00:19:54.713 --> 00:19:58.924

one year meeting them, meeting  
their CEO's and they're visiting

3a377328-b39e-4b32-95c0-86873158d9c4-2

00:19:58.924 --> 00:20:03.201

here, they've seen that TV is a  
very, very serious player in the

Speaker 4

00:20:03.201 --> 00:20:04.320

two Wheeler side.

Speaker 1

00:20:06.180 --> 00:20:10.140

So they have started now looking  
at how do we have a have a very

Speaker 1

00:20:10.140 --> 00:20:13.857

clear agreement with you on  
three years, five years, how can

Speaker 1

00:20:13.857 --> 00:20:14.710

we supply you?

Speaker 2

00:20:15.360 --> 00:20:19.188

So I think it is again demand customer delight and they're getting the confidence and putting, uh, the capacities to to get the semiconductors. So if you ask me that is 1.

Speaker 2

00:20:28.110 --> 00:20:31.190

How do we get it and what kind of challenges?

Speaker 2

00:20:32.760 --> 00:20:37.690

Second, second, I don't think it is a risk.

Speaker 3

00:20:38.800 --> 00:20:41.555

Our own opportunity to get into this developed markets and

Speaker 3

00:20:41.555 --> 00:20:43.050

developing markets in a big way.

Speaker 4

00:20:44.020 --> 00:20:47.284

OK. There may be some localization requirements, OK,

Speaker 4

00:20:47.284 --> 00:20:50.980

because any market and EV when  
you go there, they might say

Speaker 4

00:20:50.980 --> 00:20:54.552

this content has to be local  
because every market has got certain benefits.

Speaker 2

00:20:56.470 --> 00:21:01.348

So how do we establish that? How  
do we, how do we make sure that

Speaker 2

00:21:01.348 --> 00:21:03.750

that we get on time this may be?

Speaker 1

00:21:04.400 --> 00:21:08.772

I won't say that these are these  
are timeline. You know normally

Speaker 1

00:21:08.772 --> 00:21:12.674

any timeline there could be a  
delay of up to three months

Speaker 1

00:21:12.674 --> 00:21:13.280

possibly.

Speaker 2

00:21:13.970 --> 00:21:16.360

OK. I'm saying from the Indian

experience also.

Speaker 2

00:21:18.280 --> 00:21:21.530

Uh #3 uh.

Speaker 3

00:21:23.100 --> 00:21:26.467

The current political,  
geopolitical situation, which is

Speaker 3

00:21:26.467 --> 00:21:27.910

applicable to everybody.

Speaker 4

00:21:29.040 --> 00:21:33.160

OK. And geopolitical situation,  
why do I say that? Because the

Speaker 4

00:21:33.160 --> 00:21:36.692

raw material for the EV are  
specifically available in

Speaker 4

00:21:36.692 --> 00:21:37.870

certain countries.

Speaker 1

00:21:38.600 --> 00:21:41.030

So they can use it to their  
advantage.

Speaker 1

00:21:42.180 --> 00:21:45.080

OK. And that can create some challenges?

Speaker 2

00:21:45.850 --> 00:21:47.060

But fortunately.

Speaker 2

00:21:48.340 --> 00:21:52.615

We are also deerskins that we are not a single country

Speaker 2

00:21:52.615 --> 00:21:57.512

dependent. For example, we we used to import from China almost

Speaker 2

00:21:57.512 --> 00:21:58.290

20 to 23%.

Speaker 3

00:21:59.590 --> 00:22:01.920

Now our report from China is less than 4%.

Speaker 3

00:22:02.640 --> 00:22:05.659

But it has happened over A8 quarter. You can't do it like

Speaker 3

00:22:05.659 --> 00:22:05.920

this.

Speaker 4

00:22:07.240 --> 00:22:07.600

You know.

Speaker 3

00:22:08.610 --> 00:22:12.755

You can't do that. You need to  
have a either a local. Which

Speaker 1

00:22:12.755 --> 00:22:16.969

country is your biggest? Uh uh  
where do you import from? The

Speaker 1

00:22:16.969 --> 00:22:21.183

which is the country which is  
the largest import now the now

Speaker 1

00:22:21.183 --> 00:22:24.499

the import. The biggest in EV is  
only the cell.

Speaker 2

00:22:25.970 --> 00:22:29.975

Only the same all the remaining  
I have either they have got

Speaker 2

00:22:29.975 --> 00:22:30.910

facility here.

Speaker 3

00:22:32.160 --> 00:22:36.258

OK, even in cell there are many people as a part of the PLA,

Speaker 3

00:22:36.258 --> 00:22:40.222

they are, they are going to be here in India. They are all

Speaker 3

00:22:40.222 --> 00:22:42.910

committing supplies sometime 2024-2025.

Speaker 1

00:22:44.030 --> 00:22:47.548

OK, if 2024 and 2025 happens, that will be brilliant.

Speaker 1

00:22:47.548 --> 00:22:48.200

Brilliant.

Speaker 4

00:22:51.120 --> 00:22:53.580

And but the batteries are still lithium-ion or?

Speaker 4

00:22:54.770 --> 00:22:56.200

What is this video?

Speaker 2

00:22:58.640 --> 00:23:00.300

Yeah, we only deal with the  
lithium.

Speaker 1

00:23:03.300 --> 00:23:05.510

But that source continues to be  
China, correct?

Speaker 1

00:23:06.250 --> 00:23:09.632

No, no, there are. There are  
other than China. There are

Speaker 1

00:23:09.632 --> 00:23:10.700

plenty of sources.

Speaker 2

00:23:11.940 --> 00:23:15.847

For example, there are there are  
sources from North Korea, there

Speaker 2

00:23:15.847 --> 00:23:17.230

are sources from Latta.

Speaker 1

00:23:18.710 --> 00:23:23.103

China is also uh there, but uh,  
uh as of now. And the Indian



Speaker 1

00:23:23.103 --> 00:23:27.640

forces are supposed to be 2024  
and 2025. They may buy some raw

Speaker 1

00:23:27.640 --> 00:23:31.529

materials from different  
different countries. I don't

Speaker 1

00:23:31.529 --> 00:23:34.050

think they will source from  
China.

Speaker 4

00:23:35.720 --> 00:23:38.730

Yeah. So who they may source in  
China because?

Speaker 4

00:23:41.350 --> 00:23:45.468

India was starting from exile,  
which is a battery manufacturer.

Speaker 2

00:23:45.468 --> 00:23:48.750

They have a big, big facility.  
They are investing.

Speaker 2

00:23:49.450 --> 00:23:51.650

Tata Green is also planning to  
do.

Speaker 2

00:23:52.300 --> 00:23:53.870

Reliance Group is planning to do.

