



GREAVES COTTON LIMITED

INVESTORS MEET
May 2013



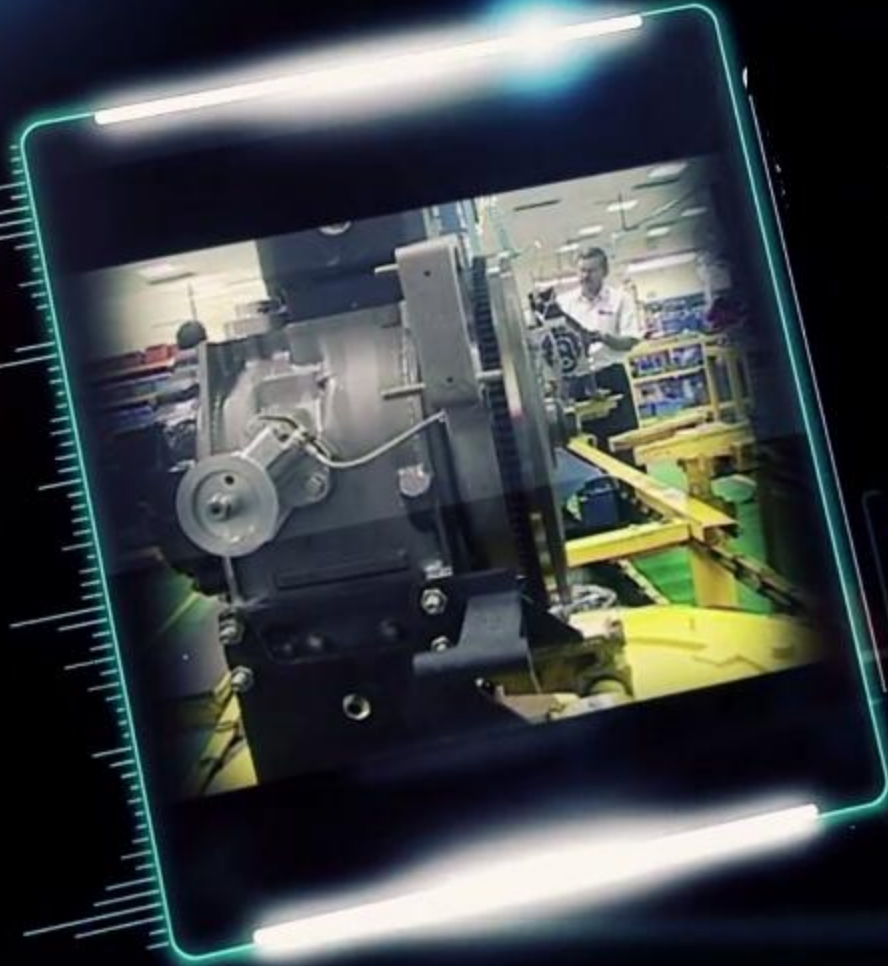
GREAVES
PanchaTatva
5 values. 1 way of life.

DISCLAIMER

Some of the statements in this document may include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our businesses and the markets in which we operate and constitute “forward looking statements” within the meaning of applicable laws and regulations.

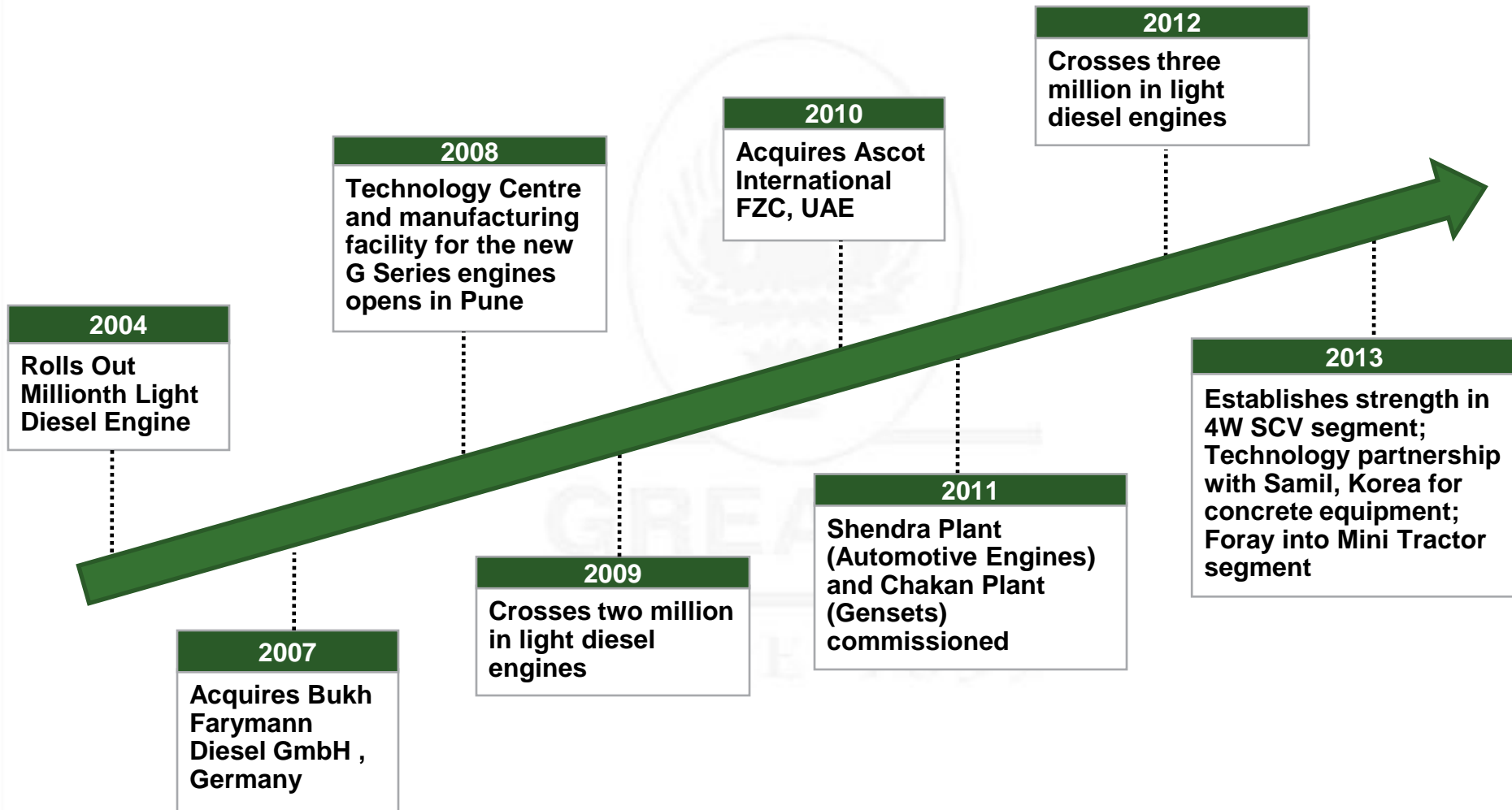
Actual results might differ materially from those either expressed or implied. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Passion for Excellence

