GREAVES

17th August, 2023

The Manager - Listing
BSE Limited
BSE Code - 501455

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

Dear Sir/Madam,

Sub: Transcript of the quarterly earnings call for the quarter ended 30th June, 2023

In furtherance to our letter dated 01st August, 2023, please find enclosed herewith the Transcript of the quarterly earnings call for the quarter ended 30th June, 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
Group General Counsel & Company Secretary

Encl.: a/a

Greaves Cotton Limited

Q1 FY24 Earnings Conference Call

August 11, 2023

Management Representatives:

Nagesh Basavanhalli – Non - Executive Vice Chairman, GCL

Dr. Arup Basu – Managing Director, GCL

Akhila Balachandar – Group CFO, GCL

Sanjay Behl – CEO and ED, GEMPL

Narasimha Jayakumar – CEO, Greaves Retail

Moderator: Ladies and gentlemen, good day and welcome to Greaves Cotton Limited's Q1 FY 2024 Earnings Conference Call.

From the management we have with us, Mr. Nagesh Basavanhalli – Non-Executive Vice-Chairman, Ms. Akhila Balachandar - CFO, Dr. Arup Basu - Managing Director, Greaves Cotton and Mr. Sanjay Behl - CEO and Executive Director, GEMPL.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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 – Non-Executive Vice-Chairman of Greaves Cotton Limited. Thank you and over to you, Sir.

Nagesh Basavanhalli **:** Good morning, everybody, hope everybody is doing well and staying safe. Welcome to the Q1 FY24 Earnings Call for Greaves Cotton.

As we have talked about over the last several quarters, our strategic journey of being a key player in the full-stack last-mile mobility ecosystem continues. Our mission and purpose of empowering millions of lives and livelihoods through sustainable mobility solutions continue. Thanks to our talented team and continued investments, our focus continues and Q1 FY24 demonstrates some of these aspects. A quick strategic recap: over the last quarter, we are glad to report that the integration of Greaves Cotton along with Excel ControlLinkages, which was 60% and announced in the previous quarter, is on track. The integration is going well. This has driven both growth and profitability; more importantly, it has expanded our reach to new markets, customers, and products across the automotive value chain and several other value chains. Point number two, our recent acquisition of a majority stake at MLR Auto, the three-wheeler company out of Hyderabad, presents a valuable opportunity for our mobility division to strengthen our presence across the three-wheeler segment. More importantly, we have always talked about lifecycle value extraction. This now gives us an opportunity, when you look at the three-wheeler value chain, to significantly expand our value chain offerings, not only as a component supplier, whether in terms of engines, motors, sensors, or components from the Excel division, but also in terms of vehicle sales, service, and spares. Greaves Retail supports the retailing opportunities and Greaves Finance opportunities that arise out of this. So, the three-wheeler value chain's capture enormously increases with this.

Moving on, some of the other areas that I am glad to report are: Greaves Retail is continuing to expand its network presence throughout India, and they continue to work across multi-brand spares, multi-brand service, and multi-brand sales and service, basically the 3S model. Greaves Finance recently launched the "evfin," an innovative EV financing platform that will enable sustainable mobility adoption again. Overall, as we continue to move from being a diesel engine mechanical company to mechatronics, and electronic sensors, a lot of the forward-looking areas in terms of technology, but more importantly, also looking at profitable growth, especially in the engineering retail consumer market, are very evident, and I think our management team will take you through some of the details. We continue to be a relatively debt-free company with a strong cash position, which the CFO has identified in the deck. And we continue to invest our capex in all the key areas, be it our Engineering business, our Electric Mobility division, in terms of new products and components and in terms of Retail. So now, with that, let me hand it over to the CFO, Akhila Balachandar. Thank you.

