



Greaves Cotton Limited

**Annual Analyst Meet
30th April 2014**

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.

1 Greaves Snapshot

2 Financial Performance

3 Strategic Drivers



“Panchatatva” defines the Core Value of Greaves Cotton Limited



Transparency

There are no hidden agendas and conditions in fine print when we deal with anybody – be it an employee, a customer, a partner / vendor / associate, a shareholder or any other stakeholder. Through our actions, policies and procedures we deliver what we promise and vice versa. We always comply with disclosure norms.



Integrity

We always conduct business with a deep-rooted sense of fair play. We adhere to the highest ethical standards and comply with all statutory laws and regulations, in both letter and spirit.



Responsibility

We have a finely developed sense of ownership of our own work and its consequences. We are emotionally and intellectually involved in translating organisational goals into reality.



Passion for Excellence

We do not compromise. We never settle. Second best, for us, is simply not an option. With enormous energy, motivation and enthusiasm we strive to achieve best-in-class in all that we do. Across function. Across profile. Across the organisation.



Respect

We celebrate our differences. We respect one another. We value the opinions of all those we interact with. We treat our ecosystem – both business as well as natural – with deference and humility.

GREAVES TODAY

Net Sales of INR 1719 Cr (FY 2013-14)

Leading engineering company with presence in engines, farm equipment, diesel genset and construction equipment

Extensive marketing and service network through 4 Regional and 12 Sales offices and over 1200 dealers in India.

Expanding presence in international markets. Established offices in UAE and Tanzania and focused presence across 8 countries

KEY STRENGTHS

Product Development

State of Art R&D centers with over a 100 technical personnel

Cost efficient Manufacturing

Leveraging 10 Manufacturing Units in India

Strong Sales & Service Network

Excellent reach in the Indian market; Strengthening network globally

*Greaves is proud recipient of Gold Certification - National Award for Manufacturing Competitiveness
Greaves has won the title of Superbrand 2013-14 in the engineering category*