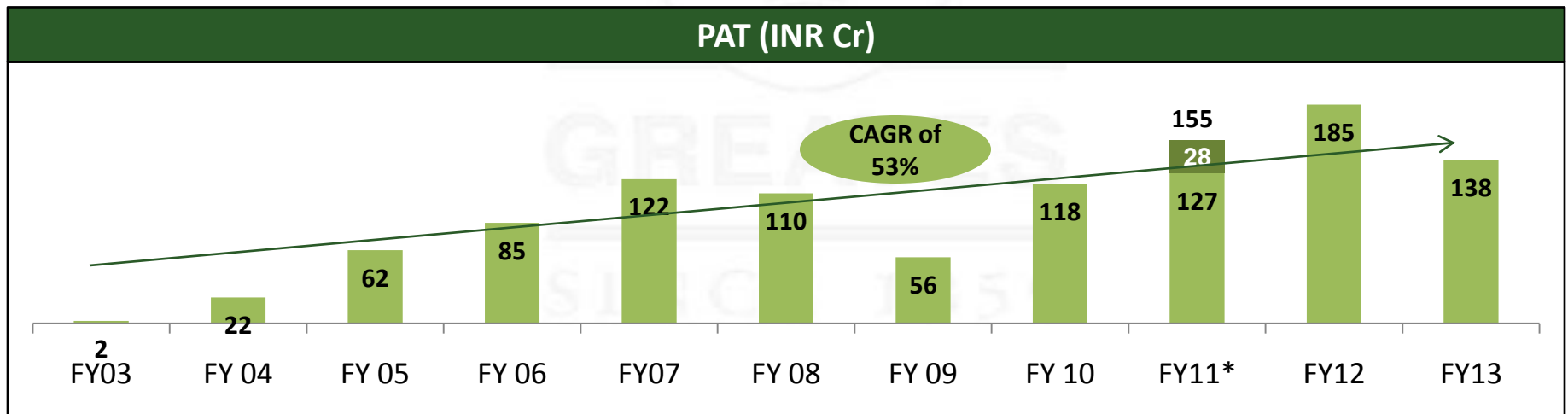
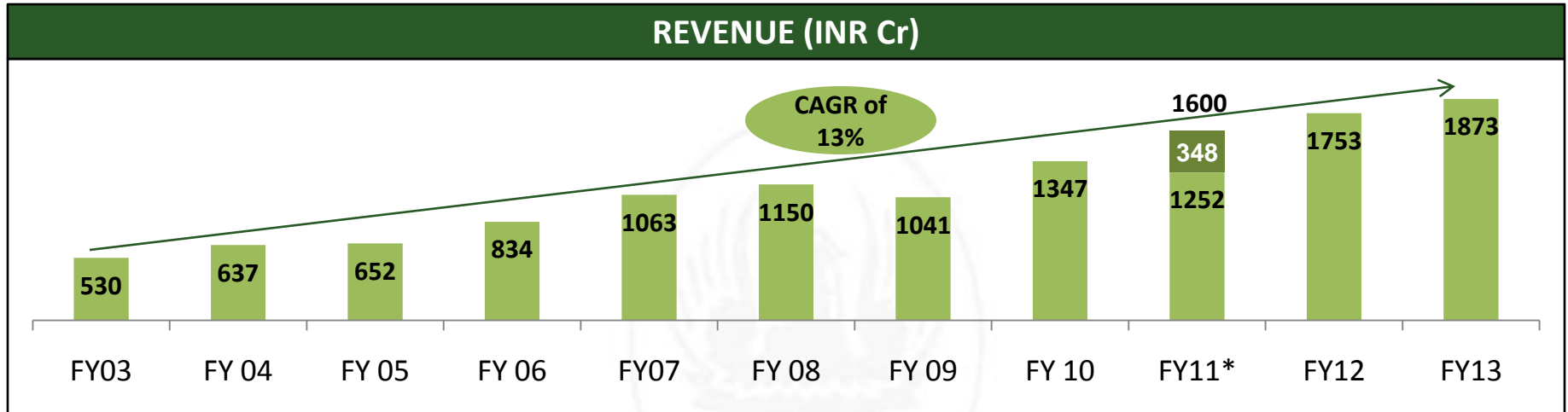


- **About GCL**
- **GCL Growth Strategy**
- **Financial Performance**

GREAVES HAS MADE RAPID STRIDES OVER THE PAST DECADE

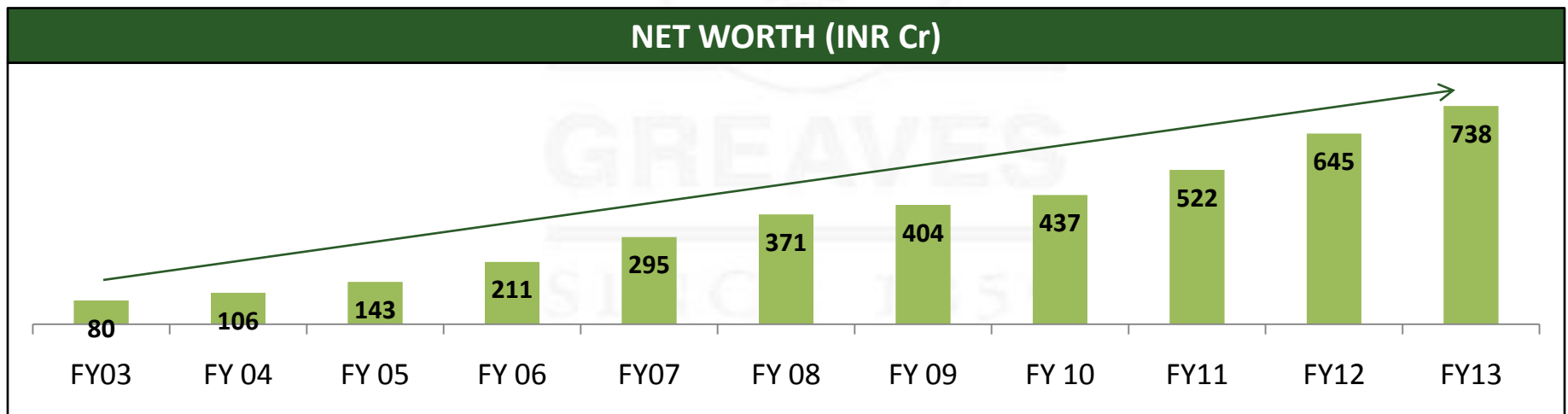
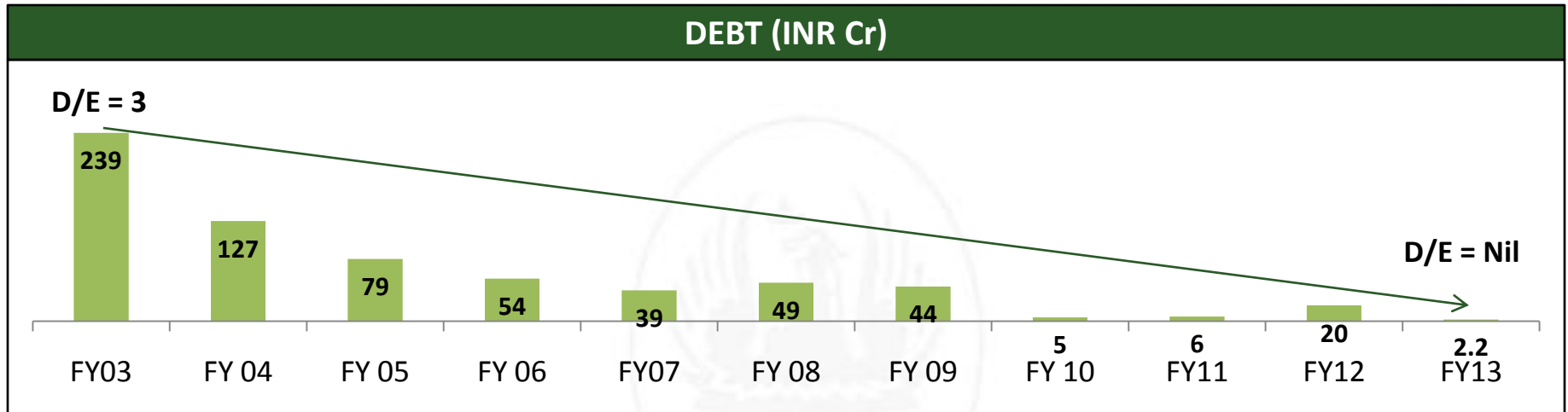


