GREAVES
SINCE 1859

19th May, 2023

The Manager - Listing	The Manager – Listing
BSE Limited	National Stock Exchange of India Limited
BSE Code - 501455	NSE Code - GREAVESCOT

Dear Sir/Madam,

Sub: Transcript of the quarterly earnings call for the quarter and year ended 31st March, 2023

In furtherance to our intimations dated 8th May, 2023, please find enclosed herewith the Transcript of the Q4 FY 23 earnings call for the quarter and year ended 31st March, 2023.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
General Counsel & Company Secretary

Encl.: a/a

Greaves Cotton Limited

Q4 FY23 Earnings Conference Call

May 15, 2023

Management Representatives:

Nagesh Basavanhalli – Non-Executive Vice Chairman, GCL

Dr. Arup Basu – Managing Director, GCL

Dalpat Jain – Group CFO, GCL

Sanjay Behl – CEO and ED, GEMPL

Narasimha Jayakumar – CEO, Greaves retails

Akhila Balachander – CFO, GCL

Moderator: Ladies and gentlemen, good day and welcome to Greaves Cotton Limited Q4 FY23 Earnings Conference call. From the management team, we have with us Mr. Nagesh Basavanhalli - Vice Chairman, Mr. Dalpat Jain – Group CFO, Dr. Arup Basu - Managing Director, Greaves Cotton, Mr. Sanjay Behl - CEO and Executive Director, GEMPL, Mr. Narasimha Jayakumar – CEO, Retail and Ms. Akhila Balachander – Group CFO.

As a reminder, all participant lines will be in the listen-only mode, and you will be able to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

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

Nagesh Basavanhalli: Good morning, everybody. Greetings and a warm welcome to the Q4 and full-year FY23 Earnings Call for Greaves Cotton Limited. I trust everybody is doing well and in good health. My gratitude to all of you for being present on this call today. FY23 has been a good year for the Company in terms of both operational and financial performance. Greaves Cotton has experienced success and growth throughout the year, marked by significant milestones, strategic collaborations and our enormous strength significantly increased by adding substantial talent over the year. During the quarter, Greaves Cotton has recorded a stellar performance with the highest quarterly earning revenue reflecting our commitment to sustainable growth. The consistent improvement in profitability across our whole business units, be it the components of the Engines division or the Electric Mobility or Retail, is also evidence as part of our strategic vision and dedication through innovation. Very quick highlight, Greaves Cotton got into a definitive agreement in the last quarter for the multi-tranche acquisition of Excel Controlinkage Private Limited. Greaves Cotton acquired a 60% stake in the Company in the first tranche. This acquisition strengthens Greaves Cotton's position in the industry and the portfolio offerings were all shared in the pretax reading material sent out. We are happy to take any questions on that at a later point.

Our transformation, the journey that started several years ago in terms of moving from a B2B to a B2B plus B2C and getting closer to the consumer, has been driven primarily due to the strength of our main verticals, our Greaves Engineering, Greaves Retail and Electric Mobility. Now ,B2C businesses contribute to almost 66% of the revenue. Coming to Electric Mobility, the Ampere 2-wheeler registered over 100,000 retail sales in FY23. It partnered with Royal Challengers Bangalore as an Official EV partner for the ongoing IPL T20 season. We also unveiled six new 2-wheeler and 3-wheeler products at the Auto Expo in New Delhi in January. This caters to the diverse consumer segments of the different price points of the ever-growing 2-wheeler, 3-wheeler needs, which form more than 80% of the Indian population of vehicles in the last mile segment. Greaves Retail is a leading distribution and retail business in India. It specializes in last mile transportation and the life cycle spanning over 2-wheeler, 3-wheeler, Electric and conventional vehicles as well as low-end commercial vehicles and this is into multi-brand spares, multi-brand service and multi-brand sales.

From an overall perspective, when you take a step back, we thank our talented team, which has been strengthened significantly over the last 18 months. The consistent improvement in profitability across the various divisions is also a reflection of that. We remain steadfast in our mission to build new competencies in this era of disruption and accelerate our movement in terms of being a full stack mobility and a sustainable last mile transportation solutions provider with that overview, let me hand it over to Mr. Dalpat Jain.

