GREAVES

07th May, 2025

The Manager - Listing
BSE Limited
BSE Code: 501455

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

Dear Sir/Madam,

Subject: Transcript of the quarterly earnings call for the quarter and year ended 31st March, 2025

In furtherance to our letter dated 22nd April, 2025, please find enclosed herewith the Transcript of the quarterly earnings call for the quarter and year ended 31st March, 2025. 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

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Atindra Basu
Group General Counsel & Company Secretary
Membership No: A32389

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Greaves Cotton Limited

Q4 & FY25 Earnings Conference Call

April 30, 2025

Management Representatives:
Karan Thapar – Chairman of the Board, GCL
Parag Satpute – Managing Director & Group CEO, GCL
Akhila Balachandar – CFO, GCL
Narasimha Jayakumar – CEO, Greaves Retail
K. Vijaya Kumar – ED and CEO, GEML
Alwan Deivanayagam – Deputy CFO, GEML

Moderator

Ladies and gentlemen, good day and welcome to Greaves Cotton Limited's Q4 & FY25 Earnings Conference Call.

We have with us today Mr. Karan Thapar – Chairman of the Board, Greaves Cotton Limited; Mr. Parag Satpute – Managing Director & Group CEO, Greaves Cotton Limited; Ms. Akhila Balachandar – CFO, Greaves Cotton Limited; Mr. Narsimha Jayakumar – CEO, Greaves Retail; Mr. K. Vijaya Kumar – ED & CEO, Greaves Electric Mobility Limited (GEML) and Mr. Alwan Deivanayagam – Deputy CFO, GEML.

We would like to 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.

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 the management. Thank you, and over to you.

Akhila Balachandar

Good afternoon, everyone. It is a pleasure to have you all with us today. I am joined by our Chairman, Mr. Karan Thapar, and I would like to invite him to share a few words.

Karan Thapar

Thank you, Akhila. Hello, everyone, and thanks for joining the call. Akhila is going to present the financial performance but before she does that, I wanted to take a moment to welcome Mr. Parag Satpute sitting here with me on the table as our new Managing Director and Group CEO for Greaves Cotton. Parag will be responsible for overseeing the strategic direction and operations for Greaves Engineering, Greaves Retail, Greaves Technologies, and Excel Controlinkage with a clear focus on driving growth and delivering on our core purpose of empowering lives. Parag brings an impressive 29 years of leadership experience within the mobility and manufacturing sectors, and we value that expertise in Greaves. We are confident that his leadership will not only accelerate our growth trajectory but also propel us towards achieving our strategic ambitions with a greater impact and speed. I am delighted to officially welcome Parag to lead us to our next phase of growth.

I might just add that the Greaves Board had set itself a vision to achieve Rs. 15,000 crore topline on a group basis by 2030 through a blend of organic growth and strategic acquisitions and the management of Greaves Cotton and Greaves Electric Mobility remain committed to the same. Over to you, Parag.

Parag Satpute

Thank you very much for the welcome, Mr. Thapar, and good afternoon to everyone on the call. I am truly honored to join Greaves Cotton at this very pivotal juncture in its journey. I have long admired this organization due to its commitment in driving positive impact through sustainable engineering technologies and fuel agnostic solutions. All of these initiatives deeply resonate with me.

Let me give you a brief introduction of my professional background. Like Mr. Thapar said, I have more than 29 years' experience across the mobility and manufacturing sectors, and I have worked in India and in global markets. My most recent assignment was with Bridgestone Mobility Solutions, where I served as the President of the fleet business, running business across North America and Europe. I have now relocated to India, and I am really excited by this opportunity. Prior to this assignment, the one in Europe that I mentioned, I was Managing Director for Bridgestone in India, and I led a comprehensive business transformation for the whole organization. And before Bridgestone, for over 2 decades, I worked with Sandvik. I started out in India as a sales engineer and over these two decades, I worked in multiple assignments in India and abroad and was eventually the Managing Director for Sandvik in India.

Now, as I step into this role, I look forward to working with the leadership of Greaves Cotton, all the teams and the stakeholders, like Mr. Thapar said, to accelerate the growth, to drive innovation and to deliver on our customer-centric, future-ready solutions. The Company's legacy in empowering lives through sustainable and accessible solutions really resonates strongly with me. I look forward to advancing the Company's vision and to drive a strategic business outcome.

