Operator: Ladies and gentlemen, good day and welcome to Greaves Cotton Limited Q2 and H1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashish {? Kale ?}, Head of Investor Relations, Greaves Cotton Limited. Thank you, and over to you, sir.

Ashish {? Kale ?} – Head Investor Relations: Thank you, Iqra. Good afternoon, ladies and gentlemen, and a very warm welcome to Greaves Cotton's Q2 FY27 earnings conference call. The financial results and the investor presentation for the quarter ended September 30, 2026, have been filed with the stock exchanges and are also available on the company's website. I hope you had an opportunity to review them. From the management team today, we have with us Mr. Parag Satpute, MD and Group CEO; Mr. Vikas Singh, MD of Greaves Electric Mobility Limited; and Mr. Manish Poddar, Group CFO. We'll begin with opening remarks from the management, following which we'll open the floor for questions.

Before we begin, a brief disclaimer: today's discussion may contain certain forward-looking statements relating to the company's business prospects, strategy, and financial performance. These statements are subject to risks and uncertainties, and actual results may differ materially. We request participants to refer to the disclaimer included in the investor presentation. I will now hand over the call to Parag to take us through the performance of the company and the progress on our strategic priorities. Over to you, Parag.

Parag Satpute – MD and Group CEO: Thank you, Ashish, and good afternoon, everyone. Thank you for joining us today. Q2 has been another quarter of strong business momentum, and we see continued progress in the execution of our strategy, Greaves.Next.

Let me begin with three key messages for this quarter.

First, we delivered strong revenue growth across our businesses, and we see very encouraging momentum in all key growth segments.

Second, we continue to advance Greaves.Next with tangible progress in new products, engineering capabilities, international expansion, and the strengthening of our business platforms.

Third, while our growth momentum remains strong, profitability continued to face pressure from rising input costs. The corrective actions we had initiated have started showing results, but continued cost inflation has offset some of these gains. I can assure you that improving profitability remains an important management priority.

Now let me begin with the headline numbers.

At a consolidated level, we recorded revenue of 1,176 crores, representing year-on-year growth of 44%. For the first half of this year, consolidated revenue came in at 2,150 crores, which is 38% growth.

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Importantly, our core businesses continued to demonstrate strong momentum, growing 24% year-on-year in Q2 and 20% during the first half. This represents an acceleration from the growth we reported in Q1 and therefore reinforces our confidence in the underlying strength of our business.

As I've shared in earlier calls, Greaves.Next is about building on our strong engineering and manufacturing heritage to create a more diversified and technology-led Greaves. Our focus has been on accelerating the core businesses, building new capabilities, and creating additional avenues for sustainable growth. I'm happy to say we are now seeing these priorities translate into tangible business outcomes.

So let me take you through the performance of the three core business segments.

As usual, I'll start with energy solutions. This business continued its strong growth momentum, and we saw healthy demand across infrastructure, manufacturing, commercial, and industrial applications. During this quarter, energy solutions grew 36% year-on-year compared with 21% growth in the previous quarter.

One of our strategic priorities within this business has been to strengthen our position in the medium- to high-horsepower genset market. I am very pleased to share that our medium-horsepower, or MHP, genset portfolio, covering the 160 to 750 kVA range, grew 35% during the first half of FY27 compared to 28% growth in the overall business. This is encouraging, as it demonstrates the traction we are gaining in the market segments where we have deliberately chosen to strengthen our presence.

International expansion is another priority for this business, and during this quarter, we completed the first batch of enhanced gensets developed for a key market in the Middle East. This is again a tangible step forward, and we will build on our export presence to strengthen our ability to serve international customers.

Overall, we remain positive about the opportunity in energy solutions. Our focus will be on sustaining this growth, continuing to strengthen our competitive position, and building a larger domestic and international business.

Moving on to mobility solutions. Here, our strategy is to leverage our established OEM relationships and our engineering capabilities. We believe different powertrain technologies will coexist for the foreseeable future. Our approach, therefore, is to remain competitive in existing applications while developing the capabilities required for new technologies.

Along these lines, our automotive engines business delivered another strong quarter, growing 37% year-on-year, supported by healthy demand across 3-wheeler and 4-wheeler applications. During this quarter, we also launched a new 470 cc diesel engine for 3-wheeler applications, further strengthening our product offerings.

I will now turn to engineered components within our mobility solutions space, the company that you know as Excel Controlinkages. Excel delivered a very strong quarter with 30% year-on-year growth, supported by new product orders and new customer wins. This follows the return to growth we

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reported in Q1 and reflects the progress being made in strengthening the business.

During this quarter, we completed the acquisition of the remaining 20% stake in Excel, now making it a wholly owned subsidiary of Greaves Cotton. This is an important strategic milestone for us. As we have outlined in Greaves.Next, we see a significant opportunity to build a stronger automotive components business.

Our strategy here is to progressively move up the value chain from individual components, such as control cables, towards higher-value-added assemblies and integrated engineering solutions. Excel provides us with an established platform, strong customer relationships, and the engineering capabilities to pursue this opportunity.

We intend to build on this foundation through organic growth, deeper customer engagement, and selective opportunities to broaden our capabilities. Overall, mobility solutions grew 23% year-on-year during Q2, compared with 18% in Q1.

I'll move to industrial solutions now. The reported revenue here remained broadly flat year-on-year during the quarter. However, if you remember, we had taken some portfolio rationalization decisions earlier. If you adjust for that, the business delivered 9% like-for-like growth.