THE COMPANY HAS DELIVERED SUSTAINED GROWTH OVER THE LAST 10 YEARS



* FY11 was a curtailed 9M financial year; For comparison the FY 11 figures are taken for the period Apr'10 to Mar'11

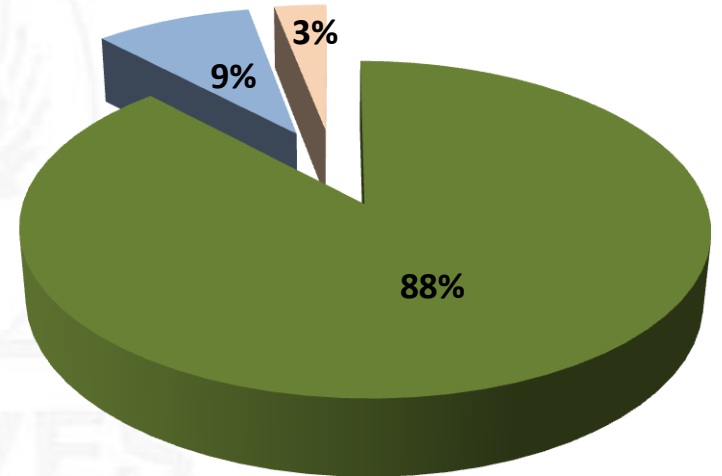
THE COMPANY IS DEBT FREE AND HAS SEEN A STEADY INCREASE IN NET WORTH



BUSINESS SEGMENTS

SEGMENT SHARE (FY13)

Segments	Products
Engines	Automotive Applications
	Industrial Applications
	Auxiliary Power Applications
	Farm Applications
Infrastructure Equipment	Road Making
	Concreting
Other products-Traded	Light Agricultural Equipment
	Traded Construction Equipment
	Other Adjacent Products



■ Engines ■ Infrastructure Equipment ■ Others

GREAVES SERVES FIVE END USE SECTORS (1/5)

Automotive



PORTFOLIO OF SINGLE/ TWIN CYLINDER ENGINES



Single Cylinder Engine - Diesel



Single Cylinder Engine - Gasoline



Twin Cylinder Engine - Diesel

MAJOR OEMs



PIAGGIO[®]



ATUL
AUTO LTD.



Mahindra

Market Leader with more than 3 million engines in the market

GREAVES SERVES FIVE END USE SECTORS (2/5)

Industrial Engines

PORTFOLIO OF DIESEL ENGINES



Single Cylinder



Twin Cylinder



3/4 Cylinder



4/6/8/12 Cylinder

KEY CUSTOMER SEGMENTS



Genset



Marine



Fire Fighting



Farm



Construction



Defense

Provides Engines upto 700HP for Various Industrial Applications

GREAVES SERVES FIVE END USE SECTORS (3/5)

Auxiliary Power

PORTFOLIO OF DIESEL GENSETS



Portable Genset



Small Genset



LHP/ MHP Genset

KEY CUSTOMER SEGMENTS



Retail, Hotels, Hospital & Commercial Complexes



Residential



Industry



Railways & Defense

GREAVES SERVES FIVE END USE SECTORS (4/5)

Farming

PORTFOLIO OF ENGINES & PUMPSETS



Petrol-Kerosene Engines & Pumpsets



Diesel Pumpsets



Electrical Pumpsets

PORTFOLIO OF LIGHT AGRICULTURAL EQUIPMENT



Mini Tractor



Power Tiller



Power Reaper



Brush Cutter



Power Sprayer

GREAVES SERVES FIVE END USE SECTORS (5/5)

Construction

PORTFOLIO OF CONCRETING EQUIPMENT



Concrete Pump



Concrete Mixer



Batching Plant

PORTFOLIO OF ROAD EQUIPMENT



Vibratory Compactor

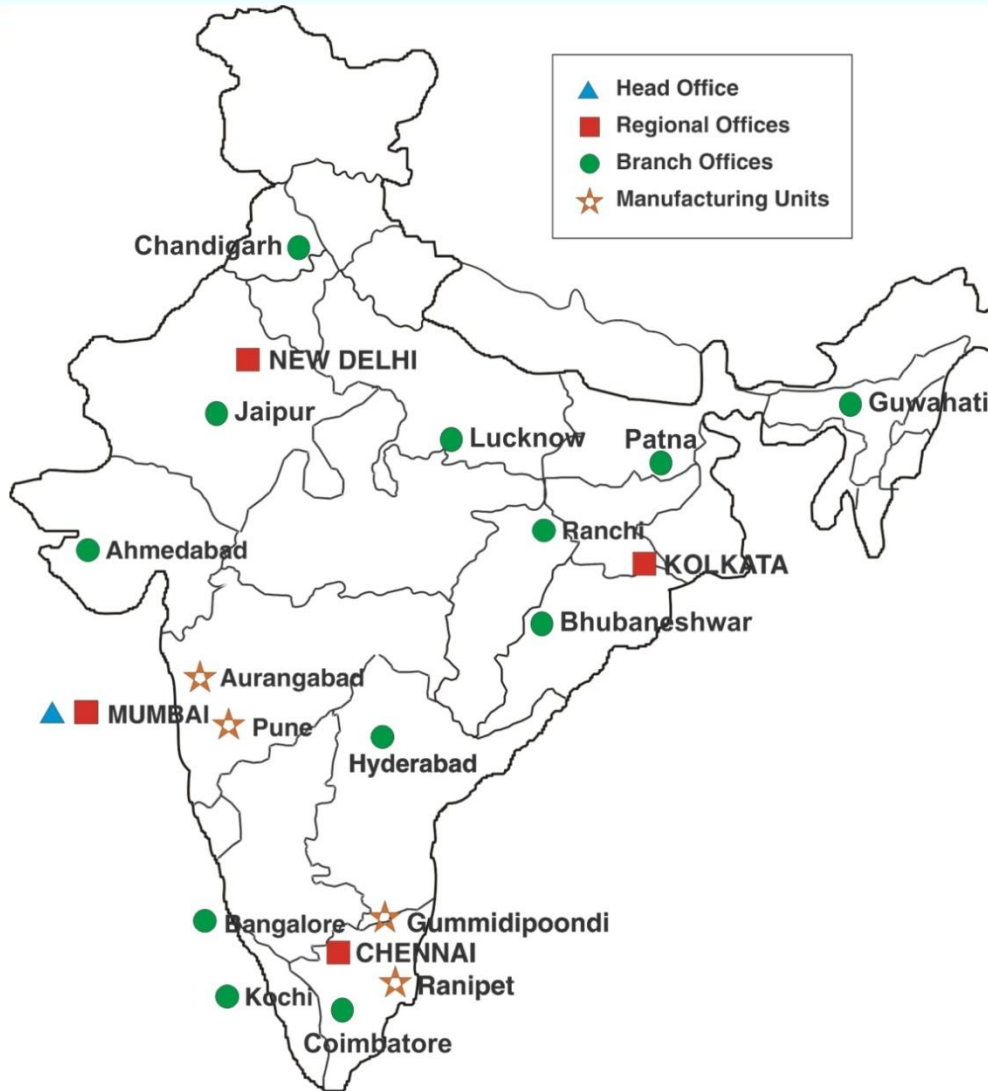


Heavy Tandem Roller



Light Tandem Roller

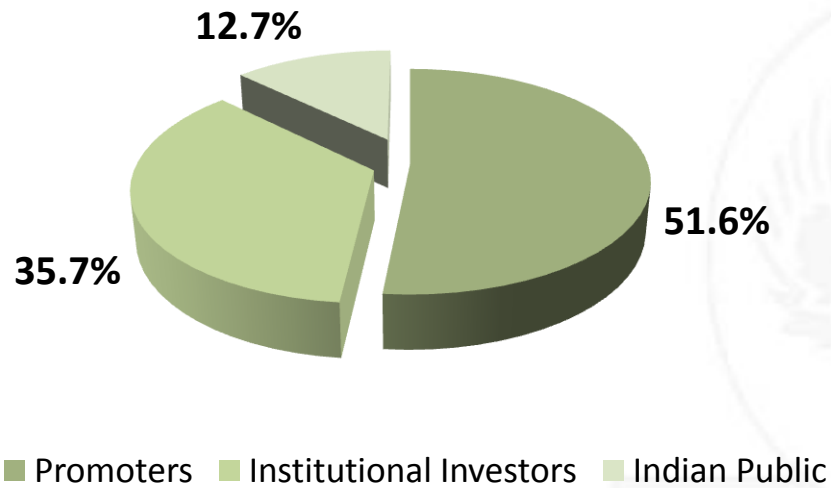
GREAVES HAS A STRONG SALES & SERVICE NETWORK IN INDIA TO SERVE ITS DIVERSE CUSTOMER BASE



