GREAVES

28th January, 2025

The Manager - Listing
BSE Limited
BSE Code: 501455

The Manager – Listing
National Stock Exchange of India Limited
NSE Code: GREAVESCOT

Dear Sir/Madam,

Sub: Transcript of the quarterly earnings call for the quarter and nine months ended 31st December, 2024

In furtherance to our letter dated 14th January, 2025, please find enclosed herewith the Transcript of the quarterly earnings call for the quarter and nine months ended 31st December, 2024. The transcript is also available on the Company's website at www.greavescotton.com

Kindly take the same on record.

Thanking You,

Yours faithfully,
For Greaves Cotton Limited

ATINDRA NATH BASU

Digitally signed by ATINDRA NATH BASU
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Atindra Basu
Group General Counsel & Company Secretary
Membership No: A32389

Encl.: a/a

Greaves Cotton Limited

Q3 & 9M FY25 Earnings Conference Call

January 24, 2025

Management Representatives:
Nagesh Basavanhalli – Non-Executive Vice Chairman, GCL
Akhila Balachandar – CFO, GCL
Dr. Arup Basu – Managing Director, GCL
K. Vijaya Kumar – ED and CEO, GEML
Narasimha Jayakumar – CEO - Greaves Retail, GCL
Chandrasekar Thyagarajan – CFO, GEML
Atindra Basu – Group General Counsel & Company Secretary, GCL

Moderator: Ladies and Gentlemen, good day and welcome to the Greaves Cotton Limited Q3 & 9M FY25 Earnings Call.

We have with us today Mr. Nagesh Basavanhalli – Non-Executive Vice Chairman, Greaves Cotton Limited, Ms. Akhila Balachandar – CFO, Greaves Cotton Limited, Dr. Arup Basu – Managing Director, Greaves Cotton Limited, Mr. K. Vijaya Kumar – ED and CEO, Greaves Electric Mobility Limited, Mr. Narasimha Jayakumar – CEO - Greaves Retail, Greaves Cotton Limited, Mr. Chandrasekar Thyagarajan – CFO, Greaves Electric Mobility Limited, and Mr. Atindra Basu – Group General Counsel and Company Secretary, Greaves Cotton Limited.

We will begin the call with brief opening remarks from the Management, following which we will have the forum open for an interactive question and answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the results presentation shared with you earlier.

Further, as you are aware, Greaves Electric Mobility Limited has filed a draft red herring prospectus with the capital markets regulator SEBI to raise funds through an IPO. All discussions in this call with regard to this entity may be read in conjunction with and be limited to the said DRHP, which will be updated periodically to reflect current developments.

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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nagesh Basavanhalli. Thank you, and over to you, sir.

Nagesh Basavanhalli: Thank you. Welcome everyone, to our Q3 & 9M FY25 earnings call. On behalf of the Management, let me welcome each one of you.

Let me just give you a quick overview of where Greaves Cotton is today, as some of you are aware, prior to 2016, we were pioneers in the diesel engine segment for auto applications. Post 2016, we went on a journey of getting closer to the consumer, offering fuel agnostic solutions and democratizing sustainable mobility. Those were our three pillars. As part of that we repurposed the organization. We redefined the businesses and worked towards sustainable and forward-looking multiple revenue streams.

In summary, from a single-cylinder, single-customer, single-industry company, we are now moving towards a fuel-agnostic, multi-product, multi-business company playing in the sustainable mobility ecosystem with a much bigger focus on competencies and areas and different businesses. We have five distinct businesses, and I will ask our CFO and our three CEOs to comment on their respective businesses.

With that, let me hand it over to the CFO – Ms. Akhila Balachandar, who will give you details on the financial performance. Thank you.

Akhila Balachandar: Thank you, Nagesh, and good morning, everyone.

I am delighted to share that we have delivered strong financial performance validating our strategic initiatives and positioning us for sustained growth. For the quarter, we achieved consolidated revenues of Rs. 751 crore with Greaves Cotton posting standalone growth of 13% at Rs. 502 crore.

Excel reported revenues of Rs. 69 crore and Greaves Electric Mobility reported revenues of Rs. 184 crore. Both Engineering and Retail businesses continue their upward trajectory with Q3 revenue growing year-on-year by 14% and 13%, respectively.