Speaker 1

00:23:54.570 --> 00:23:57.966

I'm talking about the big people, Big Brothers. There are

Speaker 1

00:23:57.966 --> 00:24:01.656

a lot of small ones, including other group company, Lucas, UH.

Speaker 1

00:24:01.656 --> 00:24:04.350

They are also trying for some technology, so.

Speaker 2

00:24:05.300 --> 00:24:09.708

My view, three to five years there will be, uh, you know, NMC

Speaker 2

00:24:09.708 --> 00:24:12.410

LFP's different type of technologies.

Speaker 3

00:24:14.270 --> 00:24:19.267

All of these are possible, so if

you are successful next couple

Speaker 3

00:24:19.267 --> 00:24:24.031

of years, you will have more  
options in 2025 onwards even in

95f8d86c-376f-4a51-a02e-b6888d9f7eb4-2

00:24:24.031 --> 00:24:24.500

India.

Speaker 4

00:24:26.190 --> 00:24:29.470

When we started motor, for  
example, we had only one

Speaker 4

00:24:29.470 --> 00:24:30.480

supplier, Bosch.

Speaker 1

00:24:31.190 --> 00:24:34.342

OK. Yeah. Today already there  
are three suppliers in India

Speaker 1

00:24:34.342 --> 00:24:34.770

already.

Speaker 2

00:24:37.750 --> 00:24:41.762

So the rate of speed of change  
and the agility, what you see in

Speaker 2

00:24:41.762 --> 00:24:44.020

this space is excellent,  
excellent.

Speaker 1

00:24:48.960 --> 00:24:52.960

And just sort of now moving back  
a bit to the overall company.

Speaker 1

00:24:53.830 --> 00:24:58.428

Um, I think you guys are doing a  
fantastic job in, you know, the

Speaker 1

00:24:58.428 --> 00:25:01.470

EV space and also the the higher  
CC bikes.

Speaker 2

00:25:03.720 --> 00:25:06.428

You know, as everyone from the  
outside, we always look at it

Speaker 2

00:25:06.428 --> 00:25:06.650

like.

Speaker 2

00:25:07.260 --> 00:25:07.880

The.

Speaker 3

00:25:09.160 --> 00:25:12.813

For TV's, margin expansion is  
always the key. You know, game

Speaker 3

00:25:12.813 --> 00:25:16.586

you started to do well over the  
last, you know, two years, how

Speaker 3

00:25:16.586 --> 00:25:20.359

sustainable and how, how much  
more room is there to run there.

Speaker 3

00:25:22.290 --> 00:25:25.573

Uh, you can, you can move a  
little bit to to to right side

Speaker 3

00:25:25.573 --> 00:25:27.020

because you can see, yeah.

Speaker 1

00:25:29.370 --> 00:25:33.171

Yeah. Well, our our, uh, first  
of all, let me let me make it

Speaker 1

00:25:33.171 --> 00:25:35.540

clear. We are not ours to  
margin, OK?

Speaker 1

00:25:38.080 --> 00:25:41.110

OK, because, uh, because I have.

I have met many people.

Speaker 1

00:25:42.030 --> 00:25:45.361

We I think you used the right  
word, sustainable. I think what is most important is.

Speaker 4

00:25:47.550 --> 00:25:51.465

Uh, we always look at the win, win, win, win for all the partners. You know, customer  
first is customer, you have to

Speaker 4

00:25:55.587 --> 00:25:59.984

have brands which are delighting  
the customer and any any brand which does 25,000, I'm saying  
from empirical control, you know

Speaker 4

00:26:04.312 --> 00:26:05.480

25,000 per month.

Speaker 1

00:26:06.460 --> 00:26:10.301

That will be successful for a for a company from the point of view of supporting the brand and  
growing the brand from the

Speaker 1

00:26:14.019 --> 00:26:17.984

supplier side, the investments  
whatever they have made and also

Speaker 1

00:26:17.984 --> 00:26:21.826

from the dealer side because

25,000 which is divided into all the dealers.

Speaker 3

00:26:23.500 --> 00:26:26.610

OK, so today.

Speaker 2

00:26:27.530 --> 00:26:31.109

40 years back and now we have

Apache, we have of course I'm,

Speaker 2

00:26:31.109 --> 00:26:34.689

I'm, I'm more proud has been

there throughout. OK, Robert is a unique unique brand.

Speaker 1

00:26:36.780 --> 00:26:40.762

I always say that it is going to

the uh every day. Somebody wants

Speaker 1

00:26:40.762 --> 00:26:44.443

to get \$2.00 three dollars and

build his family. It's like a

Speaker 1

00:26:44.443 --> 00:26:47.882

community development. It's a

massive, massive community development of the Indian market

and many markets we have seen

Speaker 1

00:26:51.684 --> 00:26:55.304

because he starts earning the  
\$2.00, three dollars. Then he

Speaker 1

00:26:55.304 --> 00:26:58.985

buys one more Muppet. Then he  
puts education first. He takes

Speaker 1

00:26:58.985 --> 00:27:02.424

care of his basic needs and  
education of the children. I

Speaker 1

00:27:02.424 --> 00:27:05.743

have more pet customers who have  
put their children to engineering and it.

Speaker 2

00:27:07.060 --> 00:27:10.977

And doctors and they are very  
proud saying that thanks to this

Speaker 1

00:27:10.977 --> 00:27:15.082

Muppet I'm able to build this is  
like a self-employment everyone.

Speaker 1

India in India starts with a  
moment first I think. OK, so



Speaker 1

that brand even now we are  
selling almost 40,000 forty

Speaker 1

00:27:22.109 --> 00:27:22.420  
5000.

Speaker 2

00:27:23.090 --> 00:27:23.510  
OK.

Speaker 2

00:27:25.050 --> 00:27:30.050  
Uh, the new brands, if I look at  
it, Apache and talk.

Speaker 3

00:27:30.700 --> 00:27:31.500  
Jupiter.

Speaker 4

Radio reader which was launched  
during the the Pandemic Raider

Speaker 4

Twitter 125 OK then HL series in  
the in the international market,

Speaker 4

we don't sell any X in India, it  
is only for the African market.

Speaker 1

OK, we do more than 50,000 numbers, 60,000 numbers only in that brand TV S King is 3 Wheeler. OK now I'm very sure IQ

Speaker 1

will be part of the 25,000 club by March. I'm very, very concerned. So. Most important is creating a sustainable pipeline and growing ahead of the industry.

Speaker 2

That is there. Now once you get that then every element get amortized for higher and higher volume.

Speaker 2

We don't require extra people in the ice space, OK? We are now transferring and building a very strong team in the EV space.

Speaker 3

OK, many of the ice people definitely there are there are specific things like software, digital, you need electronics engineers, you need motors controllers.