Akhila Balachandar:

Thank you, Nagesh. Good morning, everyone. We are happy to report our consolidated revenue of Rs. 569 crores for Q1 FY24. On a standalone basis, Greaves Cotton has reported a revenue of Rs. 396 crores. Excel, the new acquisition, reported a revenue of Rs. 39 crores and Electric Mobility reported a revenue of Rs. 135 crores. The good news is that with the acquisition and integration of Excel into the Greaves fold, the revenues from the GCL and Excel segments total at Rs. 435 crores, giving us a strong base to diversify our core product portfolio. On the margins, GCL standalone EBITDA margins are now firmly in the double digits at 11.3%, and if I were to look at GCL plus Excel combined, the margin stands at a healthy 13.5%. This puts us on track to our historical trend of 13% plus margins of pre-COVID levels. Standalone PBT is at Rs. 45 crores and the standalone business ROC is at 37%. The cash conversion ratio of the company is more than 90%, and that augurs very well in terms of working capital management and shows the strength that we are seeing in our legacy businesses. Regarding the balance sheet strength, as the vice -chairman mentioned, the company has almost zero debt and consolidated net cash of Rs.739 crores, which we will use for further investments and expansion as we go forward. One area where we saw a lot of pressure in the early part of last year was the overall commodity cycle, and that led to an increase in the raw material costs for some of our product segments. I am happy to note that the commodity cycle softening is having a positive impact as we go forward, and we are expecting raw material prices and raw material cost as a percentage of revenue to remain stable in the coming quarters. Given the regulatory challenges, our material subsidiary, GEMPL reported subdued revenues of Rs. 135 crores and an EBITDA of Rs. (71) crores. Our consolidated EBITDA was Rs. (14) crores, and consolidated PBT was Rs. (10) crores. However, on a standalone GCL plus Excel basis, we saw very strong financial performance. That again reflects the strength of the company's strategy over the last couple of years to diversify the product portfolio. With this, I will hand it over to Sanjay to share his updates. Thank you.

Sanjay Behl: Thank you, Akhila. Good morning, everyone I will talk on behalf of Greaves Electric Mobility in Q1 FY24. So, Q1 FY24 has been a quarter of significant regulatory changes both in EV and ICE sectors. In electric vehicles, the battery norms evolved to AIS 156 Phase II for significantly enhanced safety of the battery component and for the vehicle. Further, the quarter saw FAME II subsidy on electric two-wheelers getting reduced by 30% to 50%, effective

June. The OBD-2 BS6 emission norms kicked in at the start of the quarter. Now in line with the regulatory requirements, all our vehicles are fully compliant and certified with the AIS 156 Phase 2 standards and the OBD-2 BS6 norms. Further, the product portfolio has been adjusted in terms of pricing to accommodate the decreased subsidy in electric two-wheelers, specifically on two-wheeler performance. Now, despite the electric scooter market being flat, quarter-on-quarter basis in Q1 FY24, Ampere registered over 10% market share and recorded a double-digit growth in vehicle registrations. Another significant milestone in Q1 is that Ampere Brand, achieved the customer base of over 200,000 electric scooters in India. As was proposed during Auto Expo earlier this year, Ampere has already launched 2 new electric scooters over the last two quarters, Zeal EX in Q4 of last financial year and Primus in Q1 of this financial year. We also plan to launch a high-speed, fully connected scooter NXG before the end of the calendar year. The twin impact of battery add-on cost on account of the new AIS 156 Phase II norms effective April and reduced FAME II subsidy from June, led to a significant slowdown in electric two-wheeler industry off takes, in the month June and it's continued in July. Though we believe that this blip is temporary and soon the retail sales will pick up considerably.

Coming to three-wheelers, our product portfolio spanning across the L3 and L5 formats recorded a 140% volume growth year-on-year basis as we continue to enhance the product portfolio and the dealer network across the country. Bestway and MLR are our subsidaries. MLR became a subsidiary after increased stake. Both the businesses have recorded strong double digit growth year-on-year basis, ahead of the market versus same quarter last year. Continuing to build on Q1 FY24, we have recorded the highest ever sales in three-wheeler business in the month of July. On the new products in three-wheeler portfolio, our recently launched vehicles include the onboard diagnostics BS6 compliant CNG and diesel vehicles, a lineup of new electric cargo and passenger vehicles are in the pipeline for launch under the Greaves brand. In fact, to enhance the brand visibility, the 'powered by Greaves' branding approach is being applied to the L5 ICE vehicles whereas the Greaves brand is dedicated to L5 EVs. I will just hand over to the operator for any Q&A's that you will have. Thank you.