Dalpat Jain: Thank you Nagesh. Good morning everyone. To add to what Nagesh mentioned and put it in terms of numbers, during Q4 FY23, the Company had the highest consolidated revenue of Rs. 827 crores, which was 33% higher than the same quarter of the previous year. It had a profit before tax of Rs. 56 crores. The good part is Company's financial ratios are strong and the business ROCE is at the highest level. We had a standalone ROCE of 35% and consolidated ROCE of 18% for the full financial year FY23. If you look at only Q4 FY23, consolidated ROCE was more than 30%, cash conversion ratio of the Company was more than 90% and that augurs very well in terms of Working Capital management. In terms of the Balance Sheet strength, the Company had consolidated net cash of Rs. 1,142 crores, which can be used for further expansion as we go forward.

If I add Excel's revenue of Q4 FY23 and see on a proforma basis, the Company's consolidated revenue for Q4 FY23 would have been close to Rs. 880 crores which is an annual run rate of close to Rs. 3,500 crores, so overall good profitable quarter. Standalone margins have come back to double digit, and we expect as we go forward, the industry will continue to remain in strong position and the diversification that the group has undertaken will help us in having consolidated revenues at a stronger position. With that, Nirav, we can open up the floor for question and answer.

Moderator: Thank you very much. The first question is from line of Ashin from Equirus. Please go ahead.

Ashin: My questions are on the E-Mobility business, so we reported the highest ever volumes during the quarter. Despite that the margins continue to remain subdued because of the lower gross margin and higher employee cost, so could you please reflect on that?

Dalpat Jain: You have rightly observed, if you look at our overall volumes have been the highest ever, the revenues are at Rs. 383 crores of a quarterly run rate, but at the same time, the Company has been set up for far higher revenues and the volumes as we go, because the industry is going to see huge penetration in favour of Electric and that is where the management team has further been strengthened. We have filled in key positions at the senior level plus the overall headcount reached more than 500, so that is what has led to the employee cost being higher.

In terms of the gross margin, some of the changes made to bring in AIS 156 related compliances, that price has not been fully passed on to the consumer and that impacted margin, gross margins marginally. But mainly it is the fixed overheads which have been built for a much higher scale as we go in future.

Ashin: My next question is on the subsidy front, where are we on and as on March 2023? How much subsidy is left and now there is news that few players are in the final stages of approval, so where are we on that?

Sanjay Behl: As you are aware, the Ministry of Heavy Industries is reviewing FAME-2 compliance for most EV players, including the Greaves Electric Mobility. We understand that the review is still ongoing and partly completed, but it is still ongoing and we are currently fully cooperating with NHAI and all the authorized agencies appointed by them and we are awaiting any further communication from them. Just want you to note that while this is ongoing inquiry that we are one of the first few EV players to receive the CMVR and ARAI certification, even for the AIS Phase-II, which started on April 1, **(Inaudible 10:34)** compliance for all the top vehicle models. Every single model is cleared for AIS Phase-II **(Inaudible 10.36)** based communication.

Ashin: Any word on the remaining subsidy which is there? The subsidy amount receivable for us?

Dalpat Jain: Net receivable in the consolidated financials is close to Rs. 350 crores as of March 31.

Moderator: Thank you. The next question is from the line of Jyoti Singh from Arihant Capital. Please go ahead.

Jyoti Singh: Congratulations on the excellent set of numbers. My question is on the E-Mobility side. In this quarter we have performed very well, so what are expectation going forward ? You can comment on the margin front and also on the top line front, what we are expecting going forward?