Our focus in industrial solutions is to strengthen the portfolio through differentiated products and specialized applications, as well as selective international opportunities. During this quarter, therefore, we launched a new 750 hp firefighting engine and unveiled prototypes for a 160 cc gasoline engine.

These developments reflect our ongoing efforts to broaden the product portfolio and enter new customer applications. We see opportunities in segments where reliability, durability, and engineering precision are very important and where our manufacturing and product development capabilities can provide us with a competitive edge. We will continue to focus on this priority.

So that was the business segments. Let me talk now about profitability.

While we are encouraged by the strong revenue growth across our businesses, margins remained under pressure during the quarter. As we discussed in our previous call, we had initiated a series of actions covering pricing, cost optimization, and operating efficiency to address the impact of rising input costs.

These actions have started delivering results, particularly on the pricing front. However, commodity and other input costs have continued to rise, offsetting some of these gains, and therefore, the improvement in margins has been slower than we had anticipated.

We are responding to this, and we continue to focus on pricing discipline, value engineering, and productivity improvements, along with tight cost management. At the same time, we are maintaining a clear distinction between costs that can be optimized and investments that are essential for our future competitiveness.

Now, as we move into the second half of the year, improving profitability and converting our strong revenue growth into better operating earnings will be a key management priority. We believe the

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actions we are taking are directionally right, and we remain focused on accelerating their impact while navigating the evolving cost environment.

Our CFO, Manish, will provide further details on the financial performance and margin improvement initiatives along the way.

Let me briefly touch upon the investee businesses. Greaves Electric Mobility and Greaves Finance remain important components of our broader portfolio and our ambition to participate in the evolving mobility ecosystem.

During the quarter, we completed the investment in Greaves Electric Mobility that we had discussed in our previous call. Our focus remains on supporting the development of this business while maintaining discipline around capital allocation and long-term value creation. Vikas will take you through the performance of Greaves Electric Mobility in greater detail soon.

Now let me step back a little bit from these quarterly numbers and share a few thoughts on the broader progress of our strategy, Greaves.Next.

When we embarked on this transformation, our ambition was to build on Greaves's strong industrial and engineering heritage while repositioning the group for opportunities emerging in energy and mobility. We recognized that this would require not just a sharper business strategy, but also new capabilities, stronger leadership, improved execution, and a more outward-looking organization.

Over the past several quarters, we have made significant progress in putting these foundations in place. What is particularly encouraging now is that we are beginning to see these efforts translate into tangible business outcomes.

Across the businesses, the common theme is clear. We are progressing and increasing the engineering content, differentiation, and value addition in our portfolio.

Touching upon capital allocation, as I said, we completed investments in Greaves Electric Mobility and acquired the remaining stake in Excel Controlinkages. Both of these investments are very well aligned with our strategic priorities.

At the same time, we continue to evaluate opportunities to strengthen our business portfolio through partnerships and selective inorganic growth. Our approach to these opportunities will remain disciplined. We will focus on businesses and capabilities that are strategically relevant, complement our strengths, and offer potential for sustainable returns.

We are very conscious that long-term shareholder value is created not simply through growth, but through the quality of the growth and the returns generated on the capital deployed. This will remain an important consideration as we take Greaves.Next forward.

We remain committed to executing on this agenda with speed and simplicity, and with the discipline that underpins Greaves.Next.

With that, I complete the update on the Greaves core business. I will now hand over to Vikas, who will take you through the performance of Greaves Electric Mobility. Over to you, Vikas.

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Vikas Singh – MD of Greaves Electric Mobility Limited: Thank you, Parag. Good evening, everyone. Once again, thank you very much for joining us today. It's a pleasure to be sharing the results of Greaves Electric Mobility on behalf of the team with you.

I'm pleased to share that the momentum at Greaves Electric Mobility continues to build, with each quarter setting a new benchmark. Q2 FY27 was our highest-ever quarter for volumes and also for top-line across both our electric 2-wheeler and our L5 3-wheeler businesses.

The electric 2-wheeler business recorded volumes of over 37,000 units, with 114% year-on-year growth in Q2 FY27, while the L5 3-wheeler business recorded nearly 2,800 units at 61% year-on-year growth.

Let me begin by sharing some updates on the key drivers of our record volume numbers before moving into the financials. In the electric 2-wheeler segment, our registration volumes on VAHAN also doubled and grew at 107% year-on-year in H1 FY27 over H1 FY26 to almost 53,700 units. Our H1 billing volumes are almost 91% of our full-year FY26 volumes in this period.

Our market share improved to 4.8% in H1 FY27 versus 4.1% in H1 FY26, with a peak market share of 5.6% in June 2026. As you can see, there has been a steady and continuous buildup in share as we keep moving forward.

We have established pockets of market leadership in certain highly challenging markets. We were a top-two player in Tamil Nadu and Bihar in Q2 FY27, ranking number one in Bihar at about an 18% share and number two in Tamil Nadu at about a 15% share, while also having a 7% plus share in southern and eastern markets, which contribute to just about half of the overall industry volumes.

Beyond this, very importantly, we rank among the top three E2-wheeler players in about 35% of the RTOs that we serve, and have, on top of this, gained share year-on-year in over 60% of the RTOs that we serve. Once again, as per plan, we are well on course to building share on a sustained and steady basis.

This growth has been driven by several key initiatives: network, alternate channels, new product introductions, and building on the low-speed segment growth.

Our network is growing rapidly, both in terms of the number of dealers and the average throughput per dealer. In H1 FY27, we issued LOIs for 160 new dealerships, while existing dealers also opened nearly 20 new branches.