Over to you, Akhila, to take us through the results.

Akhila Balachandar Thank you, Chairman sir, and once again welcome to Mr. Parag. Good afternoon once again and a warm welcome to all of you on this call.

I am pleased to share that Greaves Cotton has delivered a very strong financial and operational performance in Q4 and also across the full Financial Year 2025. This performance reflects the successful execution of our transformation strategy, diversification of our portfolio and a disciplined approach to financial management. It also validates our continued focus on sustainable growth, operational excellence and capital efficiency.

Let me now take you through the key highlights, for Q4 FY25, we reported consolidated revenues of Rs. 823 crore with Greaves Cotton's standalone revenue rising by 19% on a year-on-year basis to Rs. 573 crore. Excel Controlinkage, our strategic acquisition, continued to perform exceptionally well, recording Q4 revenues of Rs. 75 crore, reflecting a 15% year-on-year growth.

Our profitability profile improved. Standalone EBITDA for Greaves Cotton was Rs. 84 crore with margin at 14.7%. The combined Q4 EBITDA for Greaves Cotton and Excel is at Rs. 107 crore with margins at 16.4%, highlighting our improved cost structure and operating leverage.

Moving to the full Financial Year 2025, consolidated revenues reached Rs. 2,918 crore, backed by strong contributions across all our business verticals. Standalone revenues for Greaves Cotton grew by 12% year-on-year to Rs. 1,988 crore, while EBITDA increased to Rs. 260 crore. Excel contributed Rs. 268 crore to the full year revenues. The combined EBITDA of GCL and Excel stood at Rs. 338 crore with a margin at a healthy 15%.

Each of our core businesses make strong progress:

- Engineering and Retail divisions continue their growth trajectory with revenues growing annually by 14% and 7%, respectively.
- The integration of Excel Controlinkage has strengthened our capabilities in motion control systems and components, enabling deeper penetration into key high growth sectors.

Our Electric Mobility division posted revenues of Rs. 659 crore for Financial Year 2025, driven by the launch of new models, improved channel efficiencies and growing consumer demand.

As you are aware, our mobility division has filed the DRHP and we await the regulatory approvals. FY25 marks strong growth for Greaves Engineering and Excel, reinforcing our position as a diversified Engineering group. At Greaves Engineering, the non-automotive applications continue to dominate the growth. The Company achieved strong growth in gensets and industrial engines while expanding into sustainable mobility with CNG and showcasing hydrogen technology concept at the Bharat Mobility Global Expo in Jan 2025. In gensets, we improved our market share to around 4%. Excel, our strategic investment in line with our diversification strategy, continues to deliver strong performance, ensuring that our investment is both revenue and margin accretive.

Moving to Greaves Retail, we ended FY25 on a positive note with significant growth in the second half. We are building a scalable tech-enabled business across three core verticals, auto, non-auto, and EV components, with a focus on three-wheeler CNG, energy solutions, and EV aftermarket. A nationwide network of 10,000 plus Retailers and 21,500 plus mechanics ensures strong service delivery while digital tools enhance the operational efficiency. Looking ahead, we aim to expand in high potential categories and pursue strategic acquisitions, maintaining our asset light tech-driven growth model.

From a financial health perspective, we are in a very strong position. We continue to operate with a near zero debt balance sheet supported by standalone cash reserves of Rs. 379 crore. Our return on capital employed for FY25 stands at a healthy 19% each, underscoring our capital efficient growth approach. We remain optimistic about the future while acknowledging external uncertainties. Our strong balance sheet cash flows and focused strategy equip us to seize opportunities and create long-term value for stakeholders.

With this, I would now like to hand it over to my colleague, Mr. Vijaya Kumar – ED & CEO of Greaves Electric Mobility.

Vijaya Kumar Thanks, Akhila. Very good afternoon, ladies and gentlemen, and thank you for joining us today.

Let me begin with a brief update on Greaves Electric Mobility's performance and some key developments from this past quarter and financial year before we open the floor for further questions.

GEML has delivered a resilient and forward-moving performance in this quarter. The overall electric two-wheeler industry saw a decline of 8% from Q3 FY25 to Q4 FY25. As per the Vahan data, which is the government portal data, Greaves Electric Mobility delivered a strong performance.