Sanjay Behl: Thank you very much for recommending the results we have had in Q4. I think while the forward-looking statements we will not make because they are still speculative, overall just to reflect on the last 12 months where the industry has close to tripled in size, as you know, I am talking about electric 2-Wheelers which went from about 253,000 to about 727,000 now, if this rate of growth continues, Ampere is the 3rd largest selling electric vehicle in the country today, and in fact it has inched up to number 2, so there is every reason to believe that we will be in a significant leading position in this fast growing market. Electric 3-wheeler also, we have seen both in e-Rickshaw and in the L5 segment, the contribution of electric vehicles in the overall pie is continuing to grow very rapidly. Last year, if you see, more than half a million electric vehicles which are almost 700,000 electric 3-Wheelers got sold and if this again growth continues with our addressability in both segments, L3 and L5, we can see now a big growth coming.

Jyoti Singh: Okey, thank you sir.

Moderator: Thank you. The next question is from the line of Amyn Pirani from J.P. Morgan. Please go ahead.

Amyn Pirani: First question is just the clarification, if I look at your financial snapshot, then there is still a small negative gap between standalone and consolidated EBITDA and PBT, but when I look at your business division wise disclosures, all of them seem to be in the green, including the E-Mobility, which has a small PBT profit, so just some clarification as to why is console still lower than standalone?

Dalpat Jain: Amyn, good question, 2 companies Greaves Finance and Greaves Technology are our new businesses, and the difference is basically the margin revenue and the PBT of those 2 entities.

Amyn Pirani: And the on the E-Mobility side, you know it is quite commendable that you are already back to after having a difficult Q3, in Q4 you are already back to PBT, which is all the positive, but when I look at your launches, so when we look at your upcoming E2-Wheelers as well as the E3-Wheelers, I am guessing that the realizations for these will be higher because they have more features and they are new vehicle, but how should we think of gross margins? So, compared to how it has been for you in the last 1 or 2 quarters? As these volumes go up, realization could go up, but would it be positive from the start for margins, or could there be a period where margins could be negative on these new products and then start to improve?

Nagesh Basavanhalli: If you look at the Greaves Cotton philosophy and how we have done business in terms of frugal approach over the last couple of years and looking at the contribution margin, looking at how we run our business, how we introduce products, how we have brought in the plans and at what level we have automated or capitalized the products, meaning we spend the CAPEX where it is needed in terms of both the design and the process areas. Some of you have visited our plants, so I think that tells you a little ,story of how Greaves Electric Mobility and Greaves Cotton runs its business. So, I will leave you with that overarching stuff, so whatever we do, we look at overall and road map to profitability, overarching view.

Sanjay Behl: Ampere has traditionally been operating in a competitive market, but always has had cost leadership as one of the very strong philosophies driving our products there. Now, while the point about the two new products will increase, the realization is right it also needs to be understood that both these products are 100% designed in-house, engineered in-house, manufactured in-house and with the scale efficiency is now building in, in terms of sourcing, localization and colocation of some suppliers, I have every reason to believe that margins are only going to be accretive in the overall portfolio as we go forward.

Amyn Pirani: That is helpful. As we move into these categories now, these categories are areas where there are some other companies which are already operating and selling decent volumes as well, and they seem to still struggle with hitting even EBITDA profitability now obviously you mentioned the things that you mentioned about cost leadership as well as efficiency and in-house design, what I was trying to get that is this segment inherently high on cost because the BOM cost can be high because the kind of features that you have to put in is high? Or is it just temporary, and gross margins on this category eventually should be better than your existing category? If you can give some understanding on that?

Sanjay Behl: Traditionally, you are right. In stable, matured, reasonably penetrated markets, the high yield products with more features typically get higher gross margins, so that is the logical kind of continuum you will see as the market matures. Now, initially, there could be multiple reasons why the margins can get challenged a little bit in terms of trying to pass on incentives to get higher adoption rate for electric vehicles, there could be some higher level of cash burn overall in the industry and all that stuff, so, but those are very temporary phenomena. Inherently if you see the gross margin profile, I think it will be as good, if not better than the belly of the market as you move up the value ladder because the customer is ready to pay more premium. So, I would not go with immediately what is happening in the competitive context, but I would look at a 12 to 24 month horizon on this one and I feel confident that there could be reasonably strong double digit gross margins coming in for these products.