The Electric Mobility division also gained traction, delivering Rs. 184 crore in Q3 supported by new product launches. Notably, 64% of our business now comes from B2C segments reflecting our strategic pivot towards customer centric growth and market alignment.

Our EBITDA margins continue the journey of sustainable improvements, demonstrating operational efficiency and cost management. GCL plus Excel, we have delivered margins at a healthy 15% plus. The diversification strategy is contributing to the resilience in revenues, ensuring that we are not overly reliant on a single segment.

Our continued focus on margin improvement is yielding excellent results both in terms of EBITDA growth and margin expansion. New strategic investments across the group are being effectively utilized for new product development, brand building initiatives, expanding adjacencies in high growth areas.

Our profitability in Q3 stood at Rs. 67 crore at a standalone level and for 9M FY25 at Rs. 176 crore. Our strategic portfolio evolution, growing non-auto contributions and disciplined capital management have strengthened our resilience. With near zero debt and strong cash reserves of Rs. 503 crore, we are well positioned for a future growth.

Looking ahead, we remain committed to sustaining this momentum, driving innovation and creating long-term value for all stakeholders.

With this, I hand over to Dr. Arup Basu to share his remarks on the Engineering business. Over to you, Arup.

Dr. Arup Basu: Thank you, Akhila. Good morning, ladies and gentlemen.

I will speak about the Engineering business, which comprises Greaves Engines and Excel.

I am pleased to report that in Q3 FY25 on a year-on-year basis, Greaves Engineering delivered a double-digit growth in revenue.

In today's commentary, I would like to add some more color in terms of internal factors that have resulted in this profitable growth. The results reflect our progress on diversification of revenues and profits across automotive and non-automotive applications. As I have consistently communicated, we are working diligently on expanding internal capabilities and competencies to diversify both our products and services and their respective application areas.

As a result, currently less than a third of our revenue is generated from automotive diesel engines from a nearly 100% share a few years ago. In Q3 FY25, on a year-on-year basis, revenues from non-automotive applications registered an over 30% increase.

On Gensets, we have significantly expanded our dealer network across India and continue to receive positive response to our CPCB IV+ compliant product line. Our market share has inched up from less than 3% to nearly 4% in this quarter.

In keeping with our stated fuel agnostic strategy, we continue to expand our product portfolio of tailored multi-fuel solutions for specific segments and applications to meet the diverse energy needs of our customers.

We are also working towards increasing the share of exports in our revenue mix. Exports constituted around 10% of revenues in Q3 FY25. We have established collaboration with Alliance partners across EU, USA, key economies in Africa and the Middle East with team members based in UAE and USA.

While Q3 FY25 revenue in Excel Controlinkage was 7% lower year-on-year, quarter-on-quarter it was 15% higher. Excel is accelerating steps to expand capacity, develop new products, and diversify across geography and customer vectors. New products typically constitute about 20% of Excel's product portfolio.

Looking ahead, we are well positioned for sustained growth. At Greaves Engines manufacturing plant at Shendra, Chhatrapati Sambhajinagar, a new assembly line for motor controllers has been installed for manufacturing e-powertrains for mobility and other applications. In addition, the Shendra plant received AS9100D certification required for machining components for the aerospace industry.

Finally, we continue to make good progress on our sustainability roadmap to meet and exceed our sustainability-related ambition.

For the next commentary, I now hand over to my colleague, Narasimha Jayakumar. Over to you, Narasimha.

Narasimha J.: Thank you, Dr. Arup. Good morning, ladies and gentlemen. I will be giving you a little bit of color commentary on our performance in Q3.

Greaves Retail delivered Rs. 159 crore of revenue in Q3. This represents a 13% y-on-y growth. We continue to be amongst the top two players for the three-wheeler parts segment and we are making significant strides in electric three-wheeler aftermarket parts and the powertrain business as we capture greater market share and strategically expand our presence in this area.

We are seeing an overall demand recovery for our diesel, CNG and EV parts with the retreat of monsoon and the pickup of the last mile economic activity driven by quick commerce. We are rapidly upskilling our mechanics on the new product range for electric vehicles. With now a wide-ranging network of 250 distributors, more than 10,000 retailers and 25,000 mechanics, we have built a strong ecosystem that offers a seamless experience for our customers.