Our Vahan registration grew by 15% quarter-on-quarter, resulting in an increase in our electric two-wheeler market share from 3.4% to 4.3% in this quarter. This growth was led by the successful launch of the new Magnus Neo this quarter, a generational upgrade of the popular Magnus EX. With enhanced styling, improved performance and a safer LFP battery platform, Magnus Neo has resonated strongly with customers seeking value, safety, and reliability. In the L5 three-wheelers, we continue to gain traction across fuel-agnostic L5 solutions reflecting the strength of our diversified product portfolio. We are building this future by leveraging our Engineering DNA and rapidly evolving product portfolio.

In terms of annual update, our revenues in FY25 grew by 7.4% year-on-year, driven by volume growth in the e2-wheeler at 10% and L5 segment at 61% year-on-year. This is driven by a strong growth in fuel agnostic segments. Also note our market share increased from 1.2% in FY24 to 3.7% in FY25 in the L5 diesel segment. This year, we introduced three electric two-wheelers, new two-wheelers, Ampere Nexus, Magnus Neo, and Ampere Reo, each engineered to be safe, smart, stylish, and affordable catering to the diverse needs of India's evolving EV consumers. In addition, I am also happy to announce that Ampere Nexus has been awarded as the Electric Scooter of the Year by Bike India, a leading automotive publication.

This quarter also saw a strategic milestone, our partnership with Indofast Energy to enable battery swapping for fleet operators and shared Mobility platforms. The newly launched Ampere Magnus SW.S, the way we call it, which is swap enabled, integrated with Indofast swap infrastructure will help reduce downtime and enable faster turnaround for the last mile delivery vehicles. Continuing our commitment to affordability and access, this quarter we launched the Ampere Reo 80 at Rs. 59,900, an electric scooter designed for mass market in India - students and senior citizens. This is a key step forward in realizing our vision of Har Gully Electric. We are among the very few players who are offering EV solutions across both two-wheeler and three-wheeler segments, alongside our diesel and CNG offerings in three-wheeler, which helps us cater to a diverse customer base. We have also made meaningful strides in customer service support with 600 plus touchpoints, our own EV financing platform, evfin, and a growing digital infrastructure that supports both consumers and channel partners.

As you are aware, we have filed a draft red herring prospectus dated December 23rd, 2024, for a proposed initial public offering, which is subjected to receipt of regulatory approvals from the SEBI, market conditions and other commercial considerations. We remain grateful to our two investors, Greaves Cotton Limited and Abdul Latif Jameel, whose continued support strengthens our foundation and future investments. We remain committed to investments in product innovations and in-house battery capabilities.

With that, I now hand it back to the moderator to open the Q&A session. Happy to take your questions, please.

Moderator Thank you very much, we will now begin with the question-and-answer session. The first question is from the line of Tushar Bohra from MK Ventures.

Tushar Bohra Yes, congratulations to the management for a good set of members. My first question is to Mr. Parag. Sir, given your own longstanding track record and also given Greaves' overall pedigree and lineage, as an outsider coming into the firm, where do you think the firm is in terms of the overall journey and how comfortable you are taking on this target which I think was hit maybe a couple of quarters by the Board of a 6x increase in revenues over the next 6 years. So, I just want to understand the qualitative aspect and how do you look at the firm as preparation and as to what further needs to be done to really achieve these outcomes?

Parag Satpute Thank you, Tushar, for your question. Yes, like I said, I am really excited to join this Company. I started my assignment just two weeks ago. But like you pointed out, the recent track record of the Company has been really strong. And when I was considering this opportunity, I was really excited by the vision set out by the Company and what I could see in the track record. As I have come in, I have started interacting with the management. I started looking into the business plans. And while it is too early to give you a view now, I can confirm that I continue to be excited by this decision I have taken and the opportunity to work with the Greaves team.

Tushar Bohra Sure. My question is from a business standpoint. So, first and foremost, the Engineering business, the fourth quarter growth is significantly higher Y-o-Y compared to the full year growth Y-o-Y for us. So, should we take it that the fourth quarter is a more sustainable benchmark going forward? Should we be able to deliver with this as a new base? Do you see that substantial traction in the Engineering side of the business, also given that we have a lot of new initiatives that we have launched there?