Very importantly, dealer throughput has improved by almost 40% year-on-year per dealer, from 18 to 25 units per month. Our B2B volumes also grew 18% year-on-year in H1, with multiple new fleet accounts reducing our dependence on any single customer.

We have also ramped up our presence on e-commerce platforms, which have helped drive almost three times the volume growth over the same period last year. In the low-speed segment, Reo Li has been well received by customers as a safe and reliable option and has played a critical role in our growth journey.

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Alongside the core scooter business, we have built additional levers for revenue and margins through the introduction of IoT solutions on our products and various accessories, which are generating significantly higher margins while driving incremental realizations.

In our L5 3-wheeler business too, Q2 was our highest-ever quarter, with billing of about 2,800 units, up 61% year-on-year, whereas VAHAN registrations increased by 74% year-on-year.

Our focus now is firmly on strengthening our network in the northern and eastern regions, where the largest share of the EV industry volumes currently reside.

With this, I now move on to our financials. Our consolidated revenue in H1 FY27 is almost 680 crores versus 335 crores in the same period last year. Our 2-wheeler revenue in Q2 moved up 134% year-on-year and was at 350 crores, and our L5 3-wheeler revenue moved up 55% year-on-year and was at almost 60 crores.

At an H1 level, consolidated revenue grew by almost 103%, with more than 130% growth in the 2-wheeler segment.

The increased scale benefits are flowing through to our bottom line, as is evident from our unit economics trajectory. Our average realization in E2-wheeler for the quarter improved by 5,000 rupees to roughly 93,000 per unit, without any compromise on our volumes.

Our EBITDA losses per unit in 2-wheeler have come down by 70% in Q2, from roughly 20,000 per unit to less than 6,200 rupees per unit, indicating a strong and quick path to profitability.

Our EBITDA losses in E2-wheeler have also come down significantly, from roughly 24% negative in Q2 FY26 last year to negative 7% in Q2 this year. Our overall cash burn for the E2-wheeler business has touched a record low, in the single digits per month, and we expect that to break even fairly soon.

On the technology front, our R&D team has secured a design registration for the new ferrite-assisted synchronous reluctance motor developed in-house. This is essentially a rare-earth-element-free motor.

This motor architecture, besides using no rare-earth magnetic material, also lowers our dependence on imported rare-earth minerals from China and deepens the localization of our powertrain. Deployment will begin with our 2-wheeler portfolio very soon, followed by new product introductions in Q4 FY27.

We have also upgraded our scooters with new performance and technology features under IntelliPack, our connectivity suite. The new, upgraded Nexus EX Plus comes with a more powerful 5-kilowatt motor with higher gradeability, along with IntelliPack.

The Magnus G-Max with IntelliPack offers more than 30 connected features through the Ampere Connect app, including cruise control, hill-hold assist, find my scooter, turn-by-turn navigation, and remote vehicle diagnostics.

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Together, these vehicles make our scooters durable, reliable, and technology-forward for all terrains and weather conditions that India has to offer.

On the brand front, we embarked on an ultimate endurance ride with the all-new Magnus G-Max. The vehicle covered more than 4,400 kilometers from Dong Valley in Arunachal Pradesh in the east to Guhar Moti in Gujarat, validating the superior reliability, durability, and technology of the product.

We amplified the product campaign through print advertising in key markets, along with outdoor support and digital campaigns, garnering over 3 million views on social media.

In September 2026, Ampere also recorded its highest-ever brand searches, up 23.6% above August 2026. Very importantly, this culminated in our website traffic nearly doubling from H1 last year to H1 this year, from 1.1 million to 2.1 million for the year.

Finally, our scooters continue to earn recognitions. The G-Max was named Family Scooter of the Year 2026 at the Times Drive Auto Summit Awards, and we are proud to offer award-winning electric scooters to our Indian customers.

Our vehicles are truly built for Bharat. We remain committed to profitable and sustainable growth and to building an electric mobility company that delivers lasting value for all our stakeholders. Thank you.

Manish Porwal: Thank you, Vikas. Hi, this is Manish Porwal. Good evening, everybody.

On the financial performance, I'll quickly run you through it. On a consolidated basis, our revenue increased 44% year-on-year from 566 crores to 815 crores in Q2. Correspondingly, for H1, consolidated revenue stood at 2,150 crores, a 38% increase over 1,561 crores in the corresponding period last year.

EBITDA margin also showed robust growth of 43% year-on-year, despite commodity pressures through H1 this year. On a quarter-on-quarter basis, we improved EBITDA margin marginally from 5.8% in Q1 to 6.2% in Q2 on a consolidated basis.

For our core business, we reported revenue of 768 crores compared to 621 crores in the same period last year, representing a 24% increase. Similarly, for H1, we grew 20%, with revenue of 1,478 crores compared to 1,233 crores in the corresponding period last year.

Greaves Electric Mobility, on a consolidated basis, also reported revenue of 410 crores, up 106% versus 199 crores in Q2 last year.

On margins, the impact of commodity inflation and the lag in passing on the higher costs continued in Q2. We began implementing price increases in parts of the business during the quarter and shall continue through the rest of the year.

However, pricing arrangements in the B2B OEM ecosystem typically operate with a lag. We therefore expect the full company-wide benefit of these actions to be reflected by Q4 FY27.

Alongside the pricing increase, we have intensified our cost optimization and value engineering programs to support profitability. Reflecting these pressures, core business EBITDA margin was

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11.5% in Q2 compared to 14.8% a year ago.

In the EV business, strong scale has translated into a marked improvement in operating performance. In absolute terms, despite the revenue doubling, its absolute EBITDA loss narrowed from a loss of 25 crores to a loss of 25 crores, compared to 42 crores negative last year.