Our multi-brand parts, particularly CNG and two-wheeler, are growing well. Exports is growing strongly. We have opened several new markets, including Philippines and East Africa.

Greaves Care Services franchising operations continues to be the leader in multi-brand servicing for three-wheelers. And increasingly, this network is getting enabled for servicing electric three-wheelers and electric two-wheelers. We have now 225 plus franchised outlets at the end of quarter 3.

Leveraging Excel's manufacturing capabilities, we have also expanded into construction equipment and HCV parts, which are growing strongly given the overall infrastructure push and construction activities all over India.

Looking ahead, we plan to grow our contribution from the EV component business, the HCV business, and the small commercial vehicle part lines. This is in line with our fuel agnostic strategy to diversify away from three-wheeler diesel spares. We are leveraging digital significantly across the business, which will result in better operational efficiencies and improved customer experience.

I would now like to hand over to my colleague Mr. K. Vijaya Kumar – the CEO of Greaves Electric Mobility.

K. Vijaya Kumar: Thanks, Narasimha. Good morning, ladies and gentlemen. Thank you for joining us today on our earnings call. I will talk about the performance and the exciting developments at Greaves Electric Mobility, post which we can commence the Q&A session.

Electric vehicles have gained significant traction as an industry and emerged as a promising solution for reducing emissions. As part of our strategy, Greaves Electric Mobility, well known for the Ampere brand, has filed a DRHP with SEBI on December 23, 2024, for a proposed IPO. We propose to utilize the proceeds for investments in technology development, enhancing capabilities at our technology center, development of in-house battery assembly, funding expansion of manufacturing capacities of our subsidiaries, increasing the stake in one of the subsidiaries, increasing digitization and deployment of information technology infrastructure, funding inorganic growth opportunities and general corporate purposes.

Regarding our business performance, in the E-two-wheeler segments, we have achieved a market share of 3.4% in Q3 FY25, allowing us to reclaim the fifth position in the Vahan ranking for the month of December 2024. This notable growth can be attributed to several factors, one of them being our improved product and price competitiveness, which has helped us increase our market shares and specifically in states like Tamil Nadu and Bihar where we are currently at 10% plus market share as per the Vahan data.

We have also diligently enhanced our distribution network to connect with broader consumers' base. In the 3rd Quarter, we added 24 new dealerships for Ampere, 16 for our ELE brand and 17 for our Greaves three-wheeler brand. This facilitates greater accessibility of our products nationwide enabling customers to more readily experience the offerings of Greaves Electric Mobility.

Our achievements extend beyond these statistics. They reflect our commitment to providing innovative products. A prime illustration of this is our Ampere Nexus, which can be charged only in 3.3 hours. This feature aims to enhance the experience for customers who prioritize convenience and prefer to minimize their time connected to a charging station.

And as you are aware, we are also addressing one of the primary concern for EV which is the range anxiety. Ampere Nexus, notably the Kashmir to Kanyakumari campaign, which the Ampere Nexus traveled over 10,000 kilometers and established four national records exemplifies the remarkable range and dependability of our electric vehicles.

I am also happy to announce that we have also recently launched an enhanced variant of Magnus EX named as 'Magnus Neo' at an attractive price of 79,999. We undertook another record journey on our new Magnus Neo and achieved the record of the longest journey by a city speed family electric scooter riding 2,300 plus kilometers from Bangalore to Auto Expo, Delhi. We recognize that for customers to wholeheartedly adopt EV, it is essential for them to have confidence in their ability to reach their destination without concern.

In the e-three-wheeler sector, we are dedicated to enhancing our footprint through our network and product enhancement. Our Greaves 'Eltra City' currently boasts the national record for the longest distance travelled on a single charge, an impressive 225 kilometers. This achievement underscores our dedication to advancing the possibility within the EV domain.

Additionally, we continue to grow our presence in alternate fuels for three-wheeler. We have successfully increased our market share in the L5 diesel segment from 1.2% in FY24 to 3.7% in Q3 FY25, driven by the growing demand from the southern market, propelling us to fourth ranking as per the Vahan for the L5 diesel segment.

Our commitment to innovation remains at the forefront. During the Auto Expo, we unveiled a range of advanced e-two-wheelers and three-wheelers including products designed for both B2B and B2C use cases. This includes a multifunctional two-wheeler and three-wheeler designed specifically for last mile delivery as well as higher powered variants of our premium Nexus line as well as the new Magnus Neo. We also showcased our vision of the Ampere Electric Motorcycle, which received widespread coverage.