Akhila Balachandar Thanks, Tushar, for that question. As you know, Q4 is generally our best quarter. We always put our best foot forward in the last quarter of the entire financial year. And we have really done that in this year also. Point number two, over the past 6-8 quarters, we have been undertaking various initiatives which have been in progress for some time and some of those initiatives have materialized and therefore and these are building blocks for our growth journey and also to the vision that we have set out and which was your earlier question of going 6x by 2030. So yes, some of the building blocks are beginning to show the green shoots and the results and hopefully the endeavor of the management is to continue on this journey going forward also.

Tushar Bohra Thank you, ma'am. Also, on the EV side of business, just to bunch up couple of questions. First, the volume growth looks substantially higher than the revenue growth for the past quarter and year, for EVs. If you can just set that in context. And also, if you can comment on the profitability of the EV business, are we already profitable ex of subsidies on a gross margin basis? And when do we aim to be breaking even in this business at an EBITDA level?

Vijaya Kumar Yes, Tushar. Thank you for your question. So, one is from a revenue and the realization standpoint, because where we started, we had a non-subsidy scenario in the first two quarters. Later on, we got approval on the subsidy, and then it got passed on. From that standpoint, if you see our revenue numbers, that benefit has got passed on to customer and hence it has an impact on the overall revenue realization. Going forward on the profitability part, as you are aware, we are waiting regulatory clearances from SEBI on our DRHP. So, I think I would constrain myself from giving any forward-looking statements as we have already mentioned it in our DRHP in detail.

Tushar Bohra Sure sir, if I may quickly check one last question on the Retail side, last 2-3 quarters and also in the auto expo, there's been a lot of initiatives, lots of new product launches and lot of announcements related to the Retail part of the business. But somehow, and given that it's a low or a negative working capital business, what is constraining us to let us say grow this business at 25%-30% kind of CAGR given that the base is still relatively small? Can we expect that kind of momentum in the next few quarters?

Akhila Balachandar So like we have said over the past few quarters, we have been investing in this space, and this space has lot of opportunities, and we are excited with it. And we continue to remain so. Yes, some amount of growth has not kicked in. If you see H1 last year was particularly impacted because of the heavy rains, the long-drawn elections, but we have bounced back in the second half of the year. We are continuing in our journey there. There are new product launches. There is work happening and we expect to gain momentum in the coming quarters. I hope that answers your question.

Tushar Bohra Sure, thank you so much. I will join back in the queue.

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

Krisha Kansara My first question is slightly related to what the previous participant had asked. So, we saw very impressive growth of 30% in our Greaves Engine segment. So, could you help us understand the drivers which drove this growth? Was it gensets or was it other complementary segments that we cater to? And if the growth came from gensets, can you please pinpoint what sectors, what end user industries are we seeing the major demand coming from? This is my first question.

Akhila Balachandar Thanks, Krisha. Essentially, Greaves Engines, if you recollect, we have been on a transformation journey for the last 3 to 4 years. We have tried to diversify our portfolio from a single engine, single application Company to multi product, multi-application Company and we continue on this journey. As we are growing, the contribution of our non-auto applications, especially gensets, has been a dominant piece of our growth. And this is what we will be driving going forward also. In gensets, our market share had been in the region of approximately 2.7% some time back. And we currently are below 4% or around 4%. While we are not a very big player now, and therefore, we are not very, very specific as to which segment we are targeting. We are trying to be very customer friendly, develop solutions which the customer is demanding and therefore building a niche for ourselves. I think going forward for some more time, this is the strategy we will be adopting. Secondly, what we are working on is trying to also see if we can build a solution as a service around the gensets where our RFIDs are embedded in the gensets that we sell were able to monitor the performance of these gensets and do preventive maintenance and do post maintenance. So, this is something we have been working on, and some progress is made, and the rest is work in progress.

Krisha Kansara So ma'am, would you be able to tell us at what growth stage our genset segment was during this quarter or in the year?

Akhila Balachandar Yes, a dominant growth has come from the gensets. We have not really been sharing what is the specific growth in gensets. As I said, our market share has improved from approximately 2.7% last year or a year before that to around 4% in this year. And that is the journey that we have covered over the last 6 to 8 quarters.