Moderator: Thank you. Next question is from the line of Gunjan from Bank of America. Please go ahead.

Gunjan: Just couple of clarifications, I mean you usually used to give this EBITDA margin on E-Mobility which you seem to have disclosed on PBT level this time, I am just trying to understand is there some treasury income because we raised funds there? And if you could just give us operating EBITDA? I mean EBITDA margin this quarter, which was, if I remember, Q2 was around 2-3% levels, Q3 was loss making, so where are we now?

Dalpat Jain: At EBITDA level, we are breaking even, so we are at the marginal profit, I would say 1% kind of margin in E-Mobility and because those numbers are available as a consolidated minus standalone, we disclosed at the PBT level and PBT, while it has a bit of treasury income, it is mainly the operating PBT that we have disclosed.

Gunjan: What is the contribution margin of the business right now and in the E-Mobility?

Dalpat Jain: Same close to around 20 to 22%.

Gunjan: On the AIS Phase-II, could you just share the cost? I mean AIS Phase-I, I remember which was done at some Rs. 3,000 to 4,000 crores, what is the incremental cost we have to incur on the AIS Phase-II? And has that been taken through price hikes, absorbed through price hikes? And maybe then I will take on the extension of this question later?

Sanjay Behl: From AIS Phase-II, the cost increment is almost in the same ballpark of AIS Phase-I because there is some amount of additional layering you need to do in terms of thermal coating, you need to IP67 ingress, so it is almost in the same ballpark. Now what we as the Greaves, have done is we have taken a price increase on April 1 in our flagship product Magnus and that takes care of most of the increase is being passed on to the kind of hopefully the customer. It is met up with a good response in fact, we continue to do very good secondary after the price increase and even in the April and even continuing in May. So, that has been taken, which is playing into the products already. Most of it has got covered.

Gunjan: So, since December, we would have taken almost 7,000 to 8,000 sort of price increases on the key models?

Sanjay Behl: We have taken Rs. 4,000 that time.

Moderator: Thank you. The next question is from the line of Amish Kanani from JM Financials. Please go ahead.

Amish Kanani: Congrats on a good set of numbers. Sir, two questions, if you can give us some sense of secondary versus primary sales trend in Q4 and say first couple of months of this quarter and also if you can provide us with some sense of our pricing strategy you did say we had taken some price hike, but market share versus pricing strategy, how are we looking at that and how is the competitive intensity of the industry in that context?

Sanjay Behl: Overall, if you see in the quarter, we did about close to 14,000 Ampere and if I take only 2-Wheelers there, we did that level of numbers in terms of our primary, but the secondary was actually very good 13,300 was the total secondary number. So almost the entire thing we put in primary actually, I am talking about March month if you take the overall quarter that was close to about 36,000 primary and about 33,000 to 34,000 secondary, so some part went into channel because when we opened the quarter the channel was a little low in terms of stock given AIS Phase-I switchover. So, 90% of the primary went into secondary and even the registrations as you know continued to grow up from about 4,500 in January, we almost touched 10,000 registrations in the quarter in the exit month of March. In April, in fact, we improved it further and we have crossed 13% market share we are the number 2 electric scooter in registrations in April. So, that is the first part regarding primary and secondary correlation. Now go ahead with the next part of your question, please.

Amish Kanani: How are we looking at our pricing strategy work in market share and how is the competitive intensity? How is the sale I don't want to name but say Tier-I players who have their own offerings and also the new players who are very aggressive in the marketplace. How are you looking at our pricing strategy and our market share versus there's? How would we typically, I don't want you to give me the marketing strategy in a sense, but what will we prioritize market share versus pricing versus market, our margins?