- **Head Office : Mumbai**
- **Regional Offices (4) :**
 - Mumbai, Delhi, Kolkata and Chennai
- **Branch Offices (12) :**
 - Ahmedabad, Ranchi, Bengaluru, Kochi, Hyderabad, Jaipur, Lucknow, Patna, Guwahati, Chandigarh, Coimbatore and Bhubaneswar
- **Manufacturing Units (11) :**
 - Pune (2), Aurangabad (3), Gummidipoondi (4), Ranipet (1) and Germany (1)
- **Overseas Offices/ Distribution Network**
 - Germany, UK, UAE and China
- **About 1500 dealers throughout India**

SHAREHOLDING PATTERN

SHAREHOLDING PATTERN (as on 31.03.13)



- Share Capital : INR 48.84 Cr
- Listing :
 - Bombay Stock Exchange (BSE)
 - National Stock Exchange (NSE)
- Market Capitalization : INR 1,752 Cr (as on 30.04.13)

GREAVES COTTON LIMITED – Subsidiary Companies

International Subsidiaries

- Greaves Cotton Netherlands B.V., Netherland
- Greaves Farymann Diesel GmbH, Germany
- Ascot International FZC, UAE

Indian Subsidiaries

- Greaves Leasing Finance Ltd
- Dee Greaves Ltd
- Greaves Auto Ltd

GREAVES TODAY



KEY HIGHLIGHTS ABOUT THE COMPANY

- **Leading diesel engine manufacturer with annual production of over half million engines**
- **Market Leader in last mile automotive application and Pumpsets for farm application**
- **Strong capability in diesel engine technology**
- **Strong reach and brand strength in the Indian market**
- **Track record of sustainable revenue and profit growth in the past 10 years**
- **Consistently achieved high return ratios - ROCE & ROE**
- **Debt free company**

SINCE 1859



Greaves Cotton Limited
Leaders in Engines & Infrastructure Equipment

KEY MILESTONES IN FY13

Technology Tie-up With Samil, Korea for Concrete Equipment



GREAVES
SINCE 1859



KEY MILESTONES IN FY13

Award For Excellence In Delivery From TATA Motors



Mr. Sunil Pahilajani, MD & CEO, Greaves Cotton Limited (2nd from right) receiving the **Award for Excellence in Delivery** from Tata Motors. Also seen Mr. Sanjiv Kumar, CEO, Auto Division (1st from left) along with Mr. Mohanjit Walia, Vice President, Marketing, Auto Division (2nd from left)

KEY MILESTONES IN FY13

Entry into Mini Tractor Market through USTAD





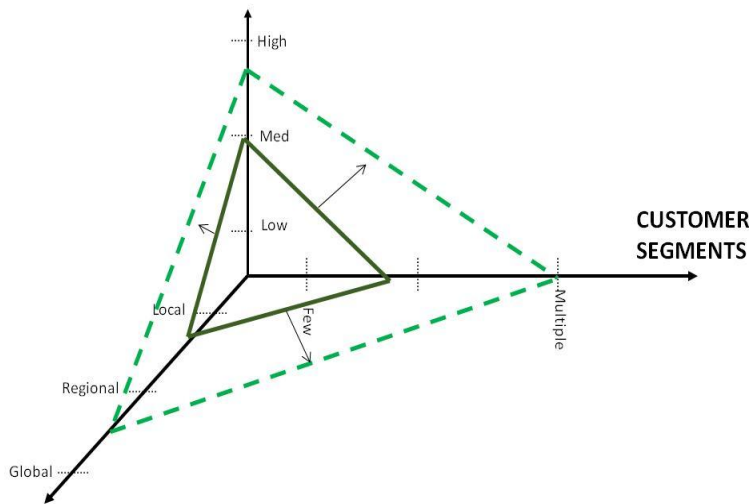
Integrity & Responsibility

- About GCL
- **GCL Growth Strategy**
- Financial Performance

GREAVES IS FOCUSING ON EXPANSION IN PRODUCT-MARKET PLAY THROUGH CAPABILITY DEVELOPMENT

Expanding Product-Market Play.....

PRODUCT SEGMENTS



GEOGRAPHIC SPREAD

..through Capability Development



Focus on Growth through Capability Development


THE COMPANY HAS PUT IN PLACE A STRONG LEADERSHIP TEAM TO DRIVE BUSINESS GROWTH

MD & CEO



Sunil Pahilajani

Functional Leadership

CFO	CTO	CHRO	CS
			
A.K. Sonthalia	S.J.R. Kutty	Anil Gole	Monica Chopra

Business Leadership

CEO – Automotive Engines Business	CEO – Farm Equipment Business	CEO – Auxiliary Power & Industrial Engines Business	CEO – Construction Equipment Business	CEO – Aftermarket Business	CEO – International Business
					
Sanjiv Kumar	C.M. Ashok Muni	Prakash Bhalekar	R. Nandagopal	Vinay Khanolkar	Sachin Parab

Leadership Team Of GCL In Place

- Aftermarket Business created as separate Business Line
- International Business upgraded as a separate Business Line
- Position of Chief Technology Officer created to drive product development in the organization

EMBARKED ON OPERATIONAL EFFICIENCY DRIVE WHICH RESULTED IN COST SAVINGS AND PROCESS EFFICIENCY



COST REDUCTION



- Company wide initiative to reduce material cost and manufacturing costs is undertaken to enhance profitability
- In the absence of this initiative, the material cost of the company would have been higher by around 1%