Speaker 4

OK, but there is a chassis, there is a seed, there is a external uh design, there are clusters. These are all common with ice. So, so we are, we are now in the in the organization transformation of how do we liberate some of the core competent people more and more to the EV space, to the new technology space.

Speaker 4

Marketing cost you have seen. Year after year, it is coming.

Speaker 1

With going up volume, we are able to also colonize, we are able to also get better. Earlier we used to have only one

Speaker 1

00:29:12.430 --> 00:29:16.021

supplier. Now we have inducted the second supplier because the

Speaker 2

00:29:16.021 --> 00:29:19.670

moment you have you know second supplier you can always get the scale benefits and you are able to get also from the increment.

Speaker 3

00:29:23.318 --> 00:29:26.568

So these are all proven theories and whatever the margin expansion you are seeing, you will continue to see, you will continue to see. OK, please understand even last quarter with higher volume of EV, we are at 10.2.

Speaker 4

And Evie, we don't make, we make a positive contribution but not in line with the ice because there's investment. You know we are, we are, we are going step by step. So with TV possibly we may be only company which is expanding our margins and it will continue, this journey will

continue because I'm pretty confident that we will grow ahead of the industry. My only simple if you were here you could have visited the plant.

Speaker 4

00:30:01.370 --> 00:30:04.607

The only simple principle is we have to grow ahead of the industry every month.

Speaker 4

00:30:06.970 --> 00:30:08.350

And and.

Speaker 4

00:30:08.980 --> 00:30:11.623

We don't give credit. It is all cash and carry even in the domestic market.

Speaker 1

00:30:13.130 --> 00:30:15.120

My competitors are still on credit.

Speaker 1

00:30:16.140 --> 00:30:16.590

OK.

Speaker 2

00:30:17.730 --> 00:30:20.753

Of course, they always complaints to me when we give credit, we also get some interest which goes into our EBITDA. OK, now it is not there.

Speaker 3

00:30:26.970 --> 00:30:28.450

And our principle is?

Speaker 1

00:30:29.100 --> 00:30:30.630

25 to 30 days of stock.

Speaker 1

00:30:31.630 --> 00:30:32.490

Not more than that.

Speaker 1

00:30:33.470 --> 00:30:36.650

So the dealers, if they have to invest, they have to will.

Speaker 1

00:30:37.640 --> 00:30:41.848

My sales guy said don't get into credit the remove the credit

Speaker 1

00:30:41.848 --> 00:30:44.020

because I I lose my flexibility.

Speaker 2

00:30:45.070 --> 00:30:48.231

And our flexibility nothing you give whatever wanted and not

Speaker 2

00:30:48.231 --> 00:30:50.720

wanted to the dealer, now that is not possible.

Speaker 2

00:30:52.020 --> 00:30:55.636

Dealer decides based on the full

Leisa decides what is demanded

Speaker 2

00:30:55.636 --> 00:30:56.540

by the customer.

Speaker 2

00:30:58.710 --> 00:31:02.122

So we work in a very clear pull

system across the channel. You

Speaker 2

00:31:02.122 --> 00:31:05.317

can talk to some of our dealers,

you can visit some of our

Speaker 2

00:31:05.317 --> 00:31:06.780

competitor dealers as well.

Speaker 2

00:31:08.440 --> 00:31:12.006

Again, from the point of view of

the customer, because when we

Speaker 2

00:31:12.006 --> 00:31:15.573

get into a restaurant, we want a

crispy dosa, right? We want a

Speaker 2

00:31:15.573 --> 00:31:18.970

crispy Vada. We don't want three  
days back, four days back.

Speaker 2

00:31:21.100 --> 00:31:25.305

Even when I say 25 days talk,  
there are dealers, there are

Speaker 2

00:31:25.305 --> 00:31:27.230

grants which maybe 40 days.

Speaker 2

00:31:28.800 --> 00:31:30.040

So from the consumer.

Speaker 2

00:31:31.220 --> 00:31:33.600

You know when they buy a water  
bottle, they look at the

Speaker 2

00:31:33.600 --> 00:31:35.130

manufacturing date and expiry  
date.

Speaker 2

00:31:36.570 --> 00:31:40.441

That is the sensitivity keep  
bringing down, you know, fresh

Speaker 2

00:31:40.441 --> 00:31:43.410

vehicles should be available to  
the customer.

Speaker 2

00:31:45.620 --> 00:31:46.810

So we work with.

Speaker 2

00:31:48.150 --> 00:31:50.524

It's a complete, complete, full  
system, both in domestic and

Speaker 2

00:31:50.524 --> 00:31:51.070

international.

Speaker 2

00:31:52.370 --> 00:31:56.132

OK. And the real real fact is  
you have to sell to the

Speaker 2

00:31:56.132 --> 00:31:56.760

customer?

Speaker 2

00:31:57.920 --> 00:32:01.680

Not by dispatch. Add to the  
stocks, no, not possible.

Speaker 2

00:32:04.640 --> 00:32:05.120

So.



Speaker 3

00:32:06.390 --> 00:32:09.070

You guided that things are going  
to improve, but.

Speaker 3

00:32:10.400 --> 00:32:14.011

What's your aspiration, you  
don't give guideline on the on

Speaker 3

00:32:14.011 --> 00:32:17.133

the margins, but we only  
demonstrated the last few

Speaker 3

00:32:17.133 --> 00:32:20.010

quarters how we have grown and  
we continue to.

Speaker 3

00:32:25.360 --> 00:32:27.490

And can you go?

Speaker 3

00:32:28.680 --> 00:32:33.179

Continue to take this company's  
growth to developed markets. Now

Speaker 3

00:32:33.179 --> 00:32:36.917

you know there is a huge  
opportunity, there is a huge

Speaker 3

00:32:36.917 --> 00:32:38.510

opportunity in pricing.

Speaker 1

00:32:39.630 --> 00:32:42.965

OK. If I'm able to ramp up IQ,

I'll put it first in Europe, I

Speaker 1

00:32:42.965 --> 00:32:43.880

promise you that.

Speaker 4

00:32:45.280 --> 00:32:48.886

OK, alright. Next question was

like can you comment on your

Speaker 4

00:32:48.886 --> 00:32:50.690

export strategy going forward?

Speaker 1

00:32:51.920 --> 00:32:55.317

I think with the, with the

premium isation, with the uh,

Speaker 1

00:32:55.317 --> 00:32:59.013

the the 3:10 product and the

further products what we are now

Speaker 1

00:32:59.013 --> 00:32:59.550

focusing.