We also recognized certain exceptional, or non-recurring, expenses in Q2 of FY27 that affected reported profit before tax. Following a further review of the brands, goodwill, and other intangible assets, we accelerated the amortization of relevant intangible assets and recognized impairment charges against the carrying value of brands and goodwill.

We also had a one-off expense charge linked to the planned IPO for GEML. The resulting impact on GCL's consolidated financial statements comprised 27 crores of accelerated depreciation and 33 crores of exceptional items. Kindly refer to slide number 34 for further details and notes to the published accounts.

Moving on to capital allocation, we invested 331 crores in GEML's rights issue, and we invested 112 crores to acquire the balance 20% stake in Excel Controlinkages.

On investor disclosures, we earlier introduced revised segments, a separate core business profit and loss statement, a 3-year revenue bridge, and a separate disclosure on the conventional 3-wheeler diesel engine business in Q1.

Starting this quarter, we are also providing additional operational and financial information on GEML, along with select indicators for the core business. We continue to be guided by investor feedback to enhance disclosures and enable a better understanding of our business.

With this, I hand over back to Iqra, our moderator.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Deepak Ajmera from Elpro International Limited. Please go ahead.

Deepak Ajmera – Elpro International Limited: Hello. Am I audible?

Management: Yes, you're audible.

Operator: Yes, you are audible, sir.

Deepak Ajmera – Elpro International Limited: Thank you for the opportunity. I have a question on the Greaves Mobility side, the electric mobility side. We currently have very low utilization. On an average monthly volume basis, how much capacity do we have, and at what level do you see break-even happening in terms of volume?

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Vikas Singh – MD of Greaves Electric Mobility Limited: Our monthly capacity is approximately 40,000 per month. At this point in time, our utilization is reaching about 40%. We would expect, at the rate at which the volumes are moving, this capacity to cover us for the next couple of years.

At these existing volumes, in terms of the latest month-on-month growth, we would expect break-even to happen fairly soon. I am not in a position to give you an exact timeline, but we are running ahead of plan. Versus whatever we had planned in the past, we should be looking at break-even numbers significantly ahead from a time-horizon point of view. I hope that addresses your question.

Deepak Ajmera – Elpro International Limited: Understood. Could you please share any expected timeline for the GEML IPO?

Vikas Singh – MD of Greaves Electric Mobility Limited: Once again, this is a conversation that is underway with the IPO committee. We are constantly scanning the markets in terms of how the overall trajectory is likely to improve on enterprise valuation.

At this point in time, with the rights equity being completely subscribed, we are well funded. We would choose the right time to go for the IPO; hence, no definite date at this point in time can be stated on this account.

Deepak Ajmera – Elpro International Limited: Thank you. Thank you for the opportunity.

Operator: Thank you. The next question is from the line of Naved Virani from Benchmark Research. Please go ahead.

Naved Virani – Benchmark Research: Hello?

Operator: Yes.

Naved Virani – Benchmark Research: Am I audible?

Management: Yes, please.

Naved Virani – Benchmark Research: Hi, team. Thank you for the opportunity and also for the updated presentation. The data points there were very helpful.

My first question is regarding the commodity pressure that you alluded to in your opening remarks. There are two parts to it. First, can you call out the top 2 or 3 commodities that are putting pressure on the business? Second, what do you see as steady-state gross margins, if you can give an assessment of that? That would be helpful.

Management: Could you please repeat the first question? We didn't get it.

Naved Virani – Benchmark Research: The first question is, can you call out the top 2 or 3 commodities that are putting pressure on the business right now?

Management: Sure. Aluminium, iron, copper, and PGM—the platinum group metals—are the 3 or 4 broad buckets that are used for the engines and the gensets. That is where the commodity impact

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is being faced and is impacting the company.

On a steady-state basis, I think in Greaves.Next we have mentioned a 13%-15% EBITDA margin. On a mid- to long-term basis, we are absolutely committed to that. I think last time I mentioned that H2 would be better than H1 on the margin side. There is no reason for us to deviate from that at this stage.

Naved Virani - Benchmark Research: Perfect. Thank you for that clarity. My second question is to Vikas. In the E2-wheeler business, we saw a solid improvement in the loss per vehicle compared to what we were earlier expecting. I just want to understand whether there is any abnormal component that you may want to call out here, or whether these gains are sustainable in your view.

Management: The usual pressure from commodity pricing and related factors continues, and they apply to our sector as well. However, it is important for us to ensure that, from a product and pricing strategy and also a market penetration strategy, we are able to design product solutions and pricing propositions that allow us to mitigate this risk and also reduce the loss per unit.

These have been working extremely well for us, and that is the reason why, on a continuous and consistent basis, quarter-on-quarter, our loss per unit has been falling sharply. We expect this trajectory to continue unless, of course, there is some force majeure event that one cannot plan for.

Naved Virani - Benchmark Research: Thanks. One more question, if I may. You can correct me if I'm wrong, but we were the industry stalwarts when it came to switching the 100% portfolio to LFP batteries. I think there is another good development that we are seeing on the motor front, which we are trying to develop, or have developed, rather.

Do you think that gives us a better head start than our peers? Is that the right way to look at it, or not?

Management: I'm sorry. Can you repeat the last part of your question? I missed the part about the head start.

Naved Virani - Benchmark Research: I just want to understand whether this innovative material that we have developed in-house gives us a head start that is better than our peers, or whether it is a normal development.