Moderator: Thank you very much, Sir. We will now begin the Q&A session. We will take the first question from the line of Rushabh Shah from O3 Securities. Please go ahead.

Rushabh Shah: Good morning, Sir. I have a few questions. Sir, in your gensets business, would you please help me explain your plans in that segment because our competitors are growing at a much faster pace than us or are not losing our market share? I just wanted to have your view and what do you think about this segment going into the future?

Nagesh Basavanhalli**:** Thank you. I think there it's a mix issue. Dr. Basu, you want to take that?

Dr. Arup Basu: So, we are growing our market share in gensets. What is happening is that there are changes in the norms around the whole gensets industry and that is coming in between this year and the next year. And the application areas are quite diverse across industries and across various types. And the reason why we are positive about it going forward is because of our fuel agnostic strategy. Gensets are also headed that way, earlier they used to be largely diesel. Now there are options around diesel, alternative fuels like CNG and electric on some of the lower capacity inverters. So overall, we will continue to play in the gensets space, both within India and for exports. Thank you.

Rushab Shah: Sir, if you could help me with the alternative fuel shifting to CNG, how will that impact our business?

Dr. Arup Basu: It just adds to us because our approach has always been fuel agnostic. So, we will make the gensets, we do customise products across our portfolio. So, if our customer wants CNG gensets, they will get CNG gensets. If they want diesel gensets, they will get diesel gensets. Whatever other fuels that a customer prefers, we will design, and make gensets accordingly. So, it does not really impact us. It impacts us positively because we have a fuel agnostic stance. Thank you.

Nagesh Basavanhalli**:** And just to close the doubt from a non-auto perspective, if you look at the FY 2023 versus FY 2022, I am talking about non-auto not overall. The strategy of diversifying there, the volumes had increased by 6% yearly. FY 2023 versus FY 2022 and when you look at a quarterly basis, non-auto almost grew 11% quarter-on-quarter, FY 2024 versus FY 2023. So, the diversification strategy is across fuels like Dr. Basu said and across auto and non-auto and that continues and that obviously helps with our capacity utilisation.

Rushab Shah: And Sir, my next question is in on the aftermarket side. Is there a big opportunity opening across and what are we doing out there?

Nagesh Basavanhalli**:** Yes, aftermarket is definitely a growth and a highly profitable area for us. As announced last time, we now have a dedicated CEO who runs that business. And when you look at it in terms of spares, in terms of service, and in terms of sales, we are playing a three-pronged strategy there, spares it's multi fuel spread over both three-wheeler and two-wheeler, spread over IC engines and getting into newer areas like batteries and other EV-related components. Our market has expanded with several retailers and several mechanics, pan India. Service is getting back to pre-COVID level in terms of the number of vehicles that are coming in to our multi-brand service and our retailing, we retail more than 10 plus automotive brands through our retail showrooms. So yes, that's the profit growth and I think the CFO has also started reporting the aftermarket numbers separately.

Moderator: Thank you. Ladies and gentlemen, may we request all the participants to limit their questions to two per participant? Should you have a follow up question, please join the queue. Thank you. We will take the next question from the line of Raghunandan from Nuvama Institutional Equities. Please go ahead.

Raghunandan: Thank you, Sir for the opportunity. Congratulations on a good set of numbers for GCL Plus Excel. My questions is to Sanjay Sir, on FAME II incentives. Can you provide us with some color and confidence? (A), will we get incentives for future sales? and (B), on historical sales, have we met the same requirements as per your knowledge?

Sanjay Behl: Okay, so let me just give you an overview on where we are, we have as you are aware received a show cause notice from Ministry of Heavy Industries, which has been appropriately replied already. This matter is now pending adjudication for a final hearing. Now just to assure you that we have, as Greaves Electric Mobility has been actively cooperating with MHI and all their authorised bodies for this investigation. We have made a very comprehensive representation submission and the provision of necessary clarification and any additional information that authorities have asked for, we have done it both proactively on our behalf and, as has been asked us during the course of this investigation, I just want to keep you informed that we have been given an opportunity for hearing in MHI, which is pending and we are very confident on the matter to be adjudicated in our favour. And just an assurance that we remain dedicated fully to aiding the country becoming a global leader in electric vehicle, not just design development, but also indigenised sourcing, engineering, and manufacturing. So that's our position on this.