The Company had made rapid strides over the past decade

2004

**Rolls out millionth
light diesel engines**

2009

**Crosses two million
light diesel engines**

2011

**Opens Shendra Plant
for Automotive
Engines**

2013

**Technology Centre for Farm
Equipment established to drive
product indigenization**

**Technology program for New Range
of MHP Industrial Engines**

2008

**Technology Centre
Inaugurated for
Industrial Engines in
Pune**

2010

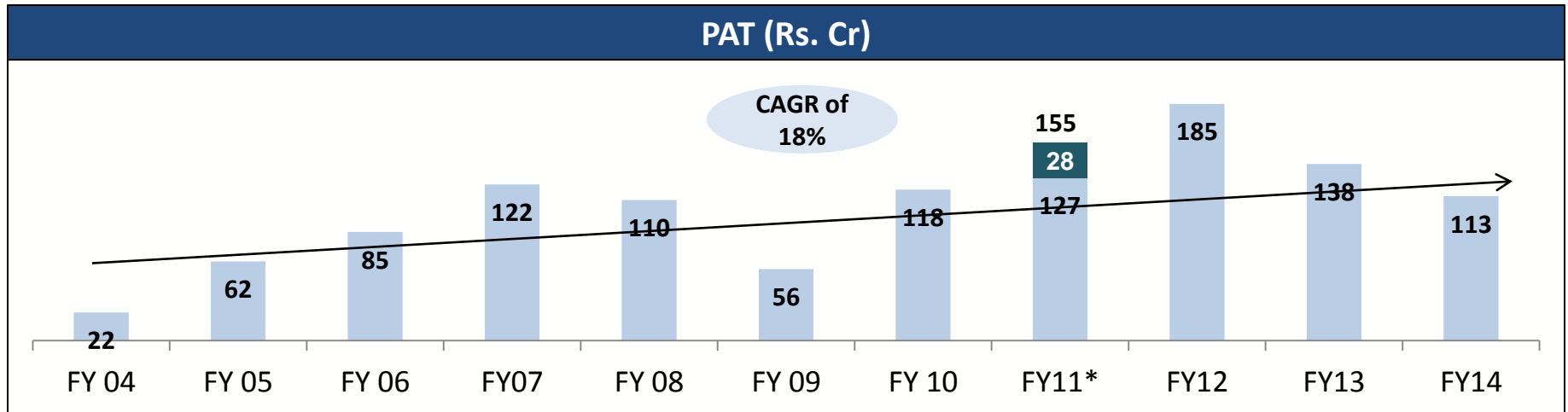
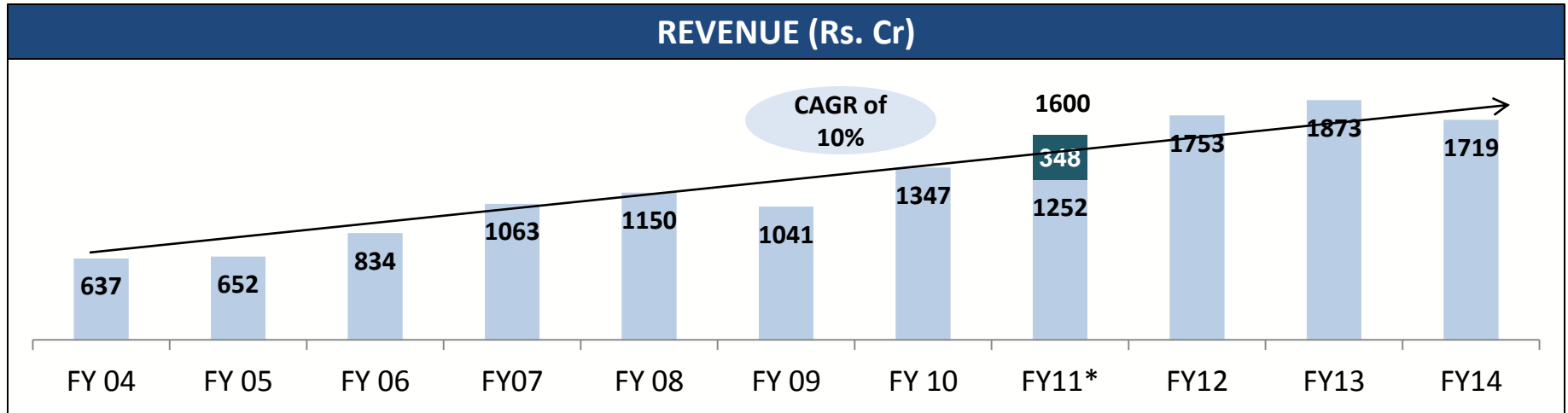
**Acquires Ascot
International FZE
(UAE)**