Speaker 1

00:33:00.660 --> 00:33:04.206

And uh, the CMG and ego  
movement, whatever we have

Speaker 1

00:33:04.206 --> 00:33:08.239

acquired in European market  
primarily to understand these

Speaker 1

00:33:08.239 --> 00:33:12.203

consumers, why they are using,  
how they are using who is

Speaker 1

00:33:12.203 --> 00:33:12.690

buying.

Speaker 1

00:33:13.840 --> 00:33:16.630

Who is using the two Wheeler?  
Who is using the ebike?

Speaker 1

00:33:18.130 --> 00:33:18.810

Norton.

Speaker 1

00:33:19.710 --> 00:33:23.630

I think these are all going to

help us to really, really look

Speaker 1

00:33:23.630 --> 00:33:23.820

at.

Speaker 1

00:33:24.570 --> 00:33:27.890

Developed market. So far we have  
seen developed markets through

Speaker 1

00:33:27.890 --> 00:33:28.720

the eyes of BMW.

Speaker 1

00:33:29.580 --> 00:33:32.480

The Hender 125,000 customers.

Speaker 1

00:33:33.210 --> 00:33:38.802

And what it has given us  
confidence that we can also this

Speaker 1

00:33:38.802 --> 00:33:44.202

125,000 almost 98% is local  
supplier, OK, just for your

Speaker 1

00:33:44.202 --> 00:33:45.360

information.

Speaker 1

00:33:47.020 --> 00:33:50.635

Only two percent is some parts  
which are coming common to BMW.

Speaker 1

00:33:50.635 --> 00:33:53.849

Otherwise 98% of the parts for  
what is used in this are

Speaker 1

00:33:53.849 --> 00:33:56.260

completely completely sourced  
from India.

Speaker 1

00:33:56.950 --> 00:33:58.020

From Indian suppliers.

Speaker 1

00:33:59.440 --> 00:34:03.087

OK. And that is what is going to  
global markets and the quality

Speaker 1

00:34:03.087 --> 00:34:06.621

of these products are equal to  
Berlin or one step better than

Speaker 1

00:34:06.621 --> 00:34:07.020

Berlin?

Speaker 1

00:34:08.030 --> 00:34:09.820

These are statements from BMW.

Speaker 1

00:34:11.000 --> 00:34:14.308

So what does it give us? The confidence that, yeah, you have

Speaker 1

00:34:14.308 --> 00:34:17.780

the capability of capability and capability, design capability.

Speaker 1

00:34:18.740 --> 00:34:22.250

To to go to the developed markets #1 #2.

Speaker 1

00:34:24.130 --> 00:34:28.128

We are not a company which says take this product. OK, we know

Speaker 1

00:34:28.128 --> 00:34:32.063

India, South Indian wants. I don't know whether they can give

Speaker 1

00:34:32.063 --> 00:34:36.061

you a good South Indian coffee, but somebody wants a good tea.

Speaker 1

00:34:36.061 --> 00:34:39.869

OK, somebody wants only roti  
Dal. Somebody wants only dosa.

Speaker 1

00:34:39.869 --> 00:34:43.741

Somebody wants they start with  
the sweet. So you can't force

Speaker 1

00:34:43.741 --> 00:34:47.612

the customer. No, this is the  
menu I have taken. It will not

Speaker 1

00:34:47.612 --> 00:34:47.930

work.

Speaker 1

00:34:49.040 --> 00:34:52.467

Because of our core design and  
development capability, we can

Speaker 1

00:34:52.467 --> 00:34:52.910

look at.

Speaker 1

00:34:54.000 --> 00:34:56.837

The the products what we make,  
design and develop in Indonesia,

Speaker 1

00:34:56.837 --> 00:34:57.990

we don't sell it in India.

Speaker 1

00:34:59.220 --> 00:35:02.916

OK. It's only for certain  
markets which are unique to that

Speaker 1

00:35:02.916 --> 00:35:04.420

type of school backpack.

Speaker 1

00:35:05.220 --> 00:35:07.340

New York Rocks or dance?

Speaker 1

00:35:08.750 --> 00:35:09.480

Teammate.

Speaker 1

00:35:10.120 --> 00:35:12.140

The Africa HLX series.

Speaker 1

00:35:12.990 --> 00:35:18.437

OK, it can carry four people.

It's a taxi, taxi, bike, OK and

Speaker 1

00:35:18.437 --> 00:35:20.370

it can carry 300 KG's.

Speaker 1

00:35:21.720 --> 00:35:25.371

OK. And uh, normal Chinese bikes



durability is less than one

Speaker 1

00:35:25.371 --> 00:35:29.201

year. Our durability is 3 years.

So they look at the total cost

Speaker 1

00:35:29.201 --> 00:35:29.979

of ownership.

Speaker 1

00:35:30.730 --> 00:35:32.080

And today they love it.

Speaker 1

No, the analogy where I'm

highlighting is whether it is developed market. This one we

have the design development and JD Power, we are number one for

the last seven years. So I think the strength of the

company is understanding customer, customer insight,

quality, durability.

Speaker 1

00:35:51.550 --> 00:35:54.643

And investing in those features

which are delighted you, you come and see our 310 series, you

will see write mode, you will see voice connect, you will say

Digi Connect, which are all seen in the 1200 CC bikes.

Speaker 1

00:36:04.100 --> 00:36:07.784

You know when mobile customer

comes, I always tell this as an analogy, but I have the dealers here. My mobile customer first comes and looks at my R310 in the dealership is not going to buy.

Speaker 2

00:36:17.040 --> 00:36:20.400

If you ask him, he says no, no, no, I want to buy for my son.

Speaker 2

00:36:23.930 --> 00:36:27.372

I'm not going to buy this

fantastic you know that is application of India in a rural market. Even somebody looks at an R return which is 2 1/2 lakhs 3,00,000, he may have the ability to buy only 50,055 thousand.

Speaker 2

00:36:40.220 --> 00:36:41.600

So that is previous today.

Speaker 3

00:36:43.140 --> 00:36:45.050

So if you ask me.

Speaker 3

00:36:46.290 --> 00:36:50.029

With a much more than EBITDA, I want to sustainably grow the

Speaker 4

00:36:50.029 --> 00:36:53.401

market, capture the market disproportionately grow the market, establish the previous

brand, I promise you.

Speaker 2

00:36:57.440 --> 00:36:58.810

You delight the customer.

Speaker 2

00:36:59.900 --> 00:37:03.007

I always tell my finance team,  
anytime you want to take pride nowadays we take prices up than

the competition. Most of our brands are higher price than  
competition. We don't part, we don't take part even in Diwali  
or new we have any discounts.

Speaker 3

00:37:14.360 --> 00:37:17.823

There may be some some sweet box  
free because that dealer gives.

Speaker 3

00:37:17.823 --> 00:37:21.126

You know you can't. India is  
India you know somebody will ask

Speaker 3

00:37:21.126 --> 00:37:24.323

can you give me a floor mat  
free? Something has to be given free.