Raghunandan: Thanks for that, Sir. And just a clarification, when is the final hearing date, by when do you expect the matter to be fully resolved?

Sanjay Behl: I cannot say, because the matter must be resolved on behalf of the Ministry and they have to decide the timeline, but the hearing is likely to be next week.

Raghu Nandan: Understood, Sir and on the current retail sales, are you offering FAME II benefits to customers?

Sanjay Behl: No. In fact, at this point, we do not have access to the FAME portal, so we do not have that FAME benefit. So, our pricing has already considered, the reduction in FAME subsidy and we are not passing on at this point of time any FAME incentive.

Raghu Nandan: And dispatches in Q1 were lower than the Vahan registrations. Is AIS 156, Phase II, responsible for that lower dispatcher?

Sanjay Behl: No, I think there are multiple factors as I told you, the industry has been flat. If you see Q4 of last financial year to this Q4 it's about 217,000 electric scooters got sold almost equal in Q4 and Q1, so one is the industry slowdown on both the accounts. One, as you rightly picked up, which is the new norms kicking in and certifications did take a little time for vehicles to stabilise and then there was a subsidy impact which happened on effective first June where subsidy was reduced by 30% to 50% on electric vehicles and that did slow down the market. So, it's really a combination of both of them and then at the end of Q4, there was a higher channel inventory, which also got reduced considerably because of higher offtakes that we see as a brand over the Q1.

Moderator: Thank you. We will take the next question from the line of Jyoti Singh from Arihant Capital Markets Limited. Please go ahead.

Jyoti Singh: Thank you for the opportunity. Sir, as the earlier participant spoke about the subsidy , my question is on the similar line, could you provide some insight into the clarity regarding EV business because in this quarter, we were not able to perform because of the Greaves Electric Mobility. So, what's your view going forward from here on?

Sanjay Behl: Okay, fine. I understood your question, it's like giving an overview of all EV business that we have. So, I did mention briefly the accelerated performance of our three-wheeler business. Yes, two-wheeler had a couple of interventions, whether it is regulatory, non-perspective or whether its subsidy related. But our three-wheeler business has grown 140% quarter-on-quarter, or on year-on-year basis if you see last year Q1 to this year Q 1 and I did hint that July has been the highest ever sales there. So, the first overall, if you look at as a portfolio for Greaves Electric Mobility, there is an ecstatic performance or exponential growth that we are witnessing on the three-wheeler. I also did mention but let me reiterate that two new products will come over the next six months. One is going to be the launch of electric vehicle Cargo, which we will be putting it in the market as Greaves Eltra. That vehicle should hit at the end of this quarter, followed by the passenger electric vehicle under Greaves Eltra in the next quarter. That should be a total incremental volume over the existing sales we are getting in three-wheeler business. We are also growing the dealer and financing networks for our L3 and L5 segments there. So that secures a robust growth map for three-wheelers. Coming to two-wheelers, as I mentioned, our registrations continue to grow and that's a good sign that customer acceptance is getting validated. We grew 12% quarter-on-quarter in a flat quarter. Ampere was one of the few brands to grow 12% in registration, which is a testimony of our customer offtake. And eventually as you know that if the registrations are growing in, our billing will ultimately match up to that. The other product that I again mentioned and reiterated is the launch of NXG, the high-speed connected smart scooter which will be coming before Diwali and will further add to the addressability of our electric scooter segment. So overall, our addressability, over the last 12 months, has increased from about 35% to 75% of the electric scooter market. That would provide a very strong reason or a growth enabler for the electric two-wheeler segment there. There is some slowdown because of the subsidy reduction that we have seen in the market. But we believe that as the festivity starts kicking in at the end of this quarter, moving into the third quarter, I think the market should bounce back to the pre-reduction kind of levels. And if we can get our logical double-digit share in that market, which we continue to work towards, we should be reasonably well placed to register good performance in electric two-wheelers.