2012

**Crosses three million light diesel
engines;**

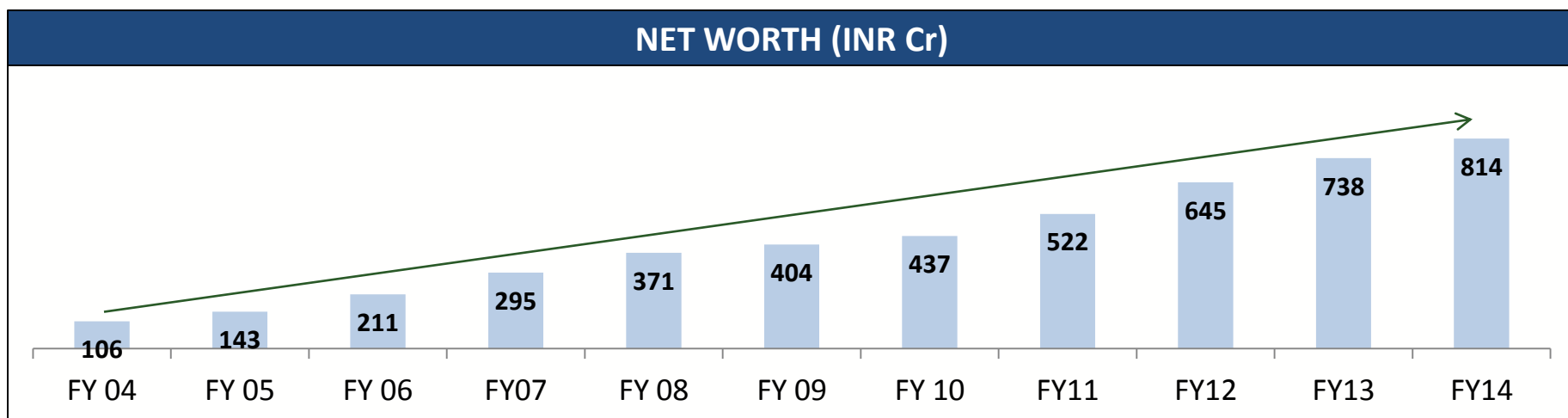
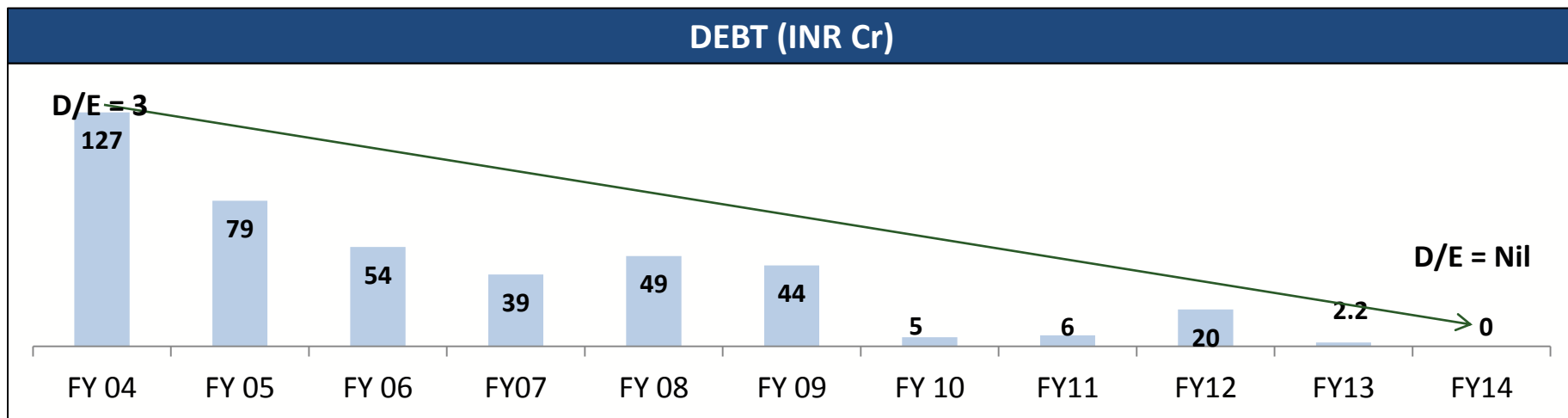
**Technology partnership with
SAMIL (Korea) for concrete pumps**

Has exhibited ~3X revenue growth over past decade; however market conditions have impacted short term growth



* 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 witnessed steady increase in Net Worth