Speaker 4

00:37:25.410 --> 00:37:29.118

OK, that is Indian mindset. But  
we don't give huge, huge discounts like competitor.

Speaker 1

00:37:32.700 --> 00:37:35.832

Again, why we don't give

primarily because if I give discount today, yesterday's

customer will come, hey, you're cheating me yesterday you gave

it to me at this price and most of 50% of the customers we have

seen, especially those retail finance customers.

Speaker 2

00:37:48.990 --> 00:37:53.110

After three years, four years,

the resale price of the bike is their first installment.

Speaker 2

00:38:00.200 --> 00:38:03.484

So five years out, what

percentage of your revenue will

Speaker 1

00:38:03.484 --> 00:38:04.130

be exports?

Speaker 2

00:38:05.600 --> 00:38:06.570

Currently we are 30.

Speaker 3

00:38:07.630 --> 00:38:11.285

Currently we are growing year

after year. We are at 30. I'm pretty confident it will grow at

the same pace.

Speaker 4

00:38:17.530 --> 00:38:21.800

OK. Last three years back we  
were at 20%, now we are at 30%.

Speaker 2

00:38:26.490 --> 00:38:27.780

Better margin profile.

Speaker 2

00:38:28.770 --> 00:38:29.780

What's this domestic?

Speaker 3

00:38:30.880 --> 00:38:35.476

Exports see country by country  
the margin varies but uh we normally doesn't give any  
guidance on the the margins but.

Speaker 4

00:38:42.270 --> 00:38:47.047

If our aspiration, currently we  
have the top one amongst the top five, right, but we have a huge  
ambition to become.

Speaker 4

00:38:51.810 --> 00:38:56.183

When I'm in the top three, top  
four, it is possible for the

Speaker 4

00:38:56.183 --> 00:38:59.390

product range. PvP has got that  
capability.

Speaker 2

00:39:03.550 --> 00:39:04.740

And the TV coming in.

Speaker 2

00:39:05.510 --> 00:39:08.753

Practically, it is zero. You know what our eyes we are talking about EB? It's a huge opportunity.

Speaker 4

00:39:12.220 --> 00:39:13.370

Your companies like.

Speaker 2

00:39:18.550 --> 00:39:19.040

And.

Speaker 4

00:39:20.880 --> 00:39:25.539

Do you see competition more from established players or new up

Speaker 4

00:39:25.539 --> 00:39:29.828

comers in the EV space going forward? I think it is in my opinion.

Speaker 4

00:39:32.180 --> 00:39:35.931

Evie uh, it's interesting.

Suzio. Currently we have more than 300 players.

Speaker 3

00:39:38.270 --> 00:39:43.431

OK. Even 2 to 3% of the 300  
become successful and these are all new?

Speaker 2

00:39:45.320 --> 00:39:49.470

OK, I think it is. It is good.  
It is good to have new players.

Speaker 2

00:39:50.920 --> 00:39:53.570

OK. Uh, because it gives better  
to the customer.

Speaker 3

00:39:54.220 --> 00:39:57.315

It comes with a lot of  
innovation, it comes with a lot

Speaker 4

00:39:57.315 --> 00:39:58.160

of agility, so. We can't anymore talk about  
established players like Bajaj or Hero or Honda and Yamaha  
Suzuki and say that we know the strategy. This is likely to  
thinking, OK, I think we have to  
look at all out of this world  
and authors of this world and  
OK, now as of this world and  
say, yeah, whoever gives better  
to the customer, they will.  
And internally, you know, when  
companies go through transitions  
from let's say from ice to EV?

Speaker 3

How do you sort of maintain the morale of people who are working on ice because it's still the cash cow which is supporting your growth. So is there an incentive, sort of?

Speaker 3

How do you incentivize them to be motivated and sort of keep going on?

Speaker 1

Brilliant, brilliant, brilliant, brilliant question.

Speaker 1

What we use as a model.

Um.

Sorry to say I'm a I'm a mechanical engineer, OK?

Speaker 2

Uh, my R&D head is a mechanic IC engine head.

But we leave the event I've seen.

you have to look at



from the customer side and you  
have to be.  
Learning new new things at every  
time.

Speaker 1

OK.

Speaker 3

So we have a big ice team, we  
have a new team on the EV.  
The new team is not really new  
team.

Speaker 2

There are some core people who  
are working cross functionally.

Speaker 2

You know, there are areas where.

Speaker 3

We don't have competence or we  
have limited confidence like  
software or digitization. We  
have hired some people. We have  
put them into this team.

So it's a shared uh. We have a  
unique management system, the  
top management, the entire BLP

we have Shared Destiny kind of a thing,  
you know, customer satisfaction, share of business profit,  
they're all common for all the senior players in their variable  
based structure. It's not that a new product guy  
comes and produces some new products.

Speaker 1

Actually that was the period 10  
years back then we found that  
are we gaining market share  
because of the new product.  
It's every bit up becoming  
better.

Speaker 2

OK. Product has to be  
successful.

Speaker 1

This shared alignment of the  
organizational goals makes a  
huge difference in the  
transition. Whatever you say.  
And even in every space one of  
the one of the guiding  
principles what we are using for  
even for the ice people and the  
evil people.

Speaker 3

How we are going to take while  
on one side?

Speaker 1

I always use the word rewiring  
when the mains are on.

Speaker 2

OK, you are rewiring the  
organization to transform into  
an EV company.

Embracing the future, how do you  
make sure that the transition?

Speaker 1

Without big shots, because the  
New River, there will be shots.

Speaker 2

OK, but it cannot be fatal.

And it is, it is, it has got its  
own one says it is uh, it is yo  
know you have to work with, it's  
not only internal also with the  
supplier, also with the dealer,  
although with the distributor.

Speaker 1

How do we do it in such a way  
that?

Speaker 2

There is a mindset change in  
line with the consumer change.

Speaker 3

OK. Based on how the consumers  
are changing, we have to change  
the front.

In line with the company change,  
the suppliers have to align and  
change.

And I agree with you if uh,  
tomorrow there is no no engine.

Speaker 2

OK.

Speaker 3

Then how do we transform as a  
company?

Speaker 1

And here also some of the  
critical things we design and  
develop inside.

And possibly when you come next  
time, if you're having time, you  
visit us. You will see a man  
mortar manufacturing inside the  
country.

Speaker 2

I don't manufacture all motors.

But the most critical motors, if

I don't manufacture, I will not  
be able to design with the work  
with the with the supplier.

And supplier will not get the  
confidence. So we are not a  
company who just buys some  
parts, import some part assemblies and give it to the  
consumer, no, no.

Six, it's a balance between  
internal.