Krisha Kansara Right. Ma'am, my second question is regarding Excel Controlinkage. So, in the previous concall, you had hinted that we are undertaking some kind of de-bottlenecking initiative in order to expand our capacity there. So, it would be very helpful if you could give us some details on this – such as what kind of amount we have spent to expand that capacity, when will this expanded capacity come online and what is our current utilization level? Something on this, ma'am?

Akhila Balachandar Sure, so Krisha, basically we have outlaid almost Rs. 100 crore capex plan when we invested in this Company and this was something that we were planning to undertake over a 3 to 4-year period. Over the last two years that we have invested in this Company, we have undertaken multiple initiatives in de-bottlenecking our processes. So, it is not just about one specific part or area, it is over the entire manufacturing processes, the assembling and the process improvements. We also continue in this journey, and we have some capex plans outlaid even for the forthcoming year.

Krisha Kansara Okay, can you tell us the current utilization level at our Excel plant?

Akhila Balachandar So, again, as I said, there are multiple parts to the entire plant. There are pieces which would be 60% or 70% utilized. There are pieces where our utilization would be 90% plus. And this is where we would focus on the de-bottlenecking initiatives. So, this is an ongoing journey, but we would be approximately at an overall level more than 80% of plant utilization.

Krisha Kansara Right. And if you can tell us in percentage terms as to how much capacity are we adding? Let's say you mentioned we are planning a capex over the next one year. So, what kind of capacity addition can we see in this segment?

Akhila Balachandar Okay, so when we invested in this Company, the turnover of the Company was approximately Rs. 187 crore. And we had set out an ambitious target of investing around Rs. 100 crore. The idea was we should be able to do 3x turnover with this kind of an investment. And obviously, that is what is currently work in progress.

Moderator The next question is from the line of Darshan Jhaveri from Crown Capital.

Darshan Jhaveri We have had an excellent Q4. So, moving on, we said that Q4 is usually the best quarter. So, what kind of seasonality we should see going forward? And we have had some launches last year. What kind of launches are you planning for next year?

Akhila Balachandar So Darshan. Yes, as I said earlier, we have the best quarter in Q4, but otherwise we are not really seeing that level of seasonality or cyclicality, but the nature of the business and we see the best quarter in Q4. Going forward and again I continue from what I said earlier, we have been undertaking multiple initiatives both on the revenue side, on the optimization side and the cost controls. So, all these are work in progress and will therefore play out in the coming years. I hope that answers your question.

Darshan Jhaveri Fair enough ma'am. And so just like we have a very really great vision of reaching Rs. 15,000 crore by 2030. But just wanted to know in the near term, how do we see the next two years planning? Is it that this is the investment phase, where we're focusing on cost control and getting all our ducks in a row, followed by a phase of strong growth? Or will the growth be more linear? I just wanted to understand that. And how would that impact our margins?

Akhila Balachandar Sure. Darshan, again I will go back when we started this journey around 3 to 4 years ago where we are trying to diversify our dependence on diesel products, on our auto applications. And today, we are fairly well diversified in terms of auto and non-auto applications, in terms of being fuel agnostic in our product offerings. It is in line with this philosophy that we did a strategic investment in Excel, which is definitely fuel agnostic, but in the same industry. This has added Rs. 268 crore to our topline in the current year and will grow further. Going forward, we will definitely grow both organically and we are also looking for opportunistic investments in the adjacencies that we are strategically looking forward to. And the ambition that the board has or the vision that the board has of Rs. 15,000 crore by 2030 is an all-encompassing vision which includes both organic growth as well as the strategic investments that we will definitely make. And as you are very well aware, we are a completely debt-free Company. We are sitting on Rs. 379 crore of cash. And therefore, we are well funded if we want to undertake inorganic and strategic investments.

Darshan Jhaveri Very fair, ma'am. And just one bookkeeping question from my end. We have some accumulated losses, so going forward, will we have a nil tax rate for some time, or how will that play out?

Akhila Balachandar So Darshan, we have losses in the subsidiary Company, Greaves Electric Mobility, and they will be able to take any tax benefits that will be available. At the Greaves Cotton entity level let me clarify, we do not have any losses in the standalone books.

Darshan Jhaveri Oh okay. Fair, that is in the subsidiary. Okay. Yes, that is it from my side ma'am. All the best. Thank you so much.