PORTFOLIO OF SINGLE/ TWIN CYLINDER ENGINES



Single Cylinder Engine - Diesel



Single Cylinder Engine - Gasoline



Twin Cylinder Engine - Diesel

MAJOR OEMs



Market Leader with more than 3 million engines in the market

PORTFOLIO OF DIESEL ENGINES



Single Cylinder



Twin Cylinder



3/4 Cylinder



6/8/12 Cylinder

KEY CUSTOMER SEGMENTS



Genset



Marine



Fire Fighting



Farm



Construction



Defense

Provides Engines upto 700HP for Various Industrial Applications

PORTFOLIO OF DIESEL GENSETS



Portable Genset



Small Genset



LHP/ MHP Genset

KEY CUSTOMER SEGMENTS



Retail, Hotels, Hospital & Commercial Complexes



Residential



Industry



Railways & Defense

Over 5 Decades of Experience in Providing Auxiliary Power

PORTFOLIO OF ENGINES & PUMPSETS



Petrol-Kerosene Engines & Pumpsets



Diesel Pumpsets



Electrical Pumpsets

PORTFOLIO OF LIGHT AGRICULTURAL EQUIPMENT



Power Tiller



Power Weeder



Power Reaper



Brush Cutter



Power Sprayer

PORTFOLIO OF CONCRETING EQUIPMENT



Concrete Pump



Concrete Mixer



Batching Plant



Boom Pump

PORTFOLIO OF ROAD EQUIPMENT



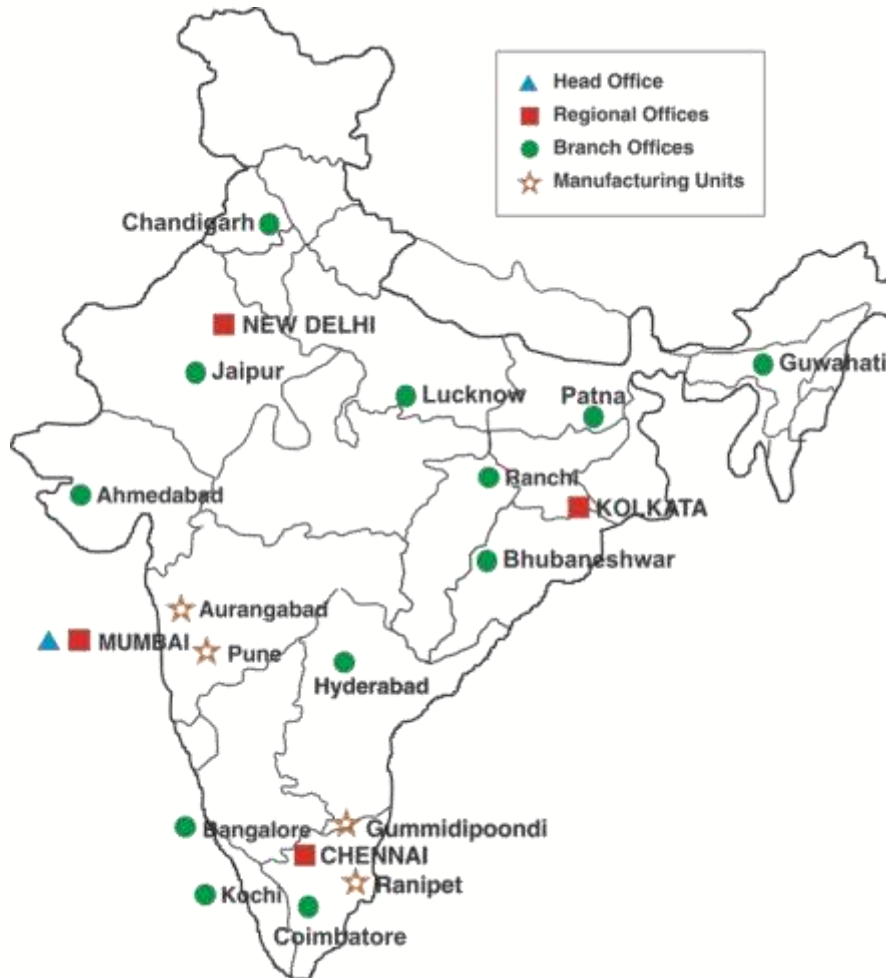
Vibratory Compactor



Heavy Tandem Roller

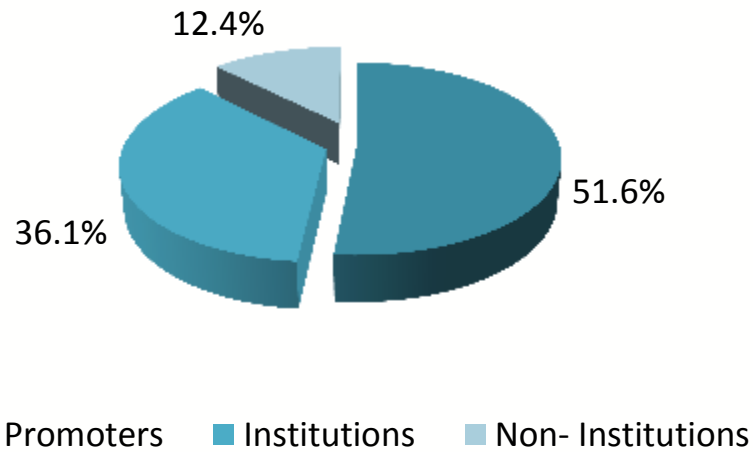


Light Tandem Roller



- 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 (10) :
 - Pune (2), Aurangabad (3), Gummidipoondi (4) and Ranipet (1)
- Overseas Offices/ Distribution Network
 - UAE, Tanzania
- About 1200 dealers throughout India

SHAREHOLDING PATTERN (as on 31.03. 14)