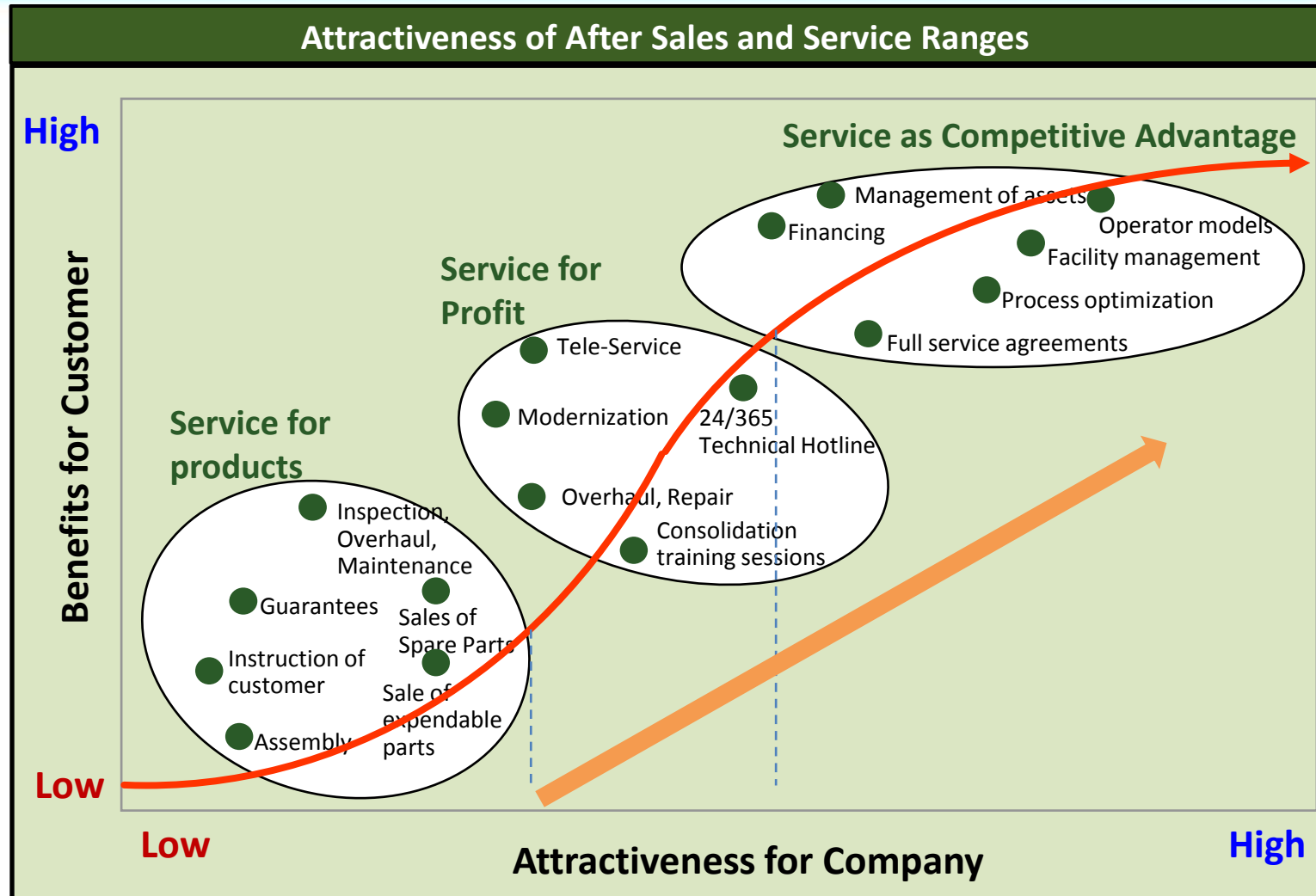
IT ENABLEMENT

- Dealer Portal connecting domestic and international channel partners launched
- Customer Relationship Management (CRM) for Aftermarket is being launched
- Shared Services in Finance initiated

CULTURE OF IMPROVEMENT

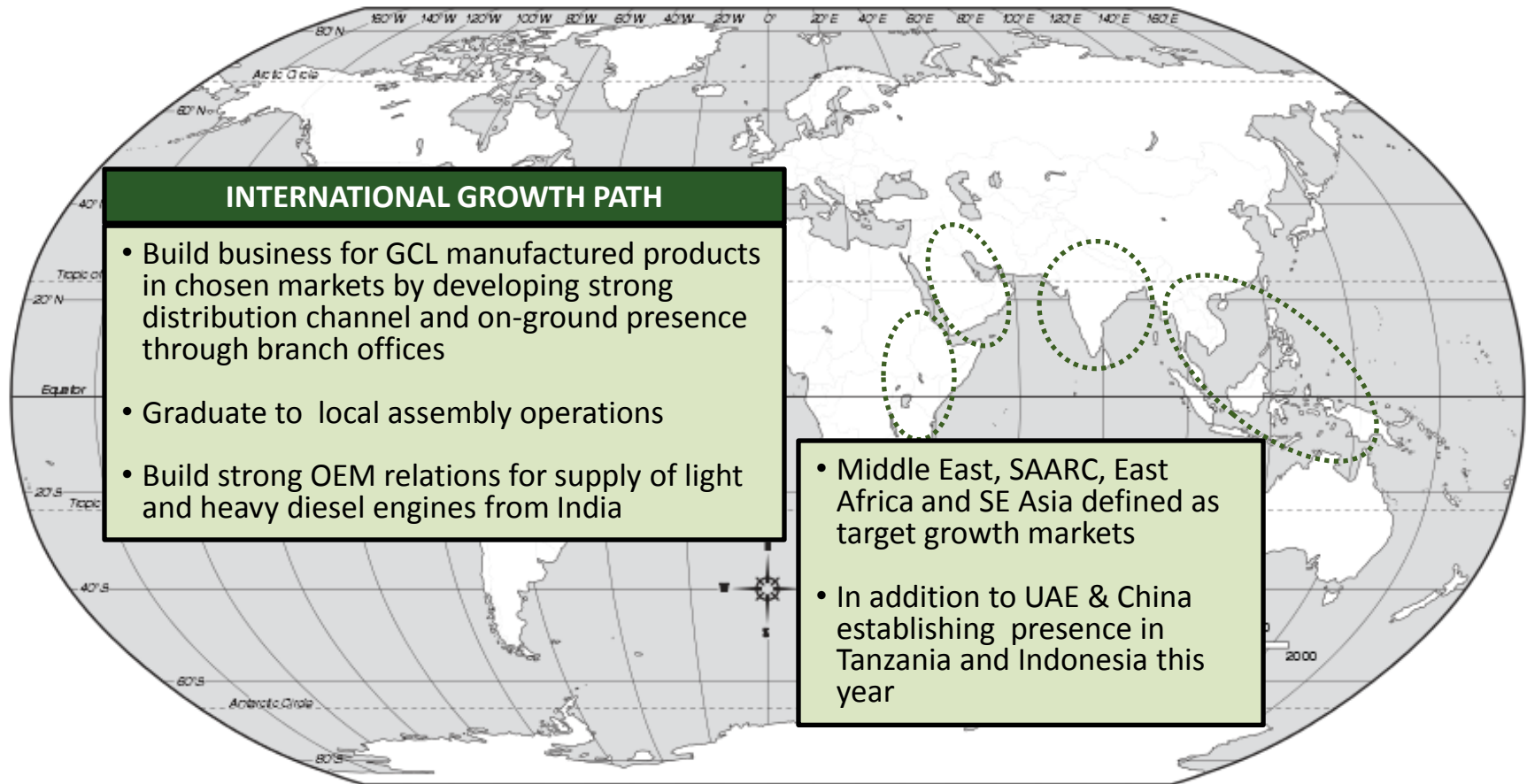
- Culture of employee involvement and continuous improvement being nurtured – *More than 500 implementable ideas received from employees in 2012-13 which can provide sustained cost savings in the coming years*

AFTERMARKET BUSINESS HAS BEEN CARVED OUT AS AN INDEPENDENT BUSINESS LINE TO ENHANCE SERVICE DELIVERY



Greaves has separated Aftermarket into a separate business line to ensure that it can become a source of competitive advantage for the company in the next few years