Jyoti Singh: Also, if you can highlight how the momentum on the evfin side and third is on the inventory side, how many weeks we are maintaining? Thank you.

Sanjay Behl: Okay so let me just first answer the second question. If it is evfin as a company then I will hand over to Nagesh to really address that. But on the inventory in the channel, the norm that we have is between 4 to 6 weeks and we are not over that at this point. That's the kind of inventory we maintain at the dealer level. A very similar kind of norms are there in three-wheeler, three-wheeler inventory has come down a little because there was a liquidation of the stock which happened for the old stock during Q1, because the norms have changed and the new norm certificate vehicles took some time to really build into the market. So that inventory is a little lower and the two-wheeler inventory is at about four to six weeks across dealer network in India. On evfin, let me hand over to Nagesh.

Nagesh Basavanhalli Thanks, Sanjay. On evfin, as you all know, it is our latest startup to enable electric mobility financing, it's an enabler or it's a smaller or the latest startup. Our operations have started under the brand name of evfin, right… evfin by Greaves. So that was launched in the this quarter. We have launched direct operations in about three cities. We are more in the proof-of-concept phase right now. We have empanelled about 3 OEM's, so three people doing electric mobility and two-multi brand chain outlets including Greaves Retail. And other multi-brand OEMs and financing sign-ups are in the way. So, I think it is still in the early stage. The idea here is, it is a fintech, where we are looking at the asset life of the battery and how to determine whether it is a key enabler or an essential cap list in electric vehicles moving to much higher numbers. So that's the enabler and we will keep you informed as and when the story develops. Thank you.

Moderator: Thank you. We will take the next question from the line of Smita Mohta from Kredent InfoEdge. Please go ahead.

Smita Mohta: So, my question is, Sir, segment wise, can you report what you have done in the EV segment post the FAME subsidy being taken off and before the FAME subsidy which was allowed to you so segment-wise bifurcation if you could give Sir?

Sanjay Behl: The revenue that we reported is Rs.135 crores, which does not include any subsidy in this revenue. If you look at the equivalent quarter last year on a year-on-year basis there was a Rs.90 crore subsidy in Rs.270 crore revenue that was reported. So, if you take that as a total number, it will be about Rs.180 crores revenue of last year without subsidy versus Rs.135 crores this year without subsidy. Does that answer your question?

Smita Mohta: Yes, that answers my questions. So, which means without subsidy, the revenue has dropped. So, do you think going ahead also this will you know have a problem in your books? And what about the engine business also?

Sanjay Behl: So, on the electric mobility, let me answer and then I will hand over the engine business to Arup to answer. On the Electric Mobility segment, I think it's been a quarter of a little more than anticipated disruption and hence I believe there was a little bit of inventory correction which did happen at our dealer level, going forward I would say that will get corrected. So, there should be a normal share restoration when it happens, I think we will grow with the market. Now the whole question is what will happen to this industry? Because our fate is also looked at the industry's overall numbers. Last year, the industry made 726,000 electric two-wheelers. This year, if you look at the trend of the four months it is running almost at a similar kind of a way, 217,000 in the first quarter, but the July numbers are only 55,000. So, if you look at 60,000-70,000 per month, it's about 80,000-85,000. If that must be taken, and if you look at about a 10% odd share that Ampere has consistently maintained by being in the top three to five players in this country, we should be doing as good, if not a little better than last year. Over to Arup for Greaves engine.

Dr. Arup Basu: In Greaves Engines, we do not have this kind of segmentation because we supply a certain number of OEMs and then the balance is supplied to the industry at large. And if I take away the OEM numbers between FY23 and FY22, we grew at 16%. So that's the number we have grown, and a higher number is planned for this year. So overall, we see growth across all the segments we serve on engines.

Moderator: Thank you. We will take the next question from the line of Sandy Mehta from Evaluate Research. Please go ahead.

Sandy Mehta: I have two questions on the EV side, when you talk about what is your path to sustainable profitability and when can we see profits on an EBITDA level on the EV side? And the second question was the UAE Investor ALJ how much money have you received from them already? What is the pipeline of further funding from that entity?