- Share Capital : INR 48.84 Cr
- Listing :
 - Bombay Stock Exchange (BSE)
 - National Stock Exchange (NSE)
- Market Capitalization : INR 1918 Cr (as on 30.04.14)

GREAVES COTTON LIMITED – Subsidiary Companies

International Subsidiaries

- Greaves Cotton Middle East (UAE)

Indian Subsidiaries

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

1 Greaves Snapshot

2 Financial Performance

3 Strategic Drivers



- Weak macro environment across sectors resulted in de-growth in major product categories of 3W/4W SCV, Pumpset, Genset and Construction Equipment
- Revenue down by 8% y-o-y due to depressed market conditions; however Market Share maintained in all major products
- Raw Material Cost improved from 70.1% to 68.7% due to value engineering and cost reduction initiatives
- EBIDTA margin has declined from 12.9% in FY13 to 11.3% in FY14; primarily due to lower sales & increase in fixed expenses for capability building
- PAT down by 18% to Rs. 113 Cr in FY 2014 as against Rs. 138 Cr during FY 2013

Financial Snapshot- Income Statement

Q4 12-13	Q4 13-14	Index %	Rs Cr	12 M 12-13	12M 13-14	Index %
496	435	88%	Net Sales	1873	1719	92%
70.4%	68.7%		Material Consumed %	70.1%	68.7%	
38	40	105%	Employee Cost	148	162	109%
46	50	109%	Others Expenses	170	182	107%
63	46	73%	EBITDA	242	194	80%
12.7%	10.6%		EBIDTA %	12.9%	11.3%	
11	12	108%	Depreciation	39	44	112%
4	8		Other Income	16	27	
56	42	75%	PBIT	218	177	81%
	2		Less: Finance Cost	1	5	
	-33		Less: Exceptional (Gain)/Loss	18	8	
56	74	132%	PBT	200	164	82%
39	52	134%	Net Profit	138	113	82%
7.8%	11.9%		Net Profit Margin	7.3%	6.6%	

Financial Snapshot- Balance Sheet

<i>Rs Cr</i>	Mar'13	Mar'14
<u>Equity & Liabilities</u>		
Shareholders Fund	742	818
Non- Current Liabilities	52	50
Current Liabilities	386	332
Total	1180	1200
<u>Applications</u>		
Fixed Assets (Net)	376	373
Other Non- Current Assets	48	52
Investment	68	154
Current Assets	688	621
Total	1180	1200

Financial Statement- Cash Flow

<i>in Rs. Cr</i>	FY 12-13	FY 13-14
Operating profit before working capital changes	242	205
(Inc.) / Dec. in NCA	(78)	7
Finance costs	(1)	(5)
Direct taxes paid	(59)	(58)
Net Cash from operations	104	149
(Inc.) / Dec. in Fixed Assets	(66)	(8)
Free Cash Flow	38	141
Dividend (including Dividend tax) paid	(59)	(34)
Dividend & Interest Received	7	10
(Inc.) / Dec. in Non current Investments	13	(37)
Inc. / (Dec.) in Borrowings	(18)	(2)
Inc. / (Dec.) in Cash Balance *	(19)	78

*Cash Balance includes mutual fund investments

<i>In Rs. Cr</i>	12M 12-13	12M 13-14	Variation
Inventory	161	158	-3
Debtors	375	333	-42
Cash & Bank	41	34	-7
Other Current Assets	110	95	-15
Current Assets:	688	621	-67
Short Term Borrowings	2	0	2
S. Creditors (Trade)	233	186	47
Other Liabilities & Prov.	151	146	5
C.L & Prov.:	386	332	54
Net Current Assets	301	288	-13

	FY 08	FY 09	FY 10	FY 11*	FY 12**	FY 13**	FY 14**
EPS (Rs.)	4.5	2.3	4.8	6.3	7.6	5.7	4.6
DPS (Rs.)	1.2	0.8	3.0	1.5	2.2	1.6	1.3
Net Worth (Rs. Cr)	371	404	437	522	645	738	814
BVPS (Rs.)	15.2	16.5	17.9	21.6	26.7	30.2	33.3
Debt (Rs. Cr)	49	44	5	2	20	2	0

* 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 & FY 14 is 5.9, 6.3 & 5.0 respectively