THE COMPANY IS LAYING SPECIAL EMPHASIS ON GROWTH IN INTERNATIONAL MARKETS



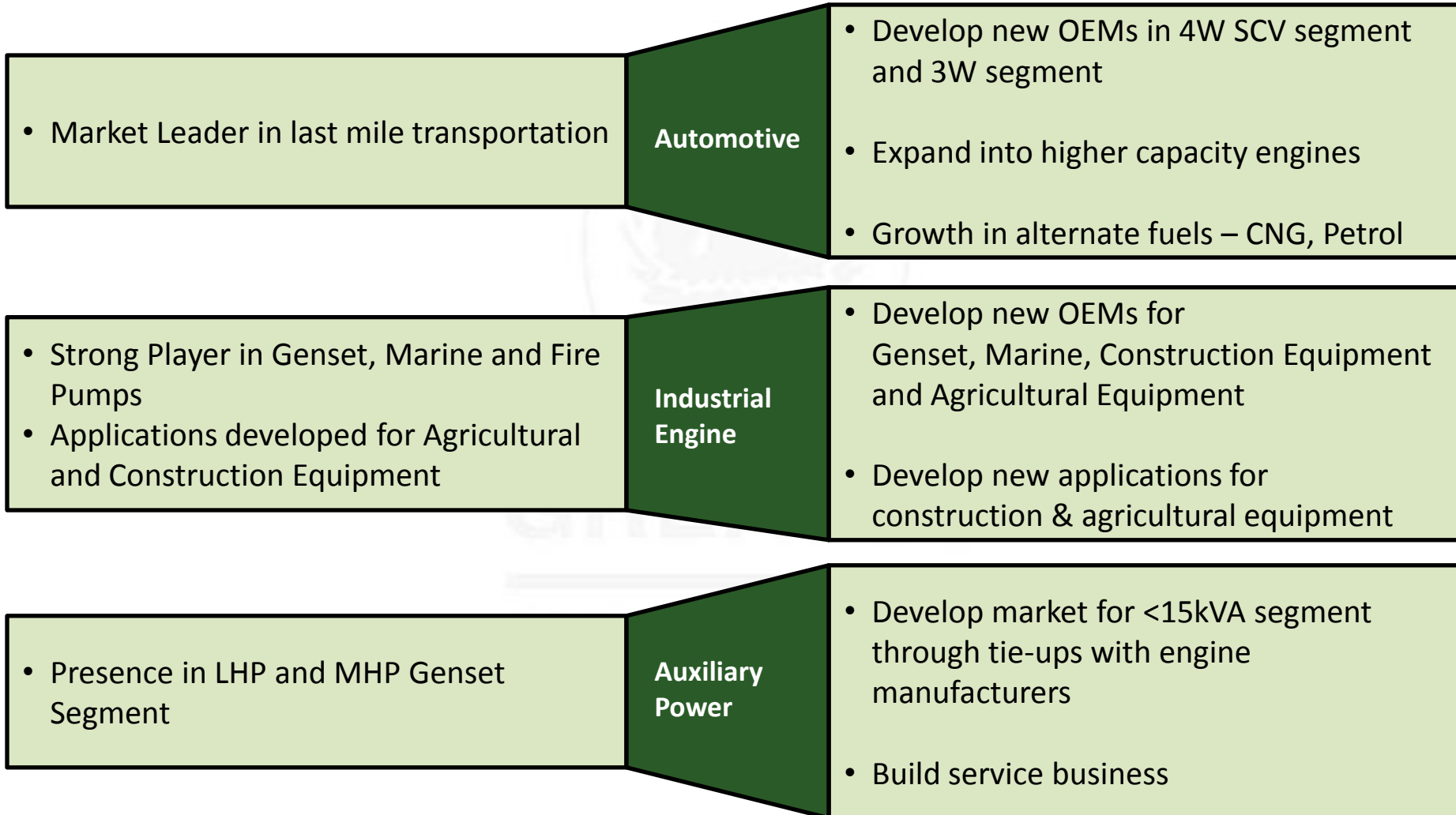
*Plan to increase revenues from International Market from current 3% to ~10% in the next 3 years.
Focus on developing distribution channel in chosen countries*

GROWTH PATH TO EXPAND PRODUCT-MARKET PLAY (1/2)



Current Strength

Growth Path



GROWTH PATH TO EXPAND PRODUCT-MARKET PLAY (2/2)



Current Strength

Growth Path

- Strong Player in Oil Pumpsets
- Light Agri Equipment
- Launch of Mini Tractor

Farm

- Expand into Electrical Pumpsets
- Develop portfolio of own manufactured Light Agri Equipment
- Leverage existing and develop new network to penetrate mini tractor customer segment

- Launched 60CBM Batching Plant and S-Valve Concrete Pump to address product gaps in concrete segment
- Stable portfolio of road products

Construction

- Launch new variants of Concrete Pumps & Boom Pump through Samil Partnership
- Introduce 20CBM Batching Plant
- Expand product range for road equipment

- Ascot strengthened to enhance play in Middle East market
- Established ~25 distributors in international markets

International

- Plan to open branch offices in East Africa & SE Asia
- Further expand dealership network for sales & service of GCL products
- Develop OEMs for engine supply from India

TO DELIVER ON EXPANSION IN PRODUCT-MARKET PLAY, GREAVES IS LOOKING AT RAPID CAPABILITY DEVELOPMENT



PRODUCT DEVELOPMENT

- ~ Rs 100 Cr planned to be invested for growth initiatives in 2013-14
- More than 50 product development specialists planned to be added during 2013-14 to give a major thrust to new product development
- Looking to invest in technology partnerships in the engine and end products in farm, construction and genset space to fast track product development

FRONT END CAPABILITY

- Sales channels being developed for new products like mini tractors and electrical pumpset
- Major thrust on Aftermarket channel development
- Distribution network being strengthened in International markets

GREAVES VALUES “PANCHATATVA” LAUNCHED – TO BE NURTURED AS A WAY OF LIFE



Greaves PanchaTatva
5 Values. 1 Way of Life.

INTEGRITY



RESPECT



**PASSION
FOR
EXCELLENCE**



TRANSPARENCY



RESPONSIBILITY



Respect & Transparency



- About GCL
- GCL Growth Strategy
- **Financial Performance**

THE COMPANY ACHIEVED REVENUE GROWTH DRIVEN BY 4W AUTOMOTIVE ENGINES & FOCUS ON AFTERMARKET



ENGINES SEGMENT - *Revenue up by 8%*

- Automotive Engines firmly established itself in the 4W SCV segment with TATA Ace Zip and TATA Magic Iris taking leadership position in the <0.6T segment (~65,000 engines sold in FY13)
- Industrial Engines growth was moderate due to slowdown in capex cycle in the industry
- Auxiliary Power grew despite slowdown in market and improved its market share
- Growth in farm business was impacted due to poor monsoon and delays in subsidies

INFRASTRUCTURE EQUIPMENT SEGMENT - *Revenue up by 3%*

- While construction equipment market was impacted by slowdown in infrastructure segment, the company gained market share in H2FY13 through aggressive market development and launch of new products leading to 27% y-o-y revenue growth.

INTERNATIONAL & AFTERMARKET (*Included in above segments*)