That concludes my opening remarks. I would now request the moderator to commence the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session.

The first question is from the line of Zaki Nasir, an individual investor.

Zaki Nasir: Good morning and congratulations to the management on a very healthy set of numbers. I am very happy to note that the board has again reiterated its target of Rs. 15,000 crore for 2030, sir. As what I roughly calculated, that would require a high 20s or even a 30% growth rate from here. So broadly, how do you expect to go forward on this path, whether with organic or a combination of organic and inorganic? That is my question number one.

Secondly, in the current expo, I see some very interesting products launched by Greaves Electric Mobility, notably the construction equipment. So, would you throw some light on this, the size of the market and, if possible, then path forward for Excel?

Narasimha J.: I can take your second question first. Overall, this is part of our fuel agnostic diversification strategy into some of the newer areas. So, we have looked at, as you know, the entire construction equipment space is growing very rapidly. I mean, we are talking about CAGR growth in excess of 7% to 8% year-on-year on the back of increased urbanization and infrastructure investments. So, we have also looked at selected lines which have electrification possibilities on the light construction equipment space like mini excavators, scissor lifts, boom lifts. So, this is part of our showcasing that we have done at the recent bauma and the recent exhibition.

Zaki Nasir: And what about the first question, sir, about the growth? And a small addendum for Ms. Akhila, what is the cash balance on the balance sheet now and how do you see this going forward after the issue and stuff like that?

Akhila Balachandar: Thanks for this question, Mr. Zaki. Let me take your last question first. As on the end of December quarter, the cash on our books at a consolidated level is around Rs. 500 plus crore, just shade marginally above Rs. 500 crore.

In response to your question about how we believe we will achieve this ambitious target that we have set out for ourselves, so let me take a step back and also run you through our transformation journey which has been going on for quite some time now. We have now moved from a single product diesel engine company to a multi-stream, multi-product company. And I think what we have done this time is to share the impact of this, we also put out the current revenue mix starting from 2016 and the journey till date, and you will see that this has been a really diversified revenue pool that we are now building out. YTD December financial year 2025, our revenues are a shade above Rs. 2,000 crore and this really reflects the mix of the diversified revenue.

We have also put out in our presentation that if you see from FY22 to FY25, the CAGR of growth because in between we were hit by COVID and it took a couple of years to come back, so 9M FY22 to 9M FY25, that is the last few years, we have had a healthy CAGR of 18%. And this kind of helps us believe that we will be good to achieve the ambitious target that the Board has set out for us as management.

Will it include organic, inorganic? Surely as you know that we have invested in adjacency which are very, very core to us and we have done investment in Excel in May 2023. As and when we get some interesting investment opportunities, we will have a look at it. I hope this answers your question.

Zaki Nasir: Thank you, ma'am, and best wishes to you and the entire Board for the journey ahead, ma'am.

Moderator: The next question is from the line of Krisha Kansara from Molecule Ventures.

Krisha Kansara: My question is on the engine side first. So, our auto engine division is now shifting from, let's say, diesel engines to CNG or petrol or more of fuel agnostic engines. So, what is our strategy of increasing our presence or market share in, let's say, a market like CNG engine where Bajaj Auto dominates the market. What is our strategy to stand against our competition because our market share currently is very minuscule? So, I just wanted to get an idea of our plans in place with respect to this.

Dr. Arup Basu: So, perhaps I can quickly respond to that. As you rightly said, we are fuel agnostic, and we make the prime movers for the OEMs who then compete in the market. So, in terms of our whole fuel agnostic approach, all the work that's going on in terms of engines or powertrains are to mirror the fuel mix that's being viewed for the future. At the end of the day, how the OEMs battle with each other is really part of their domain expertise etc., but we see a growing three-wheeler market at that level, and we see this fuel mixtures playing out based on a lot of factors such as availability, total cost of ownership, sustainability and so on. And as long as our portfolio has everything that the industry needs, that's our way of risk mitigation as well as preparing for a growing future.