Management: I wouldn't want to comment on peers on this call, but the one thing I can tell you is that the new motor, from a performance-metrics point of view, beats the traditional rare-earth-free motor on all parameters. We also have cost optimization coming through as a function of the design.

So, we have a performance improvement and we also have a cost reduction. We would be looking to take this operational very, very soon, as I said. This would be another big plus for us as far as we are concerned.

Naved Virani - Benchmark Research: Thank you for answering all my questions. That's it from my side.

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Operator: Thank you. The next question is from the line of Ankur Maheshwari from Old Bridge Capital. Please go ahead.

Ankur Maheshwari – Old Bridge Capital: Thank you for the opportunity. Since there is a scarcity, or limited supply, from the other players in the industry, and our sales target is around 10,000 vehicles per month, while our capacity utilization is lower, can't we press the pedal on sales and encash this opportunity by expanding further?

Management: Thank you for the question. If you see the way the volumes are moving every quarter, with 100% growth year-on-year—which translates into 100% growth quarter-on-quarter over the same period last year—I can strongly assure you that the pedal is fully pressed for what best can happen.

We are very confident that we should be able to meet demand through capacity expansion, and meet the complete demand through capacity expansion very soon.

Ankur Maheshwari – Old Bridge Capital: On the price increase side, is 5,000 rupees enough, or will we increase prices further going forward?

Management: Again, this is a fairly dynamic situation. We need to achieve a better balance between price, margin, and volume, and that is something for which we continue to scan the market.

Enhancing product propositions, as we have done with IntelliPack and the new IoT solutions, along with more powerful motors and higher-capacity batteries, allows us to leverage a better pricing premium.

It is a combination of product features, priorities, volumes, and other factors on the basis of which pricing decisions are taken, and we will obviously continue to scan the market as appropriate.

Ankur Maheshwari – Old Bridge Capital: Understood. One last question from me, if I may. What are we doing to increase brand perception or brand awareness?

Management: We are investing significantly in creating awareness and creating touch points. Our entire positioning is built for Bharat. We are very clearly and firmly placed in the value segment.

We believe the target market is clearly the combustion scooters and motorcycles, and our proposition therefore addresses this entire segment.

You may remember that in my update I also mentioned that, as a function of all the investments we are making, search volumes have doubled versus the same period last year. Search is a lead indicator in terms of potential demand coming in.

If searches have doubled, volumes are doubling, and, by and large, all other metrics are tracking in the right direction, I would believe that, from a brand point of view also, we are firmly in the consideration set.

As long as we keep expanding our footprint and product portfolio and maintain competitive, good product propositions, I think directionally we should be tracking well. Thank you.

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Ankur Maheshwari – Old Bridge Capital: Thank you.

Operator: Thank you. The next question is from the line of Anubhav Mukherjee from Prescient Capital. Please go ahead.

Anubhav Mukherjee – Prescient Capital: Hello, am I audible?

Operator: Yes, you are audible.

Anubhav Mukherjee – Prescient Capital: Thanks for the opportunity. Compared to our 28% growth in the genset business, how has the MHP segment grown? Have we increased our market share, or has our growth been in line with the industry? Please provide some color on that.

Management: Thank you for your question. I am also happy that you picked up on this very specific point because, in our strategy, Greaves.Next, we have said that we believe our MHP portfolio is very strong and we want to double down and increase our share.

Our MHP segment actually grew 35% in the first half of this year, while the overall energy solutions business for the first half grew by 20%-28%. As a consequence of that, our market share has also increased.

So, confirming what you asked, we are focusing on that and, as a consequence, we are seeing an increase in market share.

Anubhav Mukherjee – Prescient Capital: In this MHP segment from 160 to 750 kVA that you focus on, is your product portfolio complete, or are there certain gaps for which you are launching products at certain nodes to fill those gaps? Some details on that would be useful.

Management: Our product portfolio in what we call MHP today and HHP is complete. We have our full range of products.

What we have been doing is trying to expand that upwards. The upper end of MHP, which is HHP, from 625 to 650 kVA, was launched a couple of quarters ago. MHP is fully complete, not just the genset itself, but also our full solution, including the aftermarket.

Anubhav Mukherjee – Prescient Capital: In the genset business, are sales entirely domestic, or do we export? Is there a focus on increasing exports? Have we identified certain markets?

Management: Coming back to what I have stated in previous calls regarding my strategy, today the bulk of our business is domestic, but we have identified the Middle East and Africa as our focus markets.

Of course, we need to upgrade and enhance our products to fit the application conditions there. As I said in my opening remarks, we have been working on that product enhancement and, during this quarter, we shipped our first batch of gensets to the Middle East, to a very key market, and that marks a step forward.

We have also set up an entity in the Middle East. I talked about that during my last quarterly call. We are not only building a sales team there, but we are also building the capability to service the

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products.

Anubhav Mukherjee – Prescient Capital: In the mobility solutions business, exports have declined 4% in H1. Can you explain the reason for that, and what is our focus in adding more OEMs and growing the export business?

Management: I wouldn't say exports have declined. They have remained broadly flat, but the domestic business has grown faster.

We have seen a very strong tailwind in the commercial vehicle industry in India, both in 3-wheeler and heavy commercial vehicle applications. That part of the business grew much faster, and therefore export contribution appears to have reduced slightly.

Other than that, we see that the export business is resilient and sustainable. We continue to be the sole suppliers to our customer Ligier for the engines for their microcars.

We are also seeing good progress in exports of auto components through the Excel business portfolio.