1 Greaves Snapshot

2 Financial Performance

3 Strategic Drivers



Driving growth by enhancing Product-Market Play and Strengthening the organization through Operational Excellence and Building Functional Capabilities has been identified as Key Themes of our 2X2 Strategy

Front End driving growth

1. Expanding Product Play

- a. Timely Up gradation of current products
- b. Developing New Products

2. Strengthening Market Play

- a. Developing new customers
- b. Expanding channel and reach

2X2

Back End improving profitability

3. Operational Excellence

- a. Material Cost Reduction
- b. Working Capital Control
- c. Exiting Non-Strategic Areas

4. Building Functional Capabilities

1. Expanding Product Play

2. Strengthening Market Play

3. Operational Excellence

4. Building Functional Capabilities

Emission Readiness

- Engine and Genset readiness for CPCBII norms
- BSIV readiness for 0.6T SCV and 3W segment



New Products Launched

- Sub 15KVA Genset
- S- Valve Concrete Pump, Boom Pump and 20 CBM Batching Plant
- Diesel Engine to Piaggio for 4W SCV (Mini- Porter) and to TVS for 3Wheeler



New Products Under Development

- Higher capacity modern automotive engines
- Development of Power Tiller and Light Agri Equipment
- Development of diesel engines for Pumpset applications
- CNG variant for 0.6T SCV (Tata Magic Iris)



Key Highlights in FY 2013-14

Technology Centre for Farm Equipment Inaugurated



Key Highlights in FY 2013-14 *Launched Sub 15 KVA Genset*



1. Expanding Product Play

2. Strengthening Market Play

3. Operational Excellence

4. Building Functional Capabilities

OEM Development

- TVS for 3W & PVPL for 4W SCV
- M&M and ALL for Genset Engines
- Int'l OEMs for non-automotive applications

Channel Development

- Developing channel for electrical & diesel pumpset
- Implementing Dealer Management System