Krisha Kansara: First of all, congratulations on launching three new types of engines in the recent Bharat Mobility Expo. So, I have two questions with regards to this. One is how different are these newly launched engines as compared to, let's say, our current product offering in terms of, let's say, technology or value proposition? And do we plan to cater to the existing clientele through this newly launched product or are we planning to target some newer industries with respect to this? Also are these engines ready to go in the market right now or is there some time for them to be commercially viable?

K. Vijaya Kumar: So, I can take this question, in the Bharat Mobility Exhibition, we have launched three section of products. One is, as I mentioned in my commentary before, this is ‘Magnus Neo’, which we have launched, and it is ready for production and sales with immediate effect. The second one is on the ‘Nexus’, we have launched two variants. One is the ‘Executive’ variant, where a younger generation gets much better power and pick up. And then there is another variant, which we call ‘Tourismo’ on which they can go around for longer drives. So, both of these products, so ‘Magnus Neo’ is immediately available and ‘Nexus will’ also be available around the corner.

Then there are a couple of concepts which we have presented there. One is on the motorcycles where we intend to study the market and study the potential and work on it. And on the three-wheeler, we have presented a new concept which we believe can create a large market potential in a country like India, especially in the B, C class cities for B2B purposes, which we have demonstrated. These are under study, and it will be developed as per our NPD plan going forward.

Krisha Kansara: Thank you for your answer, but my question was more of the newly launched production or engineering side of business. So, the Biofuel engine or let's say, the 'hydrogen-powered' engine or the 'Euro 5 Plus' diesel engine. These are the three products that we launched in the expo. My question was regarding those products.

Dr. Arup Basu: Right. The hydrogen engine was a concept engine. The others are further developed in terms of availability. The hydrogen engine can also be made. There are some customizations that we do by specific OEM. So, that will depend on demand. The 'Euro 5 Plus' compliant engine is actually up and running because the norms were applicable from 1st January of 2025. So, they are probably the world's first single cylinder 'Euro 5 Plus' compliant engines for that category.

Krisha Kansara: Sir, quickly two questions on Excel Controlinkage. So, in your opening remarks, you mentioned that we are expanding our capacity in Excel segment. Can you throw more light on that statement?

Dr. Arup Basu: Expanding capacity, I thought, is quite an easy-to-understand statement. We are seeing opportunities for growth, and we are expanding capacity so that whatever is the demand from our customer base, we are able to fulfill it satisfactorily. So, we are just preparing ahead of time so that as and when the demands grow and they are not always uniform, we are ready to meet the requirements of the customers.

Krisha Kansara: Right. My next question is more on the non-auto business. So, can you just throw some light on each of our subsegments in non-auto in terms of how they are performing or let's say, scale or market leadership. Also, what is the existing breakup of, let's say, auto and non-auto and how do we plan to move forward with the ratio, let's say, two to three years down the line, how do you see auto versus non-auto in our engineering side of business? And also, which segment will majorly drive this shift is my question.

Dr. Arup Basu: We see all segments growing. I think our key approach was we were over-dependent on one specific application and the work that has been done over the last few years is to create a portfolio of prime mover applications across multiple segments. We see gensets growing. We see auto demand also growing. We see non-auto applications also growing. An economy of our size and globally, that's growing at the kind of GDP rates that we have. Pretty much all the engineering applications that we serve are going to grow. At what rates, that may change from one to the other. And we have therefore a fully diversified portfolio to meet all this demand. And that's the way we view it.

Moderator: The next question is from the line of Tushar Bohra from MK Ventures.

Tushar Bohra: Congratulations to the management for putting a healthy set of numbers. First of all, I would just like to understand there was a reference made to aerospace segment or industry in the opening remarks. If you can just expand upon that a little bit qualitatively or some more inputs that can be given.

Dr. Arup Basu: Yes, sure, maybe I'll just elaborate on that. We do a lot of machining and engineering fundamentally, and one of the areas which require a long lead time to prepare ourselves is the area of aerospace, which is growing in India quite a bit. So, from precision manufacturing and a precision engineering capability, this is one of the wave three horizon opportunities that we see. And we thought it's better to prepare for it early on. And one of the first steps in that is to qualify your plant for these kinds of products because there is a very long lead time to qualify yourselves because it's a very structured and high-quality and high-entry barrier industry. So, we see this as a wave three potential opportunity and the early-stage work towards that has started.