Sanjay Behl: So let me address the first question on EV profitability road map. I think I want to lay down a few pivots, maybe 5 pivots, the top five pivots that give us the right to win, not just the right to win, but to profitability in EV segment. We have a unique advantage of being the only true electric mobility player in India with the following five pivots that I will talk about. First, we have both two-wheeler and three-wheeler electric portfolio with us across all formats and all price points. So we have a representation in low speed, city speed, high speed scooters. We also have a representation in electric rickshaw in EV segment, both in cargo and passenger that I spoke about by the end of the year. So that's a pretty comprehensive addressability of the market and the entire value chain capture across both the segments is a benefit to Greaves Electric Mobility. Second, across the vehicles, we do cater both to the B2C and B2B segments and that is not just by having the same vehicle running both, we have unique use-case and application-based vehicles catering to fleet mobility. In fact, just to give you one name, one of the largest food service delivery chains in India, about 40% of the deployed vehicles are from Greaves Electric Mobility, two-wheelers, I am talking about. The third path to profitability would be unlike our competitors, we have demonstrated a unique ability to remain a cost leader in this country and have a unit economics positive philosophy to run our EV business there. Last quarter of the financial year, Q4 of last financial year, we had declared a two-wheeler profitable operating margin and that given this blip going forward, gets neutralised. I think there is already a demonstrated road map to profitability there. The fourth point is that we continue to invest your point on the ALJ you brought up. I think it will get answered, but we are continuing to invest benefited by our investors add our internal cash accruals at the group level, both in technology and innovation road map. We are the first three-wheeler company to provide data solutions to our customers. In the soon-to-be-launched cargo and passenger vehicles, you will find IOT connected solutions as we go forward. We are also hugely benefited by the synergies across all our group companies, and I think Nagesh did talk about the three-wheeler value chain capture, but it's also in the two-wheeler with Greaves Engineering, Excel Technology, the recent acquisition we made. Greaves Technology, the service engineering company, Greaves Retail, Greaves Finance are feeding to the GEMs value chain for catalysing a holistic leadership position at a profit level. So, these are the five things there to be specific, how long do we see? My sense is we continue to invest in both product and technology. So, we should be looking at the exit of this year or actually getting into next year, we turn into an operatively profitable domain.

Sandy Mehta: And how much have you received from ALJ? I think the amounts mentioned were $150 million or maybe $220 million. Have you actually received some of this?

Sanjay Behl: So, we have received already $150 million which is the number you quoted that we have already received.

Moderator: Thank you. We will take the next question from the line of Rushabh Shah from O3 Securities. Please go ahead.

Rushabh Shah: Thanks for the follow up. Sir, I have a question on your Excel acquisition, if the company is making such good EBITDA margins, then why is the promoter willing to exit the company in the sales manner?

Nagesh Basavanhalli: You are right. I think it is a very profitable business. And there the question was about succession planning, so we are working very closely with the promoters. So, over a period of time, the promoters will exit, and Greaves has a road map to go from 60%, which we already have today to the 100% and yes, it opens up opportunities in areas of new products, new markets, new geographies for us. Thank you.

Rushabh Shah: And so my next question is what are the challenges you are facing in your business going ahead, for 2-3 years, what challenges do you see in your business?

Nagesh Basavanhalli: So, I think that is a very macro question. When you look at it, I think the CFO already touched upon the commodity cycle softening. We had seen that challenge over the last several quarters and obviously, that's turning favourable. Mr. Sanjay Behl talked about the regulatory environment in the Electric Mobility Division, so I think that's one of the areas which we obviously will have to watch, which we will, the Electric Mobility team is very closely watching that. But when you look at that, I am glad you asked this question. The entire fundamental thesis of our strategy was on diversification from being a diesel engine company a few years ago, to go from diesel engine to a fuel-agnostic diesel plus CNG plus electric, right? Plus our boys are already looking at future technologies. Going from auto to non-auto because in non-auto we supply engines to construction, marine and defense. Then the second, the vertical component has now diversified into Excel type components: the push-pull cables, the sensors, the mechatronics part. Then we got into electric mobility, which is getting closer to the end consumer then we got into retail. So, when you really look at it, right, auto plus non-auto components vehicles and then retail which is the post-purchase solutions and spares. So, the good part I would say is when you look at it , we are seeing regulatory headwinds on the electric mobility side, but other parts of the businesses are seeing strong tailwinds, right? So, I think that is again the strength of the diversification strategy and obviously we will continue to keep investing. We are a cash-positive debt-free company and will continue to keep investing in future products and future services.