Moderator The next question is from the line of Saket Kapoor from Kapoor Company.

Saket Kapoor Firstly, please correct me, in your presentation for the Electric Mobility part, have we not provided the P&L separately in the division part or where have we subsumed that number sir?

Akhila Balachandar If you go to the presentation, we have shared the E-Mobility financials in the business division disclosures. Sorry, I do not know the exact page number because these do get changed out. In the financial disclosures, we have put it under the business division financials.

Saket Kapoor Okay, I will just go through it. Because separately, when I was going through the division disclosure, I could find Greaves Engine, Greaves Retail, GCL, Excel, and GCL plus Excel. But for the e-Mobility, GEM, that part of the slide, I could not make out where you have provided the disclosure for the same in the same pattern. Secondly, considering the current subsidy framework, what have we factored in regarding the growth trajectory and quarterly burn rate for the Electric Mobility division? Also, following the proposed IPO, who will hold the majority stake in the existing company? And from a consolidation perspective, will this line item continue to appear going forward? It would be helpful if you could shed some light on that.

Akhila Balachandar Yes, I will request Vijay to take the first question and maybe I will then add to the second one.

Vijaya Kumar Yes, Akhila, thanks. So, Mr. Saket, the way we are looking at it is the electric two-wheeler industry last year has grown by close to 20%, reaching 1.3 million units, and we expect that growth trajectory to continue. Greaves Electric Mobility is one of the founding members of Electric Mobility, with over a decade of experience, and we have been among the leading players in providing electric mobility solutions. We are excited to continue participating in this growing sector. We have a strong brand presence in terms of two-wheelers, particularly with Magnus and Reo, and we have recently launched the Nexus. On the electric L5 segment, we have Eltra, which we had launched this year has been received well, and it holds the largest kilometer on a single charge certificate across all the competitors we have. Additionally, in the two-wheeler segment, we are seeing strong market share in certain states, surpassing 10%, with key markets like Tamil Nadu where we hold a 15% share. While I can't provide all the details due to our current status with the DRHP and awaiting approvals from the government, we do have our own plans in place. We are focused on improving our product quality, advancing our technology, and expanding our reach across the country through our distribution and service network.

Saket Kapoor My question was more particular to the subsidy part of the story, the type of uncertainty that is there in the subsidy. I think some recent changes were also made a couple of days ago. So, what are you factoring in going ahead in terms of the subsidy part of the story? And when will this burn ratio start falling? I mean to say, we have posted higher turnover for the year but so have the losses.

Vijaya Kumar So, let me answer one by one. So, the subsidy presently is at Rs. 2,500 per kWh on two-wheeler which is capped at Rs. 5,000 per vehicle. And on the L5 three-wheeler it is at Rs. 5,000 per kWh capped at Rs. 25,000 per vehicle. So as far as the government policies and the documents which has been released by the government, this is extended for the full financial year this year, given the budget and the utilization resultant to the sales. Going forward, there are no indications from the government. So, we are working towards a subsidy-free environment where it is the value proposition of the product and the consumer connect which you build through your quality, reliability and after sales service, where we will be able to compete. So, we are looking forward to a non-subsidy scenario next year, this year as I explained to you presently.

Coming to the burn part of it, again, I do not want to make a futuristic statement given our DRHP, but as an organization belonging to Greaves, we are very highly cost conscious and I would say our path to profitability is something which is relatively much better. I don't want to give exact numbers on it, and the new products we have launched – Nexus, Magnus, Neo, and Reo have been received very well. And they are all profitable at a standalone basis. We are building our volumes to meet our fixed and variable expenses.

Akhila Balachandar On our shareholding post the IPO, I think we will need to wait for the final RHP, and other such structures and the approvals concerned. So, at this point in time, I would not like to comment on that any further.

Moderator The next question is from the line of Vineet Bansal from Pinnacle Securities.

Vineet Bansal I have one question, you are sitting on a considerable amount of cash. So how do you plan to use that cash in the next couple of years? Do you plan to do any capex in the standalone business?

Akhila Balachandar Yes, thanks, Vineet. So, over the last 2-3 years, we have been consistently deploying around Rs. 80 crore to Rs. 100 crore of capex into the business. All these have gone in adding new production lines, working on automation, improving our efficiencies, de-bottlenecking and we will continue on this journey. We will outlay approximately Rs. 100 crore capex even in the coming year for our internal growth purpose.