Management: Anubhav, just to add to this, I think in auto, being primarily B2B, you will see that export growth is not linear. You will see it more in steps as you get new acquisitions and key account management. I think that is an important piece for us to understand in terms of the growth trajectory we expect in the long term.

Anubhav Mukherjee – Prescient Capital: Thanks for the clarification. Just to get some more clarity, is the export business mainly to the French OEM, or are we looking to add, or have we added, any other OEM?

Management: For the engines business, our largest customer is the French OEM. There are a number of discussions, some at advanced stages, for engines.

Apart from engines, as I mentioned, Excel also supplies auto components and marine components to multiple customers in Europe, as well as other parts of the world.

Anubhav Mukherjee – Prescient Capital: In the domestic engine business, apart from diesel engines, do we supply petrol engines? How large is that business, and is there a focus on growing it? Are we adding any new segment?

Management: If you look at our domestic auto business, which is focused on 3-wheelers, the lion's share, or the largest part, is diesel engines. That is how the market is.

In our product portfolio, we also have CNG engines, and we have some business in that area. However, that continues to be a small part of the portfolio.

We also do not see the overall fuel mix changing significantly. We do not see CNG growing dramatically. We see that its share is remaining stable.

I would say that in this quarter we saw very strong demand for the core engines, which are the diesel engines for 3-wheelers.

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Anubhav Mukherjee – Prescient Capital: Understood. In the industrial solutions business, can you share the top 4 or 5 applications for your engines?

Management: I can share that, and I think I have commented on this in previous calls.

One of the very interesting applications where we have a very strong position is firefighting engines, or engines for firefighting pumps, where we have a very strong position in the domestic market and have started to make some strides in the international business. That is number one.

Then we have a set of products for the marine industry, which are largely sold in India. That is also quite resilient.

We sell our engines into the agriculture segment, where they are used for power tillers or pumps in the agricultural sector. Then, of course, we supply engines for multiple applications in small construction equipment.

I would say those would be the 4 top application areas.

Anubhav Mukherjee – Prescient Capital: Understood. The industrial solutions business has slightly flattened or declined in H1, even though construction equipment sales have been quite strong. What has led to this flat revenue?

Parag Satpute – MD and Group CEO: It has grown by 9%. What you should look at is that, last year, we took a decision to exit the farm equipment business.

We were making not just engines, but also equipment that was going into the domestic farming sector. We realized that this was a very competitive space and was also being impacted significantly by imports from China.

So, we took a strategic decision to exit that market. When you compare last year's numbers to this year's, the farm equipment business is included in last year's numbers. If you take that out, then the business has grown 9% like-for-like.

By the way, this could grow further, and that is why we are focusing going forward on new applications.

Anubhav Mukherjee – Prescient Capital: Can you elaborate on some of the new applications we are looking at? Also, is export a focus area in this segment as well?

Parag Satpute – MD and Group CEO: In that area, new applications and exports, firefighting engines are a very important segment that we have identified.

Globally, FM/UL certification is a very key differentiator, and there are very few companies in the world that have it. We have had our product portfolio certified for that, and we are now in advanced discussions with multiple global customers.

We expect that to be a focus area. In that space, we also launched a new product this quarter, the 750 hp firefighting engine, and that will help to grow the business. That is one focus area.

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The other area is that, under the Greaves.Next strategy, we have decided to enter the small 80 cc and 160 cc gasoline engine segments. During this quarter, we unveiled our first prototype of the 160 cc gasoline engine, and our dealers and channel partners through whom we sell were very excited and positive about the product itself and its potential applications.

Anubhav Mukherjee – Prescient Capital: That's helpful. This is very useful. My final question is about the core business. Regarding the margin shrinkage we have seen year-on-year, can you provide more color on which key segments are facing more margin pressure and what steps are being taken because [cut off]

Operator: I am so sorry to interrupt, Anubhav. You may please rejoin the queue for more questions.

Anubhav Mukherjee – Prescient Capital: Okay. Thanks.

Operator: Thank you. The next question is from the line of Tushar Bohra from MK Ventures. Please go ahead.

Tushar Bohra – MK Ventures: Thank you for the opportunity. Compared to our competitors in the core engineering business, such as Cummins India and Kirloskar Oil Engines, where are we vis-à-vis them in terms of product range and penetration in key segments where they are present and are leaders?

What steps are we taking to increase our market share and grow faster than the industry? You mentioned many initiatives across the overall portfolio, but specifically keeping these two companies in mind as competitors, could you highlight the specific segments?

Parag Satpute – MD and Group CEO: Coming to what you are referring to, we have recognized that we have certain strong areas and we want to double down on those.

I was answering one of the previous participants about our strength in MHP and how our focus there has helped to increase our market share. That is definitely going to continue to be our focus.

We have also started to expand our range in the higher-horsepower segment. Again, I mentioned that just 2 quarters ago we launched the 625 and 650 kVA products, and we are starting to see good progress in that area.

We will continue to work in this way. We are developing some engines internally, and in the very high-horsepower range, we have a strong strategic partner who supplies us with the engines. We continue to partner with them so as to offer a complete product program to our channel partners and customers.

Tushar Bohra – MK Ventures: My second question is that, over the last 6 quarters or so, since you took over, we have seen many strategy changes. We strengthened investments in a few of our investee companies and subsidiaries. I think we now have 100% ownership in Excel.

We have also seen a lot of changes, whether in extended accelerated depreciation or in the review of different segments in different parts of the portfolio. A lot of that has already happened.

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Where exactly are we in terms of portfolio optimization and all these one-offs and strategic write-offs? Do we expect that we are close to the end of that exercise? Will the margin profile, barring commodity pressures, be more stable and aligned with the growth objectives?