Make, make and buy design core  
is design.

Because if you don't design, you  
will not be able to  
differentiate to the customer.

Speaker 1

So when do we expect to make a  
much positive contribution to  
our bottom line? When do we  
expect to positively contribute  
to our bottom line? I know we  
are in an investment phase right  
now and I think we are doing  
right there, but when do we  
expect it to already last year,  
last year we were negative on  
contribution. This year we are  
positive on contribution.

Speaker 2

Volume is the key.

Whatever, I said, the moment I see volume I get an opportunity to. For example, we had one IQ. Now we have 3 IQ. 3 IQ has got different features. I'm able to price it differently. 3 ice cubes have got different margins. It is not common margin.

Speaker 4

OK.

Speaker 1

I can give you an analogy. When we started Jupiter. We had one product equal to active. And always my sales team says Activa brand consideration, brand essence is far superior. Sir. Don't price it equal to active. So we landed up giving better features. Slightly lesser price or equal price with the active.

Speaker 2

OK, I can't stop it because if somebody has to consider. Activa is almost 60% of the month. And scooters, what's some customer has to consider Jupiter, we have to tell, the dealer has to say that this these things are superior to Activa.

Speaker 1

That I'm giving you at the same price or?  
These are equal to Activa. I give you a little lesser price. Sensible, right?

Speaker 2

We said this way you cannot make money. So we said there will be an activity equivalent called Jupiter. Then we brought a model called Jupiters that X. Which is far superior in terms of, uh, look and feel, in terms of technologies, in terms of features. Then we brought a classic, then we brought a Grande. And today I can tell you 50% of my sales from Jupiter is on this variance.

Speaker 3

Which are priced much higher than active.

Speaker 1

OK, because when one consumer walks in, he says he is also a very good negotiator.

That activate so much price. I got this quotation from Honda.

Speaker 2

00:46:59.520 --> 00:47:02.633

This is the price, this is your product. So why should I give

Speaker 3

you so much price? I said OK

fine you take that active equivalent product, but here you look at it, these are the additional features. This is not there in active.

Speaker 2

00:47:13.540 --> 00:47:16.831

If you have a retail finance customer, you pay another ₹100 more. Suddenly his mind starts thinking ohh ₹100 more. Then

Speaker 2

00:47:20.122 --> 00:47:21.109

I'll land up here.

Speaker 2

00:47:21.940 --> 00:47:22.410

Today.

Speaker 3

00:47:23.440 --> 00:47:26.695

This is a confidential information which naturally I don't share. More than 50% of the active sales is coming from the higher range. I make better ones in there.

Speaker 3

00:47:34.780 --> 00:47:38.851

OK, same IQ. I have version one originally last year, now I have

Speaker 3

00:47:38.851 --> 00:47:39.540

3 versions.

Speaker 2

00:47:40.260 --> 00:47:46.545

I started with eighteen 18618 eighteen 6558186 hundred that uh

Speaker 3

00:47:46.545 --> 00:47:48.840

sell. Now I have 21700.

Speaker 2

00:47:50.240 --> 00:47:50.660

OK.

Speaker 3

00:47:51.390 --> 00:47:54.993

Between the cell chemistry, my sourcing is effective, the

Speaker 1

00:47:54.993 --> 00:47:58.533

volumes are higher, I have variance. I'm only giving you



Speaker 2

00:47:58.533 --> 00:47:59.590

broad strategies.

Speaker 3

00:48:02.510 --> 00:48:02.700

OK.

Speaker 2

00:48:03.450 --> 00:48:07.270

No. For three variants to exist,  
my volume has to go to 25,000 Or even beyond.

Speaker 2

00:48:13.170 --> 00:48:17.280

So I'm very clear, the same strategy whatever we are using.

Speaker 4

00:48:18.570 --> 00:48:21.929

On varying and delighting the customer with better and better

Speaker 3

00:48:21.929 --> 00:48:25.130

features, we'll continue even in a V and that is where our, our margins are going to be healthy.

Speaker 2

00:48:30.730 --> 00:48:34.646

Our ambition is also, like you said, how quickly we can make the margin equal twice, OK.

Speaker 2

00:48:37.310 --> 00:48:39.848

But most importantly, according

to me, the volume is the key there, customer delight is the key there, and the product range is the key there.

Speaker 3

00:48:47.000 --> 00:48:50.662

So what will have an impact on the aftermarket space business

Speaker 3

00:48:50.662 --> 00:48:53.615

because typically the maintenance would come down quite significantly. So how do you see that that is the high margin business also, so, yeah.

Speaker 3

00:49:00.600 --> 00:49:05.387

I think there are. There are many, many apps. There are many

Speaker 2

00:49:05.387 --> 00:49:09.390

features like what we have seen in in smartphones.

Speaker 3

00:49:10.950 --> 00:49:12.140

Already we have.

Speaker 2

00:49:12.870 --> 00:49:19.191

We have got a uh model of uh OT, uh updation for certain features to the customers.

Speaker 3

00:49:21.500 --> 00:49:24.841

And the good thing is there are customers. Not all customers take it, But we are already seeing more and more customers are opting for that. They want certain features, there are want certain

Speaker 4

00:49:32.955 --> 00:49:35.700

updates, which they pay, they pay extra, they pay.

Speaker 3

00:49:37.240 --> 00:49:38.480

So in my view.

Speaker 3

00:49:40.180 --> 00:49:43.220

Mechanical parts, definitely that that needs maintenance.

Speaker 2

00:49:43.830 --> 00:49:45.930

OK, whether it is a chassis or a seat or.

Speaker 3

00:49:46.660 --> 00:49:50.221

The the electric parts where engine, engine parts are not there.

Speaker 4

00:49:51.470 --> 00:50:00.060

OK, definitely this, uh, new. Uh, connectivity features new.

Speaker 2

00:50:01.250 --> 00:50:07.553

Uh annual special features which are going to be updated through

Speaker 2

00:50:07.553 --> 00:50:13.760

OTA's. These are all ideas which are definitely already we have applied it in in IQ.

Speaker 3

00:50:16.680 --> 00:50:20.791

It's extremely good. Almost six, 7% of the consumers are opting for that.

Speaker 2

00:50:22.900 --> 00:50:27.152

OK. And this will continue I'm very sure because uh, our

Speaker 2

00:50:27.152 --> 00:50:31.852

experience shows that there are set of customers even in their

Speaker 2

00:50:31.852 --> 00:50:36.404

their premium, they're super premium, they're deluxe kind of

Speaker 2

00:50:36.404 --> 00:50:40.880

customer. They want certain features which are far superior

Speaker 2

00:50:40.880 --> 00:50:45.357

even in when you look at the St version, there is a 5 inch,

Speaker 3

00:50:45.357 --> 00:50:46.700

there is a 7 inch.