Sanjay Behl: We prioritize the profitable growth and whatever trade-off we have to make, we will have to really keep that as the right present there, but coming specifically to pricing strategy, look, unlike a lot of competitors you talked about whichever Tier-I, Tier-II, Tier-III, we have a very clearly spelt out strategy to democratize electric mobility in the country on the back of 2-Wheelers and 3-Wheelers. Now why I am taking you back to this is that we will have products in each of the customer segments and not a few price point segments that you operate in, so we will have a mass marketplace, we will operate in the value segment, we will perform in the mass segment, we will operate in the premium segment in the price ladder and we will operate in every use case segment there. Currently, if you see we have 4 products, this will clarify your pricing strategy. Our entry product is Zeal EX, which talks to a particular millennial kind of customer who has a typical use case of about 70 to 80 kilometerskilometres, a run over 2 or 3 days and at about a 40 to 50 kilometer kind of a speed. Then there is Magnus EX which is the flagship, which is a different price point completely. Then there is Zeal CA which caters to the fleet mobility where it is a very different kind of an offering in terms of price bundles that we make along with service to some of the lead fleet mobility players and then there is Primus, which is priced at Rs. 110,000, so our range really starts from Rs. 70,000 and goes up to a Rs. 110,000 with about 10,000 gaps at every price. So, our market share really is going to be share of the segment and that totals up to the total market share of the Company rather than trying to compete on price with one or the other player in the market that is going to be our strategy.

Nagesh Basavanhalli: And if I can add Sanjay, this is a good question, we have always believed in our strategy of playing in the belly of the market. We started with where the price volume relationship was Rs. 80,000 to Rs. 100,000, now to Sanjay's point, we are moving more towards the left. We are also moving towards the right and with products like the Primus, which was launched and the product like NX, the Next Generation that was introduced in the Auto Expo, which is yet to be launched, you will see our expansion both to the left, but specifically, going after the different customer and different market segmentations, looking at what those customer needs are, what those unmet needs are and how can we satisfy. So, I think it is a much more broad-based strategy than just a pricing or one-off strategy and that is where I want everybody to keep that in mind.

Moderator: Thank you. The next question is from the line of Saurabh from Sunidhi. Please go ahead.

Saurabh: I just needed a volume number for non-auto products which include genset and light equipment for the quarter this time it is missing in this quarter's presentation?

Dalpat Jain: The engine number that we have over there gives the total engines for the non-auto small engines at the industrial part. Farm equipment is something which we have not included considering the overall pivot at the total non-auto level. Farm equipment would be a similar number that we had in the same quarter of last year.

Saurabh: That was 12,002, right?

Dalpat Jain: Yes, so it will be close to around that between the farm equipment and the power genset, so that is the similar number that we have.

Saurabh: So, now onwards this won't be given separately, right?

Dalpat Jain: The idea is that now we have 3 businesses, Engineering, Retail and Electric and then there are 2 new businesses which are to create and empower overall mobility segment. Within engineering, we are going to have auto and non-auto as the 2 disclosures for auto purpose not industrial purpose. That is how things are going to be as you go forward.

Nagesh Basavanhalli: I think with the evolution of the Company, Greaves Engineering now has engines, they also have other end equipment, which is to your point, the gensets or some of the other application engineer end products. More importantly, with the Excel acquisition, they have all the other areas like levers, push pull cables, sensors, etc., and more importantly, so this is if I can look at it is the component part of the business and this component part of the business and we included some of the exact components in the presentation, it caters to some of the small and light commercial vehicles, it also goes up to the heavy truck and the bus industry. So, when you look at the play, the play has expanded. So, now hence from a bigger picture, you are going to start seeing us speak about the Greaves Engineering, which is more component based and which is more in these several areas and they are primarily between auto and non-auto and then of course, the other 2 verticals are basically electric mobility, which is a 2-Wheeler, 3-Wheeler and vehicle player and Retail which is also we have separated it out to bring in more clarity a post purchase solution where we sell multi brands spares, multi brand service and multi brand sales of several different electric vehicles. So, when you look at it from a value chain extraction, you have the Company in the component space, you have the Company in vehicle space, you have the Company in post purchase solutions, so from an end-to-end lifecycle management, right, that is the big picture.

Saurabh: What would be the capacity utilization in this quarter for engines division roughly? And how is the trend looking for the next 2 to 3 years?