Tushar Bohra: Are we also looking at any other adjacencies from a precision engineering standpoint? Maybe railways, defense. I think we are supplying few products into marine but not on the engineering side. Any other adjacencies like aerospace that you are working on, you may want to share a bit.

Dr. Arup Basu: Sure, so in a way Excel, the acquisition of Excel was strategic because that opens up the whole adjacency from an engine ecosystem perspective around the controls, the five or six controls that are used to control any vehicle whether off highway or on highway etc. And that represents one adjacency that itself is growing in terms of the technologies etc., available. So, you have a core and then you start building the adjacencies like this. So, that's one. The application of powertrain is this second one. The electric powertrain capability building is another. In a way, the application is moving from one type of prime mover. First level was fuel agnostic IC engines, and the next level now is electric powertrain as well. So, all of these you will find are kind of expanding the canvas in which we play and adding to our diversification approach.

Tushar Bohra: With internal industries, do we also have potential players in, maybe, railways, defense, marine, other industries? Are we looking at anything over the next two quarters?

Dr. Arup Basu: As you know, we already work with railways. So, the ecosystems where we are already present represent another way to expand—because you have a customer, one set of products, and you go with them, which leads to further expansion. So, the whole railways expansion fits in with our sort of expanded engineering capability. So that is one thing that will be fed. Similarly, in defense, as they expand their portfolio, we are a qualified company with them in terms of registration etc. So, all of them are entities we worked with in the past, we continue to work with and represent natural extensions in terms of the portfolio that can serve them.

Narasimha J.: From a Greaves Retail aftermarket perspective as well, we are looking at new areas like, I think my colleague touched on railways, where we have already looked at energy management services and offering, where we are working with some of our institutional customers, notably railways and telecom tower companies for basically assisting them in their transition away from diesel gensets to lithium-ion based battery packs and really providing energy as a service. So, this is sort of as part of our own diversification and new business strategy from a Greaves Retail perspective. I hope that answers your question.

Tushar Bohra: My next question is on the hydrogen engine that we have developed as a concept. Are we looking at this as an independent engine or are we also looking at retrofitting possibilities to existing engines where they can be sort of made compliant to run on hydrogen as well? Also, are we looking at this only from a three-wheeler perspective? Because unlike diesel, where obviously a lot of firms globally have been at the technology front, in hydrogen, it's still an evolving concept. We could be one of the few companies that are in the first wave of working on it. So, are we looking at only three-wheelers, or are we looking at this maybe for even four-wheelers, even commercial vehicles for that matter? What are the possible applications for the hydrogen engine?

Dr. Arup Basu: So, perhaps I can respond to that. The idea of showcasing a hydrogen engine at the expo was to demonstrate that we have the engineering know-how and know why on this fuel for an IC platform because this is also in consonance with our sustainability approach that we work. It covers our fuel agnostic approach as well as our environmentally green approach. Now once an engine capability is there for a hydrogen-based engine, sizing is less of an issue. We are working with a larger engine on the retro fitment because of the economics. So, at the end of the day, there will be many other factors. For example, availability of hydrogen, the total cost of ownership, etc., which will determine which ones take off or which ones take what time. And what are the triggers which will allow a repurposing of the portfolio fuels that are fuels of choice. The purpose of this was to show that we have the capability, we are working with a small engine as well as large engines and working on the hydrogen platform, and it will allow us to, therefore, probably be one of the early movers as this fuel plays out going forward.

Moderator: The next question is from the line of Abhishek Salunke from VEC Investments.

Abhishek Salunke: My first question relates to the Excel Controlinkage. So, what I want to understand is, what are the growth constraints that we are facing since last two quarters in this business? Because the revenue growth seems to be declining over a year. Is this a conscious decision or it's because the industry is going down?

Dr. Arup Basu: Right. So, over the first couple of quarters, Excel Controlinkage products go largely to the OEM industry and a little portion goes to the aftermarket. So, the OEM industry in India as you are aware in the first couple of quarters had been reasonably flat or a bit tepid, typically particularly the commercial vehicles as well as the agri-vehicles like tractors etc. So, those were some of the industries that were kind of flattish and the commercial vehicles industry even had a small contraction. We see that being a temporary phenomenon because of elections, floods, etc., all those reasons. But overall, we see it growing. So, we don't really see that sector going down. The other piece is in exports, there was a little bit of a reduction in terms of the export volumes that too because there was some inventory de-stocking taking place in some of our customers supply chains. Over a period, we are rebuilding the export portfolio, like I mentioned in my talk that we are expanding our set of export customers and also, we see industry growing in India. So, in the medium term, you are seeing that change already happening between Q3, Q4 etc. And overall, we are positive about the demand side across all the sectors that we serve.