Moderator: Thank you. We will take the next question from the line of Sandy Mehta from Evaluate Research. Please go ahead.

Sandy Mehta: Yes, thank you. This is more of a suggestion and a question. But while you are investing in the EV space and you have this period where you have losses there, it might help if you would break down, you gave us a segment details, but overall EBITDA, overall EPS, if you can report the rest of the business, a consolidated basis and then you can report EV separately. So, it helps to value the stock and while you are investing in EV people, may value that more on a price to sales basis. But it becomes clear that the rest of the business is doing well and you have losses in one area. It might help if you can sort of break that out more clearly, especially on the EPS level. Thank you.

Nagesh B: I think good input, the CFO will take that. I think it is a good suggestion.

Moderator: Thank you. We will take the next question from the line of Smita Mohta from Kredent InfoEdge. Please go ahead.

Smita Mohta: Again, a similar question of your segment evaluation. So, can you give a ballpark figure on the auto and the non-auto segment currently on your revenue, what percentage is auto and what percentage is non-auto and going forward, how do you see it changing in the next five years?

Akhila Balchandar. So, ma'am, just to clarify, we have shared the segment volumes in our presentation and hope that clarifies.

Smita Mohta: Yes, five years down the line, where do you see it going ma'am?

Dr. Arup Basu: Okay, I think there are two dimensions to this, first, we see both going up quite a bit. Secondly, I will add one more layer. The auto pie is going to be a combination like it currently is of diesel, alternate fuels and electric, on that pie will get larger and the ratio of these three types of fuels I am calling alternate fuels, all clubbing them into one, that's going to change depending on the kind of policies, enabling policies that appear in future and also the equation between CNG and diesel and petrol largely. But we see three-wheeler demand growing significantly because of underlying trends of increased urbanisation and last mile mobility and the push towards a greener sustainable mobility solution, that's one part on the auto side. Non-auto is a combination of all other prime movers linked to how the economy grows. There we also see significant growth, so in both cases we see an aggressive growth in demand for these products. And that's one of the reasons why we have decided to pursue a bespoke, customised, fuel-agnostic approach to developing prime movers.

Smita Mohta: So currently, how much EV constitutes to this?

Dr. Arup Basu: In the three-wheeler space of L5, which is the main passenger and cargo, I am not talking about e- rickshaws, but in the regular three-wheeler space the electric component currently is about 10 %-12%.

Sanjay Behl: If we take last year, it was 65% CNG, about 22% -- 23% was diesel and about 12%-13% as Arup mentioned was electric. But electric is seeing month-on-month growth of about 10% right now. And that's if you look at July numbers, just the last month, which has gone by, is inching towards 15% of the total L5 market. That's it.

Smita Mohta: So, is it inclusive of two-wheelers also?

Sanjay Behl: No, I am talking only on three-wheelers. So, three-wheelers are currently trending L5 format would be 40,000 a month. That's about half a million of L5 format of three-wheelers makes, I am talking about ICE plus EV together makes it almost close to 80%-90% of pre-COVID levels sales. Out of this about 65% is CNG. About 20-odd % is diesel right now and about 15% is electric. That's the current trend.

Moderator: Thank you Sir. Ladies and gentlemen, we will take that as a last question for today. I want to hand the conference over to Mr. Nagesh Basavanhalli for closing comments. Over to you, Sir.

Nagesh Basavanhalli: Thank you all for taking the time and we appreciate your interest in Greaves Cotton. Management is available for any follow-up questions. Should you desire we are available and to answer any questions. Thank you again for taking the time. Have a great day. Thank you very much.

Moderator: Thank you, Sir. Thank you, members of the management. Ladies and gentlemen, on behalf of Greaves Cotton Limited, we thank you once again. Stay safe. With this we conclude this investor call. Thank you for joining us and you may now disconnect your lines.

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Note: This transcript has been edited to improve readability.