Nagesh Basavanhalli: If you can see, the engine volumes have gone up.

Dr. Arup Basu: Our capacity utilization is hovering around the 60-odd percent range, and we have done about 180,000 plus engines with our portfolio using our manufacturing facilities around both engines and motors, etc., we see a healthy line going forward.

Moderator: Thank you. The next question is from the line Rushabh Shah from Emkay Capital. Please go ahead.

Rushabh Shah: My question is regarding the acquisition of Excel, not many companies make an EBITDA margin of 25% to 28% in a cable business, so what difference does this Company do, how are you interested in this kind of business and how does the Company can help Greaves Cotton?

Nagesh Basavanhalli: One of the reasons we acquired Excel was precisely what you just mentioned. It had got a very highly profitable business and in fact as the CFO has mentioned in the past, this should be margin accretive going forward, so you will clearly see that add to the Greaves Cotton portfolio also, point number one, point number 2 they are a very cost focused, profit focused Company and they operate 40% of their business comes from international markets. They are both in the OE business and in the aftermarket business. They are pretty much suppliers to all the heavy truck manufacturers, the bus manufacturers in India and also globally to specific manufacturers. They pick and choose their orders; they work very closely upfront with the OEs. So, hence a strong engineering supply chain cost control and they also "find areas where the profitability is high and where they want to participate", they have a very strong order book and Dr. Basu and his team in the Greaves Engineering division will continue to work with them, with the same philosophy of profitable growth going forward.

Moderator: Thank you, Rushabh. The next question is from the lines of Samraat Jadhav from Prosperity Wealth Advisors. Please go ahead.

Samraat Jadhav: So, my significant questions have been asked one only thing was about this 9,000 retail network which we have, so do we have any kind of division Like how much are for EV specific and what is the expansion plan there?

Nagesh Basavanhalli: So, at a high level, the dealerships are across various units and electric mobility is the area that is growing.

Sanjay Behl: In terms of the dealer network for Ampere, we have more than doubled our network, and it is Pan India across all Tier-town over the last year I think this growth will continue at this pace as the industry continues to grow and penetration, more people adopting for Electric Vehicle as their preferred 2-Wheeler. A similar kind of growth is evident even in the electric 3-Wheeler space now with exclusive and multi brand 3-Wheeler both kind of channels seem to be maturing now in the market and Greaves Retail which is our own in-house channel and AutoEVMart t which Narasimha can add after me I think are becoming the prime platforms for both Electric 2-Wheeler and 3-Wheeler industry kind of options that are there for the customer. So, yes, you are right in picking up that 8,000 to 10,000 kind of point of sale already of electric there and these are only vehicle points of sale if you add to that the service, spares, and accessories this number is going to multiply very rapidly is our view.

Narasimha Jayakumar: On the Greaves Retail side, we have now, as of April 30, 150 stores for AutoEVmart, which is our Multi Brand Retailing Dealerships for covering 3Wheelers, Electric 3-Wheelers and 2-Wheelers. On the Greaves Care, our Multi Brand Servicing Network, we have a Pan India network of about 170 care centers where we service multi brand electric vehicles and traditional fuel vehicles. We have about 8,000 plus retailing network which distribute our multi-brand spare. So, overall, you know that is how we come up with this 9,000 plus numbers actually closer to 10,000 as of now. So, that is the scope and another important of course distribution is also our mechanics that we have all over India. We engage with over 20,000 mechanics which basically use our spares to service multi brand 3-Wheelers and 2-Wheelers, increasingly the focus is getting electric.

Moderator: Thank you. The next question is from the line of Pankaj from Affluent Assets. Please go ahead.

Pankaj: I have compared this year's results with pre-COVID levels, so we have beaten the topline by a very good margin, but we are not at par, not even in the vicinity of the EBITDA margins you have to achieve pre-COVID levels. So, my first question would be what is the internal roadmap if you could share for us to reach the EBITDA margins to the pre-COVID level? Second question, we have a partner with us in E-Mobility who has a global presence, so in our earlier interaction you mentioned that they would be helping us explore the export market, so just wanted to understand what is the plan for that? And 3rd question if I may squeeze, we have a CNG-based engine and as I understand the CV Makers are launching the CNG based vehicles in India, do we have any plans on that line?