Parag Satpute – MD and Group CEO: I think the answer lies in your question. When we looked at the new strategy, conducted a full portfolio review, and launched Greaves.Next in November last year, that is when we took some of the major portfolio decisions.

We exited a number of businesses within retail. If you recall, we were trying to do a lot of things. We exited those businesses, and as a consequence, our retail business has become very healthy and has returned to being the cash-generating engine that it used to be.

We exited businesses such as farm equipment, where the margins were very low, and we have seen the benefit of that within the industrial solutions segment.

We will now continue to build on this solid platform. We believe all the key portfolio decisions that were to be taken at this stage of our business plan have been addressed.

We can focus on execution and make sure we continue to grow our market share. You can see the results not just in revenue, but also in the improvement in margins in some of these businesses.

Tushar Bohra – MK Ventures: Just to extend on that, do we expect that the write-offs and related items are more or less complete?

Manish Porwal: Tushar, hi, Manish here. We have been absolutely prudent about it. As Parag mentioned, last year we turned the portfolio away from farm equipment, and in March 2023, we did what was essentially a write-off in the core business.

The electric mobility platform has now undertaken a similar exercise as well. We wanted to concentrate on specific portfolios and specific brands. Therefore, you see a few more write-offs, or accelerated amortizations and accelerated depreciation, coming from electric mobility.

We sincerely believe there is nothing more for us to do at this stage. If there was anything more, we would have done it right now.

Tushar Bohra – MK Ventures: Thank you. Just one more question, if I may. On the EV side, in response to one of the previous participant's questions, I think Vikas mentioned that there are some capacity expansion or constraints that need to be addressed.

From an overall number of units perspective, I believe we are still in the low 20s, or perhaps below 30% utilization. What capacity constraints are there? Is there a constraint in the supply chain ecosystem that has not allowed us to grow faster than we are already doing? If so, when do we address that?

Manish Porwal: Before Vikas answers that question, just one disclaimer on the previous question regarding amortizations, write-offs, and related items.

As an accounting exercise and a business review, this is a standard disclaimer. This is a regular exercise that we are supposed to do on a quarter-end or period-end basis. That exercise continues

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to happen and will continue to happen as we progress through future quarters.

Vikas, you may now respond to this question.

Vikas Singh – MD of Greaves Electric Mobility Limited: I think you need to see it in the context that we have 150% year-on-year growth in 2-wheelers. We also have a pendency of orders over and above what we are already catering to.

The question is not really a constraint at our end or a constraint at the external end. The constraint is basically to try to build a supply situation that can cater to a much higher level of growth.

It is essentially about expanding the ecosystem and expanding our partners' ecosystem so that we can be ready for a higher rate of growth than what we are witnessing today. I would put it in that context to clarify. I hope that helps.

Tushar Bohra – MK Ventures: When you say that you want to extend your partner ecosystem capacity, what numbers do you have in mind, say, 3 to 4 quarters from now? Are there specific numbers we are working towards so that we do not fall short again of the possible growth opportunity?

Vikas Singh – MD of Greaves Electric Mobility Limited: It is not possible to give you a forward-looking statement on that account, but I can tell you that any calculation above 130% growth over the same period last year will be a significant number.

We would only be building a much stronger footprint with that. I would leave it at that for now, Tushar.

Tushar Bohra – MK Ventures: Not a forward-looking statement, but 10% is your intended range where you want to reach. I am assuming you will resolve your capacity constraints so that you are able to get there if and when the market allows you to.

Vikas Singh – MD of Greaves Electric Mobility Limited: We are well on course for that, and we expect every month to get better and bridge the gap. We do not see that as a challenge to our ambitions going forward.

Tushar Bohra – MK Ventures: Great. Thank you very much. I'll join back the queue.

Vikas Singh – MD of Greaves Electric Mobility Limited: Thank you.

Operator: Thank you. The next question is from the line of Zaki Abbas Nasser, an individual investor. Please go ahead.

Zaki Abbas Nasser: Good evening, sir. Congratulations to the team for what I would call a thumping set of numbers masked by one-offs.

We have certain write-offs and amortization. Would that be a one-quarter kind of number, or do we have more to do going ahead?

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Manish Porwal: Hi, Zaki. Good evening, and thank you for the compliment. As I just mentioned in response to Tushar's question, these have been one-off write-offs, and these are regular reviews that the company and the team analyze on a quarter-to-period-end basis.

Therefore, we sincerely believe that whatever was to be amortized through accelerated depreciation has been done in Q2. Therefore, you see that large number: 47.3 crores of accelerated depreciation and 12.8 crores of exceptional items, totaling 60.1 crores.

There is nothing more at this stage to do in terms of any further write-offs or accelerated depreciation.

Zaki Abbas Nasser: Two very interesting developments this quarter are, first, 100% ownership of Excel, and second, the introduction of our rare-earth motors. Could you throw some light on both of these?

I think these are major developments. In fact, you have also given in your presentation that the motors will go into our own EV 2-wheelers from Q3 or Q4. Please provide some detail on these two developments.

Parag Satpute – MD and Group CEO: Let me comment on the 100% acquisition of Excel, and then Vikas will talk about the rare-earth-free motors.

We acquired Excel over a period of time, having started the process 2 years ago, and we are very happy to now make it a fully owned subsidiary of Greaves Cotton Limited.

As I mentioned in my opening remarks, it gives us an opportunity to build a very strong auto-component platform. We have also upgraded Excel during this period.