Speaker 3

00:50:47.850 --> 00:50:49.860

OK. We are even thinking beyond

that.

Speaker 2

00:50:51.840 --> 00:50:52.650

So.

Speaker 3

00:50:55.100 --> 00:50:59.690

Whatever you are seeing as the aftermarket and service.

Speaker 2

00:51:01.630 --> 00:51:05.251

A significant proportion is moving into software, going to help the customer in different ways.

Speaker 3

00:51:12.650 --> 00:51:14.610

OK. More and more I can share.

Speaker 2

00:51:15.960 --> 00:51:17.630

When we launched the product, I can share.

Speaker 2

00:51:18.970 --> 00:51:22.131

Are you still going? This is going to be completely away.

Speaker 2

00:51:22.131 --> 00:51:25.619

There's something which should keep that in mind, whatever he's

Speaker 3

00:51:25.619 --> 00:51:26.710

saying besides that.

Speaker 3

00:51:31.830 --> 00:51:36.276

Anything else? Thank you. Just one question, sorry, last one.

Speaker 3

00:51:36.276 --> 00:51:40.579

So the current 2 Wheeler market we see is split between

Speaker 1

00:51:40.579 --> 00:51:45.169

the mid speed guys like you had mentioned Okinawa and they seem

Speaker 2

00:51:45.169 --> 00:51:49.543

to be largely in the mid speed segment while the high speed segment relatively high speed segment you have CVS, Bajaj, etc.

Speaker 3

00:51:54.370 --> 00:51:57.410

Uh, what we have noticed is, is mid speed guys, they haven't

Speaker 2

00:51:57.410 --> 00:52:00.401

really invested so much, at least that is our perception. I may be wrong then they haven't invested so much. They're more

Speaker 2

00:52:03.491 --> 00:52:06.632

plug and play kind of guys where they are dependent on imports etcetera. Recently you saw some of the fame 2 subsidies were

Speaker 3

00:52:09.672 --> 00:52:12.812

taken away from Hero Electric and people because they were not localizing so much.

Speaker 2

00:52:14.550 --> 00:52:17.685

Uh, but when we see when you like you mentioned 10% of the

Speaker 2

00:52:17.685 --> 00:52:20.821

market is already moved in scooters to each includes a lot of these mid speed guys who are just plug and play. How do you

Speaker 2

00:52:24.170 --> 00:52:27.252

see that market evolved? Do you think this mid speed guys

Speaker 1

00:52:27.252 --> 00:52:30.707

because they have not invested, they don't have the right to win and the high speed like yourself you have the right to win. And

Speaker 2

00:52:34.109 --> 00:52:37.138

So as you go into the other product segments like you've

Speaker 2

00:52:37.138 --> 00:52:40.487

Mentioned in the past five to 25 kilowatt you will address. So

Speaker 2

00:52:40.487 --> 00:52:43.676

you will also go down the value chain even maybe the mobile

Speaker 3

00:52:43.676 --> 00:52:44.580

segment electric.

Speaker 3

00:52:44.660 --> 00:52:47.687

Do you think players like you have a better right to win given

Speaker 2

00:52:47.687 --> 00:52:50.570

you have invested so much in technology etcetera, etcetera?

Speaker 3

00:52:51.470 --> 00:52:55.891

I, I see. I don't want to use, the word right to win. Uh uh I

Speaker 2

00:52:55.891 --> 00:52:59.470

Respect Okinawa. I respect hero. I respect empire.

Speaker 3

00:53:00.680 --> 00:53:03.080

But please Sir, please look at from the customer point of view.

Speaker 2

00:53:04.060 --> 00:53:08.661

Customer point of view when they

buy. If somebody tells them it is 1 1/2 you know you can drive. Maybe your son or daughter can be taken.

Speaker 3

00:53:14.950 --> 00:53:19.449

You have lost the customer at that time, OK. Or you say

Speaker 3

00:53:19.449 --> 00:53:24.430

Normally you have to use only in good roads and range, OK, we

Speaker 3

00:53:24.430 --> 00:53:28.929

have publicized 100 but range will not be more than 70.

Speaker 2

00:53:29.740 --> 00:53:31.480

Some customers will immediately stop that.

Speaker 2

00:53:34.540 --> 00:53:38.502



When you get into the traffic, especially when you are in a uh

Speaker 3

00:53:38.502 --> 00:53:42.340

kind of a flyover, which is let  
us say 5 degrees, 7 degrees.

Speaker 1

00:53:43.380 --> 00:53:46.773

And two people are there.

Suppose it says it is not able

Speaker 2

00:53:46.773 --> 00:53:47.250

to pull.

Speaker 4

00:53:48.290 --> 00:53:52.466

OK, so my principle is very  
simple. I always tell people

Speaker 2

00:53:52.466 --> 00:53:57.230

that today we are successful in Jupiter or Intel due to certain.

Speaker 3

00:53:58.340 --> 00:54:01.828

I don't like anybody in my company using the word customer abuse.

Speaker 3

00:54:03.160 --> 00:54:04.490

That is customer use.

Speaker 2

00:54:05.940 --> 00:54:10.064

OK, if customer takes 4 people  
and they ride, that is the way

Speaker 2

00:54:10.064 --> 00:54:13.789

it writes. If you cannot give  
you a product meeting the

Speaker 4

00:54:13.789 --> 00:54:17.780

customer requirements, it may.  
It's not that every customer

Speaker 2

00:54:17.780 --> 00:54:20.839

takes their entire family in the  
scooter, OK?

Speaker 1

00:54:22.100 --> 00:54:24.560

That 20-30% of the customer.

Speaker 2

00:54:25.620 --> 00:54:29.692

Take their family and and and  
scooter and they the roads may

Speaker 3

00:54:29.692 --> 00:54:33.832

be bad roads. Say one of the reasons why we put 12 inches. If

Speaker 2

00:54:33.832 --> 00:54:36.970

the Bat Rd is there, 10 inch  
will not suffice.

Speaker 3

00:54:38.480 --> 00:54:43.272

OK. So you have to look at it  
from the customer side usage and

Speaker 2

00:54:43.272 --> 00:54:44.490

what happens is?

Speaker 3

00:54:46.650 --> 00:54:48.650

These three companies whom  
already said.

Speaker 2

00:54:50.090 --> 00:54:54.352

The customer acceptance has been  
coming down because of the word

Speaker 2

00:54:54.352 --> 00:54:58.615

of mouth. Somebody will say no, no, don't buy this. Yeah, I made

Speaker 2

00:54:58.615 --> 00:55:02.616

a mistake. It cannot take the flyover or it cannot take more

Speaker 3

00:55:02.616 --> 00:55:06.617

than two people or the range. What they commit and what they

Speaker 4

00:55:06.617 --> 00:55:08.059

are getting is not OK.

