

## Greaves Cotton Limited

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### PRESS RELEASE

## Greaves Cotton posts increase in sales by 6.8% amidst challenging times

### ... Company focuses on Multi-Dimensional Growth Strategy...

#### Records improved EBITA, Declares 25% final dividend

#### Editor Synopsis

- Q4FY13 performance Vs Q4FY12
  - Net Sales at Rs 495.8 Crore, up 11.3%
  - EBITDA at Rs 63.3 Crore, up 6.1%
  - Net Profit at Rs 38.5 Crore,
- FY13 performance Vs FY12
  - Net Sales at Rs. 1873.3, a rise of 6.8%
  - EBITDA at Rs. 242.3 crore, up 2.5%
  - Net Profit at Rs.138.0 Crore

**Mumbai, April 30, 2013:** Greaves Cotton Limited, one of India's leading engineering companies reported Net Sales of Rs.495.8 Crore for the quarter ended 31st March 2013 as against Rs.445.4 Crore for the corresponding period last year; a rise of 11.3%. During the three month period, the company reported Net Profit of Rs.38.5 Crore.

The Company declared a final dividend of 25% or, Rs.0.50 on a face value Rs. 2/-. Following this full and final dividend the total dividend for the fiscal including interim dividend stood at 80% or, Rs 1.60.

The EBITDA margin for the quarter stood at 12.8%.

For the full year, the Company registered Net Sales of Rs.1873.3 Crore as against Rs. 1753.4 Crore during the year-ago period a rise of 6.8%. Net profit for the year was at Rs. 138.0 Crore as against Rs. 185.5 Crore. It should be stated that the Company had an advantage of exceptional income of Rs 43.3 Crore during Q4 and FY 11-12. The net exceptional gain comprised of sale of land and building Rs 77.8 crores and provision for obsolescence and utility and impairment of investment Rs 20.3 crores and Rs. 14.2 crores respectively.

The company reported EPS of Rs 5.65 during the financial year 2012-13.

Greaves Automotive Engine Business has been a key contributor to the growth story. The strategy of product shift to the emerging four wheeled small commercial vehicles industry, with regular supplies to Tata Motors's Ace Zip and Magic Iris, from the traditional three wheeled segment has been welcomed by the industry and customers alike. This apart, addition of new customer Vibgyor Vehicles Ltd, part of Vibgyor Group and entering a long standing agreement of seven year supply to Atul Auto have been initiatives to ensure smooth and efficient supplies across the year. The Power business has recorded reasonable growth in spite of the prevailing diffidence in the market place. Farm Equipment business will focus on newer products as part of its growth plan to improve its present market share.

The Construction Equipment business has shown signs of recovery. The approach of expanding product range by adding relevant products through technological transfer from SAMIL, Korea, has been a key to this recovery. The recovery has been supported by the overall performance of the construction equipment industry and Greaves has improved its market share.

Greaves Cotton has consciously worked on consolidating the Aftermarket vertical in order to partner with its customers in co-creating demand. The Company has a focused Aftermarket vertical that caters to the products and spares across businesses with the objective of providing minimum down time to any Greaves product.

Commenting on the company's performance during the year, **Mr. Sunil Pahilajani, MD & CEO**, said: "All our businesses are intrinsically woven with the growth of the key sectors of the Indian economy. In spite of the turbulent economic backdrop we have been able to deliver growth. As an organisation we remain performance driven and customer centric. We are confident that clear focus on our multi- dimensional growth strategy through expansion of product portfolio, expansion of markets and expansion of geographies will translate into sustainable and profitable growth. We as a Company have invested significant efforts and resources to streamline systems and processes, both internally and externally. This we believe will lead itself to efficient and continuous improvements in product development and customer delight which in turn will usher innovation and value creation."

**About Greaves Cotton ([www.greavescotton.com](http://www.greavescotton.com))**

Greaves Cotton Limited, a Rs. 1,900 crore, multi-product, multi-locational company is one of the leading engineering companies in India with core competencies in diesel / petrol engines, gensets and construction equipment. The Company sustains its leadership through ten manufacturing units which produce world class products backed by comprehensive marketing and service / parts network throughout the country.

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