Abhishek Salunke: And it's a commendable job considering that even in the weak demand scenario, you have managed to grow your EBITDA margins. And I think the enterprise value for Excel Controlinkage is around Rs. 620 crore and then we own 70% of the business. So, when we look at future, for example, the inorganic opportunities, is this a guideline that we would look for EV to EBITDA of around 8 to 10x and we would be consciously not overpaying? And then the second part of this question relates to Excel Controlinkage, what is the current capacity utilization level at present?

Dr. Arup Basu: So, maybe I will just comment on the second one and the CFO is the best place to comment on your first query. This is an assembly type business, so, we don't have very clear-cut capacity calculations, but by and large, we do have capacity in terms of the setup that we have to be able to cater to a larger demand. So, as of now, there isn't really any bottlenecks. We are proactively expanding certain parts, certain upstream components which feed into the end-product as well as have a market of their own such as rubber. So, there will be piecemeal kind of expansions going on, but as of now there really isn't any constraint to fulfill any orders that we get. Over to you, Akhila.

Akhila Balachandar: Just want to share that each inorganic opportunity will be different. And as and when we look at opportunities, we will evaluate them accordingly and come back when something is final. So, I don't think we have anything fixed or set. We have our internal metrics in terms of ROI, ROCE, and so on. But we will treat each opportunity as it comes.

Moderator: The next question is from the line of Jyoti Singh from Arihant Capital Markets Limited.

Jyoti Singh: Congratulations Greaves team on doing such a good job. My question is firstly on the spares and services side, which is 75% of revenue. So, how do you plan to sustain growth in this segment? And are there any new plans of a partnership or a product category in the pipeline?

Also, we have a vision of Rs. 15,000 crore revenue by 2030. So, could you give us a little bit in depth on the key drivers and timelines for achieving this target?

Narasimha J.: Yes, I can take the first question. As I was mentioning in my update that we have already sort of, as part of our fuel agnostic strategy, diversified quite a bit away from our traditional diesel spares, three-wheeler spares. We have now, as I said, expanded into CNG category. We have gone a very big way into electric three-wheelers spares, particularly for E-rickshaws. I think I touched upon that. These are very large markets if you look at the way the electric three-wheeler growth is happening in the country. Also, looking at adjacencies, leveraging our Excel manufacturing capability into the HCV and construction equipment aftermarket spare parts. So, these are sort of the growth trajectories on the automotive side. And on the non-automotive side, I have touched on both for Excel as well as for in newer sectors like railways, energy management service, telecom and so on. So, these are all large markets, and we believe these have sufficient growth opportunities for us for Grease Retail.

Akhila Balachandar: Jyoti, I will take the second one, how do we plan to achieve this ambitious target. Mr. Zaki had raised this earlier on and I have fairly elaborated. So, maybe we will move to the next question if that is okay.

Jyoti Singh: Okay, fine, ma'am. So, just another on the Excel side that we recently increased its stake on that. So, are we planning further to acquire 100% or will be keeping in this level only?

Akhila Balachandar: So, as far as Excel goes, there is a path to 100% ownership and this is as per the share purchase agreement (SPA), shareholders' agreement (SHA) signed with the promoters, and we will be working along the same lines.

Moderator: The next question is from the line of Shruti Shukla from Star Union Dai-ichi (SUD) Life Insurance Company Limited.

Shruti Shukla: Part of my questions have been answered previously. Just a follow-up on one of the previously asked questions on capex in Excel Controlinkage. Is it going to be in Greenfield or Brownfield? And what sort of cash outflow can we expect there? And are there any timelines which you are currently working on that?