Speaker 3

00:55:09.130 --> 00:55:12.374

On the other side, IQ people  
love it because people say it is

Speaker 3

00:55:12.374 --> 00:55:13.160

like a Jupiter.

Speaker 4

00:55:14.200 --> 00:55:16.729

It does every function of  
Jupiter plus you get this this,

Speaker 3

00:55:16.729 --> 00:55:18.300

this benefit. So please  
understand.

Speaker 3

00:55:19.010 --> 00:55:22.444

It's not right to win. It is  
right to win in the customer

Speaker 3

00:55:22.444 --> 00:55:22.800

usage.

Speaker 3

00:55:24.090 --> 00:55:27.015

So whoever is focusing on the customer he has got, the

Speaker 3

00:55:27.015 --> 00:55:29.940

customer decides whether you have the right to be not.

Speaker 3

00:55:31.140 --> 00:55:33.350

Customer usage is not one year.

Speaker 3

00:55:34.380 --> 00:55:38.157

Customer usage is over a period of, you know, five years, six

Speaker 4

00:55:38.157 --> 00:55:41.752

years, seven years. And in

Indian context, I have, I have,

Speaker 3

00:55:41.752 --> 00:55:45.591

I have excel 50, which is even

25 years old, being used by the

Speaker 3

00:55:45.591 --> 00:55:46.140

consumer.

Speaker 2

00:55:47.840 --> 00:55:48.340

Amazing.

Speaker 2

00:55:49.460 --> 00:55:53.431

OK, because they just don't give it to anybody else. They use it

Speaker 3

00:55:53.431 --> 00:55:57.219

and they use it, they repair it,  
they maintain it. OK, so the

Speaker 3

00:55:57.219 --> 00:55:58.930

mindset is 10 years minimum.

Speaker 3

00:56:00.180 --> 00:56:02.460

Possible give it to the grandson  
or granddaughter.

Speaker 2

00:56:03.540 --> 00:56:03.910

OK.

Speaker 3

00:56:05.060 --> 00:56:09.618

Maybe because of the the pyramid and the income levels.

Speaker 1

00:56:09.618 --> 00:56:10.530

OK, so this.

Speaker 2

00:56:11.660 --> 00:56:15.018

Customer understanding and  
giving the durability,

Speaker 2

00:56:15.018 --> 00:56:18.846

reliability and the must be quality. If two people their

Speaker 3

00:56:18.846 --> 00:56:22.944

weight is 100 hundred and 20 KGS, you have to give them that

Speaker 3

00:56:22.944 --> 00:56:23.750

flexibility.

Speaker 2

00:56:26.730 --> 00:56:30.737

Original definition of TVS

since you are you have not come

Speaker 2

00:56:30.737 --> 00:56:33.610

here. You should visit here

earliest time.

Speaker 3

00:56:34.470 --> 00:56:40.160

Uh, then you will see that our

company is the current chairman.

Speaker 3

00:56:41.210 --> 00:56:46.520

Father Mr Srinivasan. His

definition was create a product.

Speaker 3

00:56:47.950 --> 00:56:49.590

Which is on two wheels,

motorized.

Speaker 1

00:56:50.460 --> 00:56:53.697

Which can carry the company  
Doctor and company auditor up

Speaker 3

00:56:53.697 --> 00:56:54.870

the Thirupathi Hills.

Speaker 3

00:56:57.880 --> 00:57:01.928

Why? Why? Company doctor,  
company uh, auditor? Because

Speaker 3

00:57:01.928 --> 00:57:06.640

they were the heaviest I believe  
put together was 150K or 160KG

Speaker 3

00:57:06.640 --> 00:57:07.450

those days.

Speaker 3

00:57:08.470 --> 00:57:10.500

And Tripathi Hills there was no  
Rd.

Speaker 3

00:57:16.510 --> 00:57:20.580

Sure, the philosophy was  
customer usage, not abuse.



Speaker 3

00:57:22.970 --> 00:57:26.154

The challenge comes for some of these companies because you are

Speaker 4

00:57:26.154 --> 00:57:28.840

buying some kits and assembling and giving it you are

Speaker 4

00:57:28.840 --> 00:57:31.030

restricting the different usage conditions.

Speaker 4

00:57:33.970 --> 00:57:36.817

So it just comes down to cost then. I mean you will have to

Speaker 3

00:57:36.817 --> 00:57:39.427

come down with the product and that's to cater to that

Speaker 3

00:57:39.427 --> 00:57:42.560

customer, but it comes down to I mean the pricing of the product.

Speaker 3

00:57:44.220 --> 00:57:45.650

So thank you. Thank you so much.

Speaker 2

00:57:46.360 --> 00:57:49.288

Sure, Sir. Thank you. Thanks  
again. Thank you so much. Thank

Speaker 3

00:57:49.288 --> 00:57:52.072

you. Gonna give a last minute  
request. Thank you so much.

09e056e8-3cfb-4cc0-9552-dd50c9a0498c-2

00:57:52.072 --> 00:57:53.080

Thank you. Thank you.

Speaker 3

00:57:54.320 --> 00:57:58.430

So please visit Hosur earliest  
and see the plan.

Speaker 4

00:57:59.940 --> 00:58:03.226

OK. In order to give you that  
that interest, I'm very proud of

Speaker 3

00:58:03.226 --> 00:58:06.044

our employees. Every week they  
implement at least one

Speaker 4

00:58:06.044 --> 00:58:09.279

improvement in their work area,  
one improvement in their work

Speaker 3

00:58:09.279 --> 00:58:09.540

area.

Speaker 3

00:58:10.190 --> 00:58:11.070

Every employee.

Speaker 3

00:58:13.690 --> 00:58:17.232

OK. And I have at least 400  
employees on a quarterly basis.

Speaker 3

I meet them in their workplace  
to give an special award because

Speaker 1

00:58:21.011 --> 00:58:24.554

they implement 100 improvements  
in the 90 days, actually 75

Speaker 3

00:58:24.554 --> 00:58:24.849

days.

Speaker 3

00:58:27.970 --> 00:58:31.844

Now we have more than 800  
families, they call it as home

Speaker 4

00:58:31.844 --> 00:58:32.320

Kaisen.

Speaker 2

00:58:33.120 --> 00:58:38.061

There, the supposes implement  
improvements on education,

Speaker 3

00:58:38.061 --> 00:58:41.790

energy, safety, environment,  
housekeeping.

Speaker 2

00:58:42.820 --> 00:58:45.190

OK, in their house and around.

Speaker 1

00:58:50.470 --> 00:58:53.100

OK. Thank you. OK, thank you so  
much.