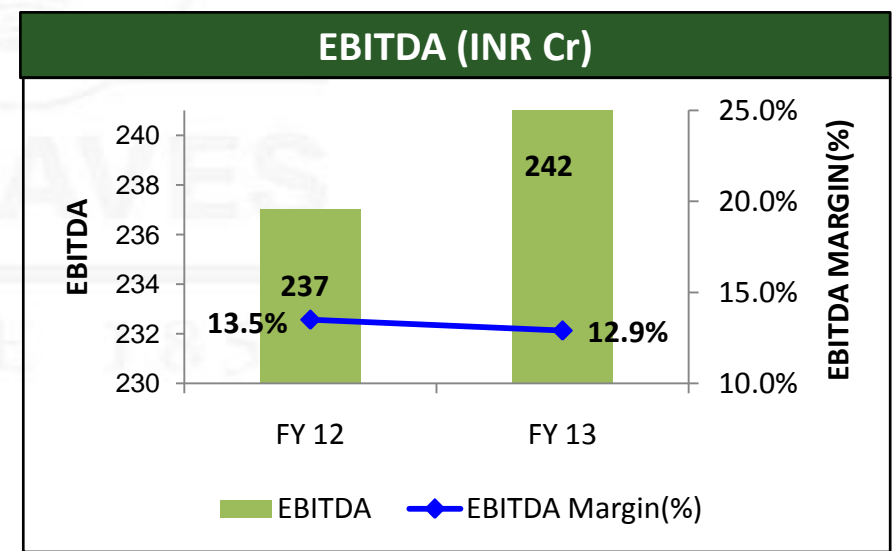
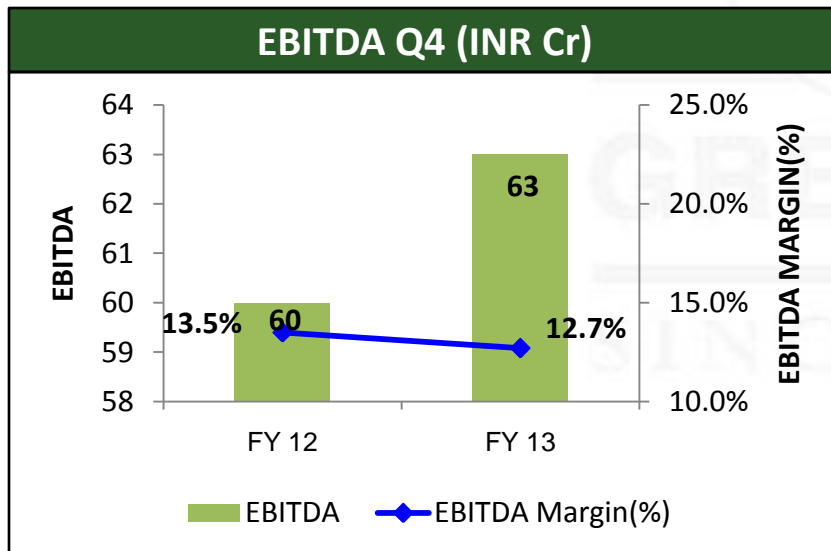
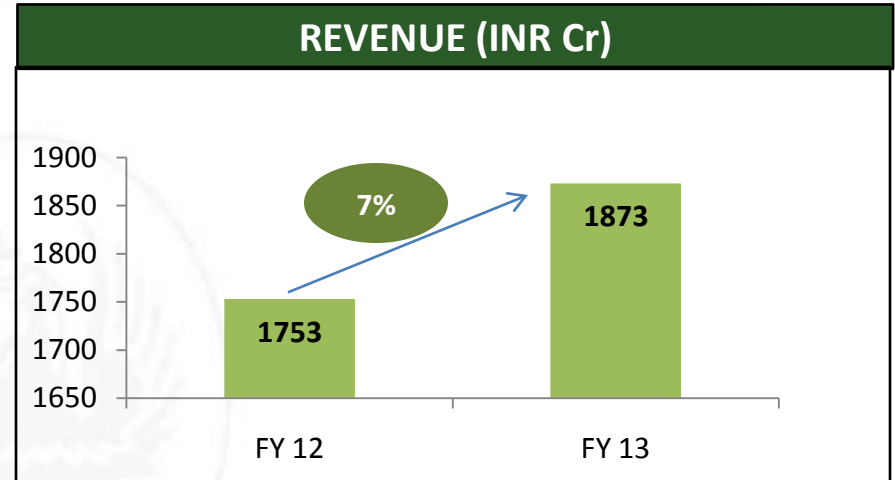
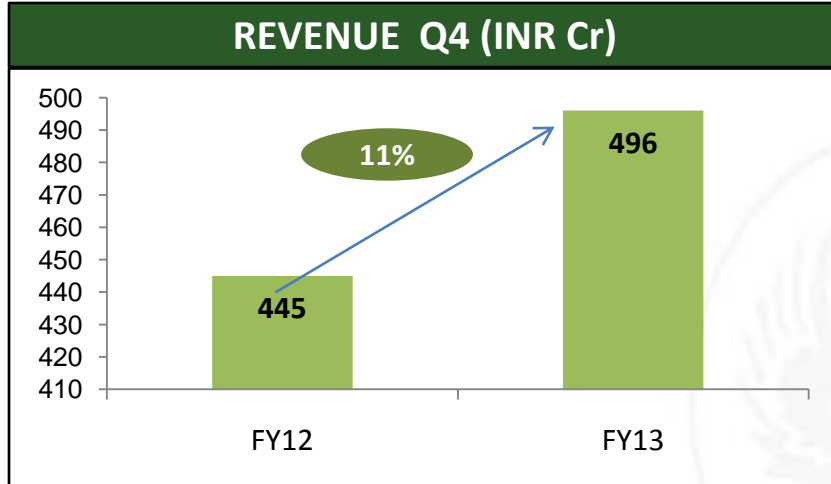
- International Business grew by ~12%
- Special thrust and focus on Aftermarket resulted in the business growing by ~20% in FY13 to INR 338 Cr

KEY FINANCIAL HIGHLIGHTS OF FY13

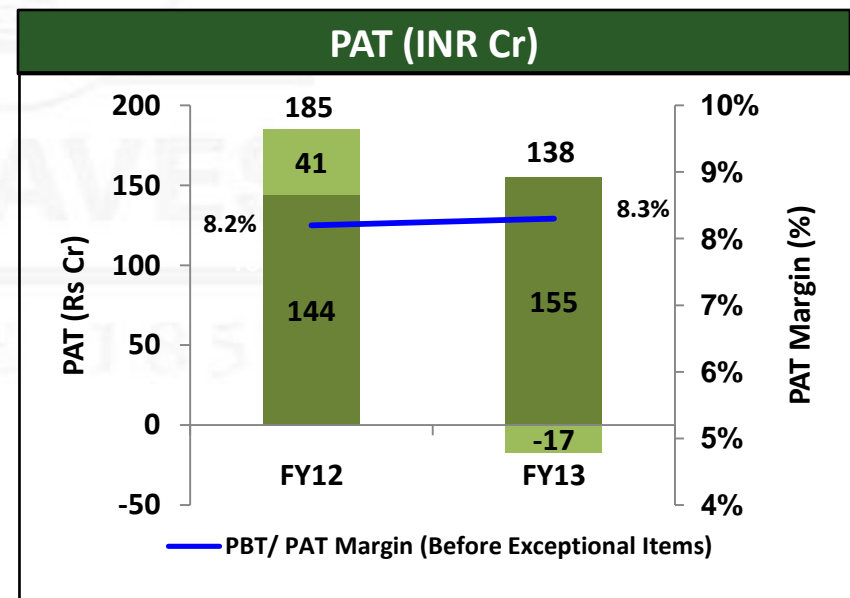
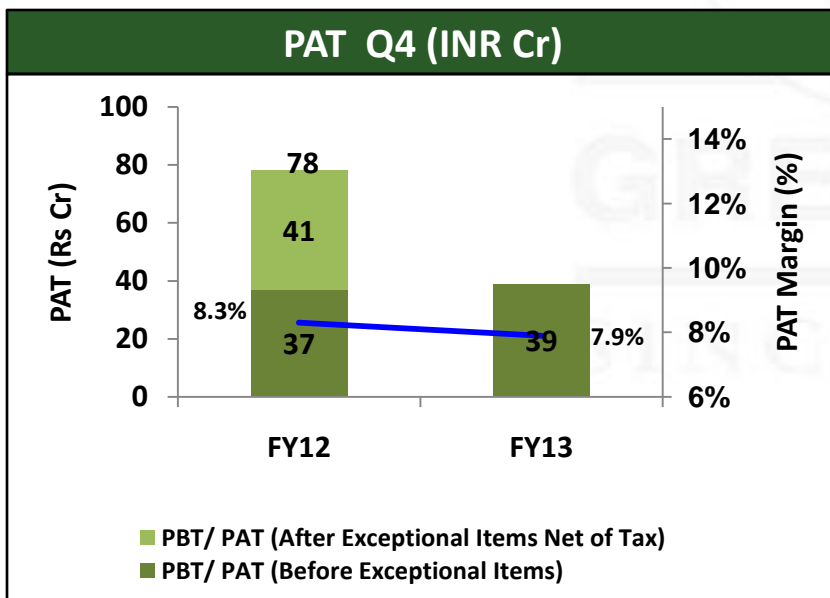
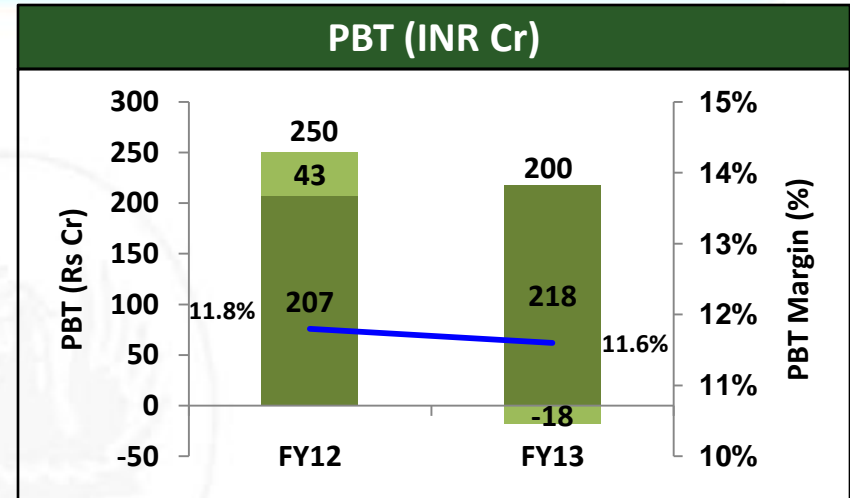
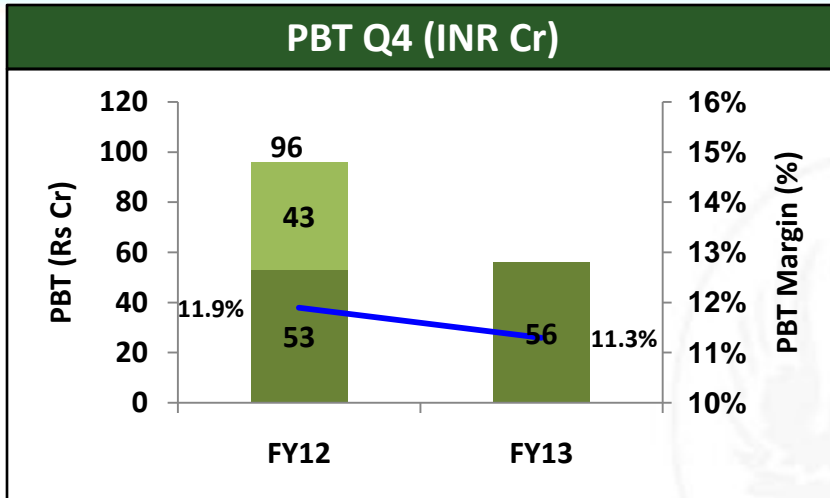
KEY FINANCIAL HIGHLIGHTS OF FY13