Dalpat Jain: So, Pankaj, if you look at the margins and now let me talk about the Greaves standalone where you alluded to the pre-COVID margins which you rightly identified were in the close to 13% - 14% range. If you look at our quarter 4th standalone results, EBITDA margins have already reached nearly 12% and if you take Excel and do a proforma, then the margins will be upward for 13%. Having said that, one thing which fundamentally has changed from the pre-COVID period to now is the overall auto volumes because fossil fuel, mainly diesel had its disruption in the COVID period and then now post, COVID things are recovering, volumes are coming back, but there is going to be some shift in the industry towards electric and others. As a company we are now going closer to the pre-COVID with the new mix of the businesses at the standalone level and with the addition of the components motion sensors through Excel maybe standalone margins will even improve beyond what it used to be in the pre-COVID period. So, that is the direction that you can see basis the quarter 4th result without giving any forward guidance from our side. Now from an electric mobility point of view, Sanjay, I would request you to add in terms of the direction that you are looking at.

Sanjay Behl: Coming to the investor you spoke about, which is ALJ and what is the added advantages we have actually mentioned in an earlier investor call, let me repeat this, ALJ is a long term investor invested in clean energy on the planet and India this is the first investment they have made with Greaves, but they do have similar investments across the world, including Rivian, which is one of the top electric companies in the US. So, that gives us a huge advantage in understanding the already penetrated capability they have in not just electric mobility OEM space, but the entire ecosystem. So, we get a lot of know how in terms of Technical, Engineering, R&D and Networking across the globe, so that is the first advantage we get. With the capability know how and the majority of the industry in different parts of the world, I think the learning curve improves for Greaves.

The second is market linkage, ALJ is also one of the top distributors for Toyota across the world, and they have similar partnerships both in many regions across the globe, Greaves will get benefited as we go forward and into international forays on both our 2-Wheelers and 3-Wheelers, we will get an advantage of a market leader with ALJ as an investor. So these are the 2 that I am explicitly spelling out, if you have something else in mind, you can ask.

The third point was on CNG 400 or CNG specifically as a growing kind of component in the overall scheme of things. You must have seen that CNG has been a dominant space. We do have our play through MLR Auto space where we have CNG 400 engine, actually doing exceptionally well in the market and growing quarter after quarter. So, we will continue to have this play as the protocol will stay the customer's choice as you go forwar. We have already spelt out our strategy to be fuel agnostic and the fuel of choice of the customer as you go forward. CNG being a much more cleaner protocol than fossil fuel, we continue to stay invested and will see how the protocol grows. Still, we do have a product to sell in that part of the market.

Moderator: Thank you. The next question is from the line of Jiten Parmar from Aurum Capital. Please go ahead.

Jiten Parmar: My question is basically when we expect the new launches, the NXG and the NXU and the Aero Vision? and also, can you throw some colour on what is happening at Excel and ELE? How was the Q4 for these companies? All these subsidiaries rather?

Nagesh Basavanhalli: In terms of the launches, as we had announced at Auto Expo and the previous analyst calls, we had said the first launch will be we had announced 3 on the 2-Wheeler 3 products on the 3-Wheeler. We had said the Zeal and the Primus would be launched, which we did to schedule, so the Sanjay Behl talked about the Zeal product, which is a sub Rs. 70,000 product. Then he touched upon the Primus, which is the greater than Rs. 100,000 products, so two done. The final product on the 2-Wheeler, the Next Generation NX, we had said in at Auto Expo that it would be sometime this fiscal year and is still on track for that. And as we get closer, we will discuss more about it. Regarding the question on the new Company Excel that was acquired, they had a very good order and a good Q4 and that is why the CFO did mention on a pro forma basis how that could be accretive going forward and how that would happen. I mean that was already discussed before, happy to give the details at a later stage.