Moderator The next question is from the line of Sushant Agarwal, an individual investor.

Sushant Agarwal I wanted to know what components of the electric powertrain are manufactured by the Company. And what are the gross margins that can be expected going forward in our electric business considering the battery assembly line that is going to be set up?

Narasimha Jayakumar Thank you for your question. I think we are very excited about the electric powertrain business. As Akhila, my colleague mentioned, we are actually looking at this vertical for significant growth. By electric powertrain, we specifically refer to both the motor and the motor controller. The motor, as you know, is a very critical prime mover, critical component for the entire e-powertrain. And we do these for both the L3 segment as well as for the L5 segment. These are being manufactured at Aurangabad. And we have also secured a number of OE clients.

Moderator The next question is a follow up from the line of Tushar Bohra from MK Ventures.

Tushar Bohra So the EV market share, we see substantial market share in two states, Tamil Nadu and Bihar. So, what is constraining us to have a higher market share, let's say in other states or on a pan India basis, versus the 15%-16% in these two states, we are at about 4% pan India?

Vijaya Kumar You are right. Our market share in South India and Eastern India are relatively higher than in the North and West. So, that's part of our action plan in terms of developing these markets. This is also one of the objectives of our DRHP, where we intend to spend a substantial amount of money on building our brand and visibility in larger cities outside Southern India. So, there is an action plan we are working on to build our brand and visibility in those states where we currently have less than 10% market share.

Tushar Bohra Got it. Sir, can you also highlight some of the qualitative initiatives in the areas of maybe defence, aerospace? I think in one of the slides, we mentioned Electric

Mobility, Excel rather, we are doing some work for defence as well. Just if you can highlight any initiatives around these areas and also on the hydrogen powertrain or hydrogen retrofitting engine that we are developing? If you can highlight more details around that.

Akhila Balachandar Yes, sure Tushar. On the hydrogen, that was more a concept which we had launched in the Bharat Mobility and that we will be looking at an incubating project and also will work with other players in the market. So that is something work in progress, and I think we will have some more journey to cover before we can really come back and see commercial revenue in that space. Aerospace and defence, this is something that we have initiated. Excel does some work in both these areas and that is a focus area for us in the next year to continue.

Tushar Bohra But that would be for just the Excel offerings or are we looking at developing new offerings on the Engineering business for these verticals' ma'am?

Akhila Balachandar On the Engineering side, if you remember some time back, we had got the approvals that are required and we are now certified to start supplying as a tier two supplier to the aerospace components, and therefore, some work has been done. But these are long gestation projects and long gestation contracts as and when we get. So, this is something that we are going ahead with. But as of now, it's not something substantial for me to report back.

Moderator The next question is a follow up from the line of Krisha Kansara from Molecule Ventures.

Krisha Kansara I had one follow-up question. So given our target of, let's say, 5x revenue in the next 5 or 6 years, that I understand that it is organic growth as well as some strategic acquisition, inclusive of all this, my question is more on our existing business. Organically speaking, how can we look at the next two years let's say for our main three businesses, which is the Engine business, the Retail business, and the Excel Controlinkage? What kind of growth can we expect organically from these three main divisions of our business?

Akhila Balachandar So Krisha, first and foremost, I would not be able to share a forward guidance, say for a 1-year or 2-year period. What we have shared is the Board's ambition and vision of achieving Rs. 15,000 crore by 2030. If you take our last 4-5 years journey, where we have really moved on from being a single product Company to now having multiple applications, auto, non-auto, being fuel agnostic, we now have products catering to diesel engine, CNG, and we are doing work in hydrogen space also. We also have products catering to the e-powertrain for the three wheelers in L3 and L5 segments. So, the idea has been to diversify the product portfolio, the application portfolio, and also focus on the export markets. And this is really what has been propelling our growth over the last 6-8 quarters. So, a lot of the building blocks are in place, and I think we should start seeing better results over the next few quarters.

Moderator Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you, and over to you.

Akhila Balachandar Thank you all for attending this meeting and wish you all a very good afternoon and a good evening. Thank you very much.

Moderator Ladies and gentlemen, on behalf of Greaves Cotton Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.

Note: This transcript has been edited to improve readability.