- Revenue increased by 7% from Rs. 1753 Cr in FY12 to Rs. 1873 Cr in FY13
- EBIDTA increased by 2% from Rs. 237 Cr in FY12 to Rs. 242 Cr in FY 13
- EBITDA margin decreased by 0.6% from 13.5% in FY12 to 12.9% in FY13
 - *The impact was mainly on account of investment in capability building and employee cost*
- Raw Material cost as % to sales was contained at 70%
 - *Savings in operational efficiency was off-set by change in product mix*
- FY13 includes exceptional item of Rs. 17.6 Cr towards provision in diminution in the value of investment in a subsidiary & employee separation cost against exceptional income of Rs. 43.3 Cr in FY12
- PAT (excluding exceptional items) increased by 8% from Rs. 144 Cr in FY12 to Rs. 155 Cr in FY13

FINANCIAL SNAPSHOT - REVENUE & EBITDA



FINANCIAL SNAPSHOT – PBT & PAT



FINANCIAL SNAPSHOT – SHAREHOLDER RETURNS



	FY 08	FY 09	FY 10	FY 11*	FY 12**	FY 13**
EPS (Rs.)	4.5	2.3	4.8	6.3	7.6	5.7
DPS (Rs.)	1.2	0.8	3.0#	1.5	2.2#	1.6
Avg. Market Price (Rs)	42.2	19.8	30.3	76.6	85.5	73.9
Net Worth (Rs. Cr)	371	404	437	522	645	738
BVPS (Rs.)	15.2	16.5	17.9	21.6	26.7	30.5
Debt (Rs. Cr)	49	44	5	2	20	2

* FY11 was a curtailed 9M financial year; For comparison the FY 11 figures are taken for the period Apr'10 to Mar'11

** EPS has been computed based on the PAT including exceptional items, normalised EPS for FY12 & FY 13 is 5.9 & 6.3 respectively

Includes Special Dividend of Rs. 1.5 per share (FY 09-10) & Rs. 0.8 per share (FY 11-12)

FINANCIAL SNAPSHOT- INCOME STATEMENT

Rs Cr	FY12		FY13		Growth	
	Q4	12M	Q4	12M	Q4	12M
Revenue	445	1753	496	1873	11%	7%
EBITDA	60	237	63	242	5%	2%
<i>EBIDTA %</i>	<i>13.5%</i>	<i>13.5%</i>	<i>12.7%</i>	<i>12.9%</i>		
PBT before Exceptional Items	53	207	56	218	6%	5%
<i>PBT before Exceptional Items %</i>	<i>11.9%</i>	<i>11.8%</i>	<i>11.3%</i>	<i>11.6%</i>		
Income from Exceptional Items	43	43	0	(18)		
PBT after Exceptional Items	96	250	56	200	-42%	-20%
PAT (before exceptional items)	37	144	39	155	5%	8%
<i>PAT before Exceptional Items %</i>	<i>8.3%</i>	<i>8.2%</i>	<i>7.9%</i>	<i>8.3%</i>		
PAT (after exceptional items)	78	185	39	138	-50%	-25%

FINANCIAL SNAPSHOT- BALANCE SHEET

Rs Cr	Mar'12	Mar'13
Equity & Liabilities		
Shareholders Fund	649	742
Non- Current Liabilities	44	52
Current Liabilities	400	386
Total	1093	1180
Applications		
Fixed Assets (Net)	346	376
Investment	58	68
Current Assets	611	688
Other Non- Current Assets	78	48
Total	1093	1180

FINANCIAL SNAPSHOT - KEY FINANCIAL & OPERATIONAL RATIOS

Category		Unit	FY12	FY13
Profitability	EBITDA Margin	%	13.5%	12.9%
	Net Profit Margin (exc. exceptional items)	%	8.2%	8.3%
Activity	Fixed Asset Turnover	Times	5.1	5.2
	Debtor	Days	52	68
	Inventory	Days	50	42
	Creditors	Days	57	60
	Trade Working Capital	Days	47	55

FINANCIAL STABILITY

- **Credit Rating AA by Fitch**
- **Consistent track record of paying quarterly dividends**
- **Sustained Revenue growth**
- **Consistent Positive Cash Flow from Operations**
- **Debt-free Company**

KEY TAKE-AWAYS

GREAVES – *Poised for Growth*

- Present in high growth segments of economy
- Extensive market reach in India; Leadership position in last mile transportation and agricultural pump sets
- De- risked business portfolio
 - Presence in multiple industry segments
 - Healthy split between equipment sales & aftermarket sales
 - Steadily improving geographical diversification
- Strong capability in diesel engine development
- Sustained profitable growth and unlevered balance sheet
- Building organizational capability to capture future growth opportunities

Happy engineering is pumping in loads of laughter

Happy engineering isn't just about constructing pumpsets. It's about spreading happiness to millions. And lush greenery to landscapes. It's no wonder then that most Indian farmers trust Greaves pumpsets to irrigate their lands. Sure, it does its job of pumping water into their farms. What's more important though, is it pumps in joy.



GREAVES
SINCE 1859

Happy ENGINEERING