Significant investment has gone into the automation of manufacturing, and significant investment has gone into the professionalization of product development and business development. As a consequence, we have started seeing growth return.

As I mentioned, growth was 30% this quarter, even faster than what they achieved last quarter. We are very excited about this new platform, and therefore, it was very good to complete the entire transaction and own it 100%.

I will now ask Vikas to talk about the other exciting development you asked about.

Vikas Singh – MD of Greaves Electric Mobility Limited: I think the rare-earth-free motor is a very, very significant development from our side. As one of the previous investors mentioned, it is like the LFP battery, which was a first from our side in the sector.

The key point here is that it is developed in-house. It is going to be sourced in-house, and it is going to go into both our 2-wheeler and 3-wheeler solutions.

This will happen over the next 1 or 2 quarters. I would just like to say at this point that, besides the cost advantage, this motor also provides much higher performance and delivers better performance compared to the traditional rare-earth motor.

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We believe it will not only enhance customer experience and overall vehicle performance, but will also, as usual, help add to our margins and bottom line. I hope that helps. Thank you.

Zaki Abbas Nasser: Fantastic. In fact, [cut off]

Zaki Abbas Nasser: Congratulations to the team that developed this motor. I think it is a major development.

Mr. Parag, going into Q3, do you think our gross margins will start improving, the pressure from inputs will start reducing, and we will be able to pass on some of the impact?

Parag Satpute – MD and Group CEO: There was also a question from the previous participant, so I can answer that question and then come to your question, Zaki.

The impact of the commodities Manish mentioned—aluminium, copper, PGM, and steel—is across our product range. Our ability to pass on or subsidize this impact is different in different businesses.

In the automotive business, we have very strong, multi-year contracts where there is a raw-material-indexation mechanism, but it comes with a lag. We will start to see price pass-through coming in from Q4 this year for the automotive business.

In some of the other businesses, including energy solutions and industrial solutions, we sell to our channel partners and dealers. Here again, we try to minimize the prices that we need to pass on through cost actions, but whatever we have not been able to absorb, we have adjusted in the market.

Here too, the impact of the price changes comes with a quarter or 4 to 5 months' lag. We enacted those price changes at the end of Q1, and we hope to see the impact come through in Q3 and Q4.

I think that takes care of both your questions. And—and, just to—sorry.

Zaki Abbas Nasser: One last accounting question. Maneesh ji, we put some money into the rights issue of the electric mobility business, GEML. After that, what would be our cash on the books? Would an IPO even be required for the EV 2-wheelers?

My suggestion would be that a spin-off could be a better option so that both companies find their own valuations, because valuations, as I see them, are getting suppressed. Both our businesses are valued in different ways.

EV companies such as Ather are valued at 7 or 8 times, or more, of top-line, while our competitors Kirloskar Oil and Cummins are also valued very richly. I think we are being pulled in by our own structure.

It is just a suggestion that spinning off would be a better option, sir.

Management {? Maneesh ?}: I see 3 questions coming up: cash, rights, and IPO, or listing, for GEML.

On the cash side, Greaves Cotton and Electric collectively, on a {? core basis ?}, have 150 crores of cash and 40 crores of debt, giving us net cash of 110 crores at this stage.

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Of course, the core business has been cash-generating for quite some time now, and it continues to generate cash for further utilization.

To add to that, we are AA- from a credit-rating perspective and have almost nil debt on the books. That financial leverage is always available at our disposal.

The second part of your question is about the rights issue. We maintain that the 331 crores of infusion from our side and the total 530 crores at the GEML end through the rights issue are sufficient to cover the entire cash-burn period, the enhanced working capital for the growth GEML is showing, and the incremental capex that we might need over the next 12 to 18 months or so.

We do not need cash for the immediate 12- to 18-month period at all, and thereafter it should be cash-generating on its own.

Regarding the IPO, spin-off, and all that, these are decisions for the IPO committee to make. There is nothing more for me to add to what Vikas mentioned earlier. It is essentially for the IPO committee to decide how, when, and what we do to execute that.

Zaki Abbas Nasser: Kirloskar Oil has commented that a lot of demand in power generation is coming from data centers and artificial intelligence. What are our thoughts on our share in this space?

Parag Satpute – MD and Group CEO: Indeed, the data center area worldwide has been booming, and it is going to continue to boom in the coming period.

Currently, our presence in that space is limited. However, we have recognized that, and we are building capabilities both internally and through a strategic partnership to have a bigger presence in that space.

More will come on that as and when we make any confirmed progress.

Zaki Abbas Nasser: But we are present in the segment?

Parag Satpute – MD and Group CEO: We do high-horsepower engines, but at a limited level.

Zaki Abbas Nasser: Thank you, sir, and best wishes for H2.

Parag Satpute – MD and Group CEO: Thank you, Zaki.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Parag Satpute for his closing comments. Over to you, sir.

Parag Satpute – MD and Group CEO: Thank you very much. Thanks, everyone, for joining this earnings call and for all the interesting questions, as well as the compliments.

To conclude this call, I would like to reconfirm that this quarter has been another quarter of strong business momentum and meaningful progress in the execution of Greaves.Next.

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What gives me pleasure is that our core businesses are growing well, our strategic priorities are gaining traction, and we continue to strengthen our products and capabilities across the business.

We also recognize that, in the face of input cost pressures, we will place extra emphasis on improving profitability, and this is something that management takes very seriously.

As a consequence, our priorities for the second half of this year are very clear, and we will continue to work on them.

Thank you very much, everyone, for now, and see you at the end of next quarter.

Operator: Thank you very much. On behalf of Greaves Cotton Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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