Akhila Balachandar: Sure, let me take that. We have a very strong robust capex program both across Greaves Cotton and Excel. The number of initiatives which we keep doing, which we call internally sustenance, like Dr. Arup mentioned earlier, any assembly line or manufacturing line, while there may not be an overall capacity constraint, there are also ongoing projects on de-bottlenecking, which ensure that we are able to run our capacity and our capex far more efficiently. So, these are multiple projects which we have evaluated and are currently in place across all our organizations. Then there are some larger initiatives which we are undertaking to ensure that we are able to move along the visions that we have set forward. Overall, in this year, between GCL and Excel, we will have roughly Rs. 100 crore approximately of capex being spent out. Trust that answers your question.

Moderator: The next question is from the line of Amit Kumar from Determined Investments.

Amit Kumar: I just had one question with respect to your two-wheeler electric business. I think in September, we got back onto the government subsidy program. We were anticipating then, I mean, obviously it takes a little bit of time for the subsidy to get into retail. We were anticipating a little bit better improvement in your month-on-month two-wheeler sales numbers. In fact, we have seen on a quarterly basis, we have seen a little bit of an improvement, but things are still sort of fairly subdued on that count. Is there any sort of constraint there in terms of ramping up the two-wheeler sales, given that now that pricing differential versus competition would not be there, I presume? And how should we, I mean, I don't, I am not sort of looking for forward guidance, but just in terms of a constraint, if you can sort of highlight anything on that count?

K. Vijaya Kumar: Thank you so much for the question. So, from a constraint point of view, I don't think there is any specific constraint. So, what has happened was October was a bumper month. And as you all know, post November end and December, the industry itself was close to 30% down. The industry in the month of December had gone down to

73,323 from 1,18,000 in the month of November. So, that is the sort of steep fall it had taken. So. that's point number one. Point number two was we were transitioning into the new Magnus Neo, which means we have inventory in the dealerships and in the market. We want to transition to get ready for the launch which we did in Auto Expo in the first week of January. These are the two things, and that's behind us and you will see the traction what we foresee.

Moderator: The next question is from the line of Atul Panpatil from Sunidhi Securities.

Atul Panpatil: Congratulations on the great set of numbers. My question is on the generator side, how was the performance in Q3 FY25 from this business? And I understand that there has been a slowdown in the genset side but I would like to know the status of this business for this quarter.

Dr. Arup Basu: So, Atul, maybe I will respond to your question. There has been a significant change in the regulatory norms that happened in this financial year which was the CPCB IV. This is for the India geography, and a significant range of gensets had to be upgraded by all players towards that. And what has happened is overall the genset demand is in a way linked to your underlying GDP growth because infrastructure, everything needs backup gensets as you are aware. The sizes differ depending on the size of the project or depending on the application where it's going to be used, but it goes from a large scale and range of products that are in demand. So, overall, in India, the demand is expected to mirror GDP growth and infrastructure growth, both of which have a positive prognosis for the future. The other part is that we are also building an export business in gensets and engines, which is quite large. There are certain geographies we are focusing on, and overall, if you combine both, I think all the players in the industry have room to grow. We particularly have headroom to grow because we are relatively small at the moment, and for these reasons, we see a runway for significant growth.

Atul Panpatil: My second question is, on the overall business, our EV segment is doing well, as we reported nearly 40% volume growth in that segment. We are also anticipating that the genset business will start reporting strong numbers starting Q1 FY26. So, on a consolidated basis, can you say that the performance starting FY26 will be much better than what we are seeing currently?

Akhila Balachandar: Yes, I will take that. So, if you see this quarter, we have done a consolidated revenue of Rs. 751 crore and a standalone of Rs. 502 crore and a growth of 13%. We will continue our journey of ensuring that we are growing on all cylinders. A lot of effort has gone into this, which has led to the consistent improvement in our margins over the last 8-10 quarters. And again, that's a journey we will continue being on. So, I think this is something as a management team we are all focused on, and we are working towards. I hope that answers your question.

Moderator: Ladies and gentlemen, due to time constraints, that was the last question. I would now like to hand the conference over to the management for closing comments.

Nagesh Basavanhalli: Thank you. In the interest of time, I will keep it brief. Again, management has summarized how we are moving from a single-cylinder diesel engine company to a diversified multi-business B2B plus B2C organization. Hope you had answers to most of your questions, our teams are always available should you have more. Thank you for your time and attention today. Have a wonderful day.

Moderator: Thank you. Ladies and gentlemen, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Note: This transcript has been edited to improve readability.