Moderator: Thank you. The next question is from the land of Rishikesh Oza from RoboCapital.. Please go ahead.

Rishikesh Oza: My first question is what kind of growth are we looking at E-Mobility business in the next 2 to 3 years?

Sanjay Behl: I think we should be growing in line with the market now that there are varying market estimates. Current market penetration and 2-Wheelers are about a little under 5% and if you take different estimates from Bain to McKinsey to any other industry, they are talking about more than doubling of the market over the next 2 years. So, you can expect Greaves to sustain to improve its market share in this growing market. So, you can calculate based on that. That is how it is going to be. The other segment 3-Wheelers is going to be a little more aggressive because we have a starting position that is just getting formed up now and I think you will see us going even faster in that segment over the next 12 to 24 months.

Rishikesh Oza: Ia the In recent call, company Company aims for (Inaudible 46:35) EBITDA margin on medium term, so how are we going to achieve this and can you see year-on-year improvement from FY24 onwards?

Dalpat Jain: As I was talking on the standalone side, which is clear from the quarter 4 results onwards. As far as E-Mobility is concerned, obviously it is evolving very fast, how will the industry shape up? What are the kinds of technologies which will get into it? Having said that, if you see from a long-term perspective, EV 2-Wheelers or 3-Wheelers should not have margins comparable to what the ICE peers have been having and ICE have been having in the range that you spoke about. How would that be achieved? Obviously with the operating leverage, if the kind of penetration numbers are being talked about, if they are achieved, then there will be a natural benefit of the fixed overhead getting allocated to far higher revenue. There will be an advantage of operational scale in sourcing which will give gross margin improvements and in the long term, eventually, with the battery cells getting produced in India and with the PLI led incentives coming to the industry that will also further add. So, these are the 3 broad drivers which as the industry settles should lead to stable margins in E-Mobility.

Moderator: Thank you. The next question is from the lines of Jaydeep Bothra from Subh Labh Research. Please go ahead.

Jaydeep Bothra: My question is on the expected timeline for the completion of the current expansion on capital expenses? And the second question is there any planning for having a brand image for the electric EV 2-wheeler, the Ampere brand?

Nagesh Basavanhalli: If you are taking a question on the CAPEX, obviously we have said in the past that we have committed significant capital on the electric mobility side, we have also committed significant capital on the Excel acquisition side and some of the regulatory upgrades on the engine side, whether it is the CPCB IV gensets or the BS6 of the OBD 2 on the genset, so we have used the judicial blend of capital utilization across the areas where technologies are differentiator, where we can get a competitive advantage. Greaves Retail, one of our profitable businesses, tends to remain as a flight. That is the big picture.

Moderator: Thank you. The next question is from the lines of Niteen Dharmawat from Aurum Capital. Please go ahead.

Niteen Dharmawat: I have a couple of questions rather 2 questions, the trade receivable numbers, if you can give me the FAME-II subsidy number out of this and with aging, that will help?

Dalpat Jain: Trade receivables are all receivables and as you know in our business is mainly we are into cash and carry in E-Mobility and Retail and also in Engineering major part of the receivables is secured, so that is the part on the trade receivables now coming to the subsidy, subsidy comes under the other financial assets and there as I mentioned earlier, the total outstanding is close to Rs. 350 crores, half of it will be less than 90 days, half of it will be more than 90 days.

Moderator: Thank you. I now hand the conference over to Mr. Nagesh Basavanhalli for closing comments.

Nagesh Basavanhalli: Thank you all for your continued interest and again, just reiterating what was in the highlights of the quarter, our transformation to a, B2B plus B2C, there is an end to end strategy based on our 3 main verticals, Engineering, Retail and Electric continues, the contribution is now 66%, 67%. Excel 60% is done. Greaves Retail continues to expand its footprint. The product that was committed to being launched, the 2 products Zeal and Primus have been launched and the next generation to follow and we continue to focus on our strategy and our game plan of being an end-to-end value chain player, building a sound profitable business for the long-term future. Thank you all for your attention. Thank you for your time. Have a wonderful day.

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