Market Development

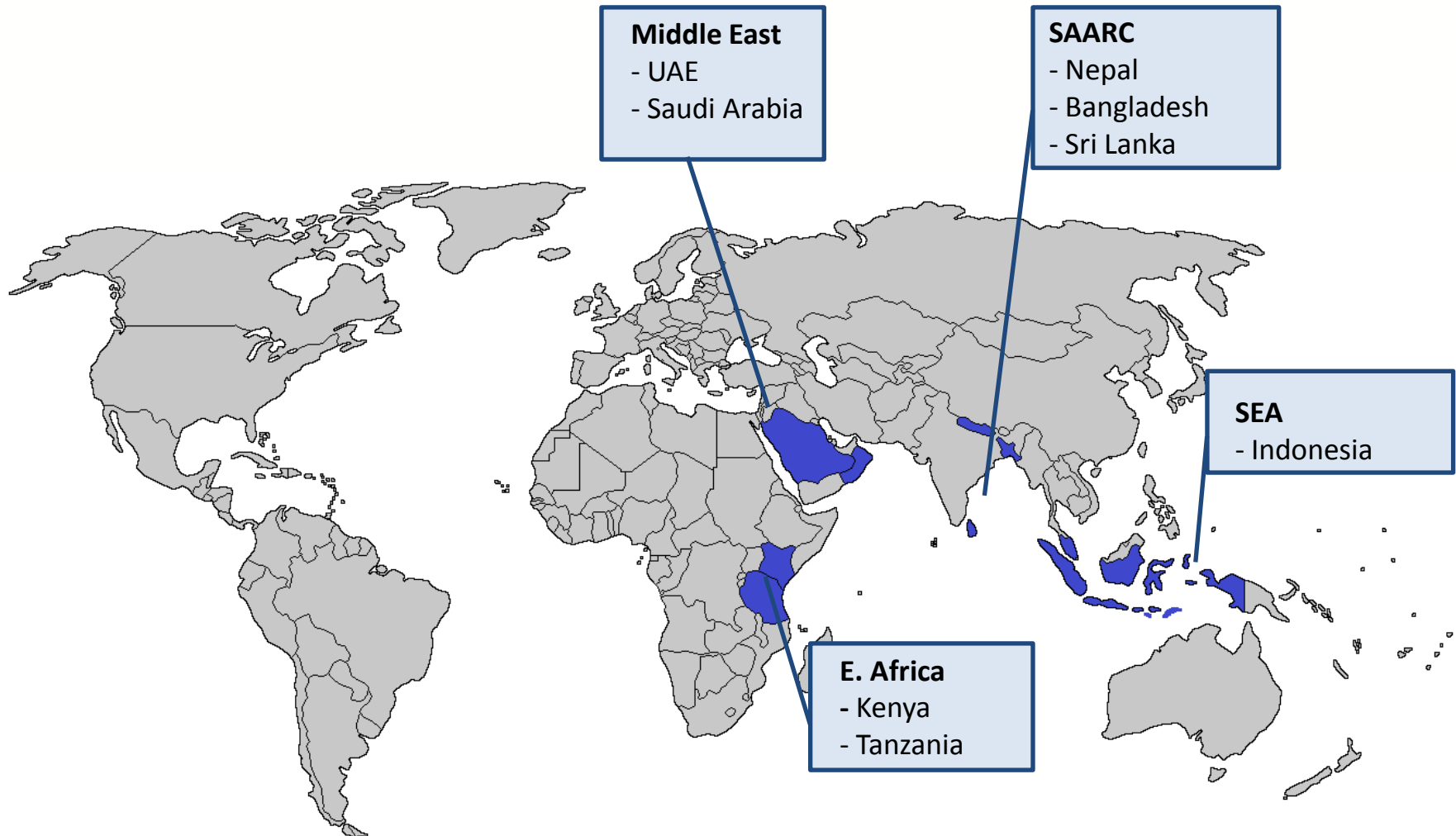
International Business

- Deployed manpower in various countries to develop Greaves as a locally entrenched entity
- Channel established in SAARC, East Africa and Middle East; Developing in SE Asia

Aftermarket

- Enhancing dealer network to improve service revenue and response
- Leveraging network for distribution and sale of non-traditional parts

Greaves has established presence in focussed global markets



Key Highlights in FY 2013-14 Partnership with TVS for Diesel 3W



TVS

Good News, launching TVS KING Diesel
Giving you more Miles & Smiles

With **GREAVES**
GL 435 ENGINE

TVS KING
HAPPY
DIESEL

Modern Looks & Style / Enjoyable Drive / Good Mileage with Good Power / Low maintenance / 72000 kms warranty. All this with TVS Service & Spare Parts everywhere*

TVS KING 115
DIESEL

© Greaves Auto

1. Expanding Product Play

2. Strengthening Market Play

3. Operational Excellence

4. Building Functional Capabilities

RMC Reduction



- Company-wide Initiative (Project PROPEL) has continued to provide benefit. In 2013-14, the project helped in improving contribution by 1%

Working Capital Reduction

- Gross Working Capital has been reduced from Rs 536 Cr. to Rs 491 Cr. over March' 13

Exiting Non-Strategic Areas

- Divestment of Greaves Farymann Diesel
- Closure of Greaves Cotton Netherland and Foundry Unit at Pune

Key Highlights in FY 2013-14

Won the second consecutive “Excellence in Delivery Award from Tata Motors”





National Awards for Manufacturing Competitiveness 2013-14

TO APPRAISE AND APPLAUD
MANUFACTURING COMPETITIVENESS



1. Expanding Product Play

2. Strengthening Market Play

3. Operational Excellence

4. Building Functional Capabilities

The company has put in place a strong leadership team...



Sunil Pahilajani
MD & CEO

Functional Leadership



N Barasia
CFO



P Bhalekar
CTO



Anil Gole
CHRO



M Chopra
CS



A. Makhloga
COO

Business Leadership



S Kumar
CEO – Engine
Business



Vinay Khanolkar
CEO – Products &
Aftermarket



R. Nadagopal
CEO - Construction
Equipment



S. Parab
CEO – Int.
Business

Integration of Product-Market Functions

- Consolidation of Automotive and Industrial engines into unified engines business to drive synergy benefits
- Aftermarket of all business lines consolidated into unified business in 2012 is enabling rapid development of service capability

Integration of Manufacturing & Supply Chain Operations

- To build functional capability and reduce costs, the company has consolidated all manufacturing and sourcing operations under unified “Operations Group”

Building Culture and Driving Engagement

- Major thrust on driving Panchatatva (Greaves Values)
- Employee engagement being driven as major initiative





The Winning Team