

Greaves Cotton Limited

Secretarial Dept. : Industry Manor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Ph.: (91-22) 24397575, 24365510, Fax: (91-22) 24377730, 24379555



GREAVES

SINCE 1859

Ref. MC/sac

Date: 19th August, 2013

The Secretary
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai 400 050

Sub: **Proceedings of the 94th Annual General Meeting**

Scrip Code: **GREAVECOT EQ**

Dear Sir,

Pursuant to the provisions of Clause 31(d) of the Listing Agreement, please find enclosed a duly certified copy of the proceedings of the 94th Annual General Meeting of the Company held on 30th July, 2013.

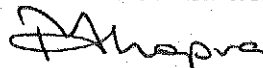
Yours faithfully,

For Greaves Cotton Limited

Monica Chopra
Company Secretary &
Executive Vice President – Legal

Encl: a/a





Monica Chopra
Company Secretary &
Executive Vice President - Legal

MINUTES OF THE 94TH ANNUAL GENERAL MEETING
OF THE MEMBERS OF GREAVES COTTON LIMITED HELD AT
HALL OF CULTURE, NEHRU CENTRE, WORLI, MUMBAI 400 018
ON TUESDAY, 30TH JULY, 2013 AT 4:30 P.M.

Present:

Members:

In person	49
Through Proxies	46
Through Authorized Representatives	4

Directors:

Mr. Karan Thapar	Chairman and Member
Mr. S. Pahilajani	Managing Director & CEO
Mr. Vijay Rai	Director and Member
Mr. Suresh N. Talwar	Director and Member
Mr. Sukh Dev Nayyar	Director and Member
Dr. Clive Hickman	Director

Invitee:

Mr. Navneet Singh

From the Management:

Mr. Ashok K. Sonthalia, Chief Financial Officer
Ms. Monica Chopra, Company Secretary & Executive Vice President - Legal

1. Chairman of the Meeting

Pursuant to Article 101 of the Articles of Association of the Company, Mr. Karan Thapar, Chairman of the Board of Directors, occupied the Chair and conducted the proceedings of the Meeting.

The Chairman welcomed all those present to the 94th Annual General Meeting of the Members of the Company. He introduced the Directors present at the Meeting, including Mr. Navneet Singh who would be joining the Board from 1st August, 2013. He expressed apologies on behalf of Mr. Vikram Tandon, Director, who was unable to attend the Meeting.

2. Quorum

The requisite Quorum being present, the Chairman called the Meeting to order sharp at 4:30 p.m.

The Chairman declared that the Company had received Proxies and Letters of Representation for 17,47,29,613 Equity Shares of Rs. 2 each, that was around 71.55 percent of the Company's Equity Share Capital.

The Register of Directors' Shareholding was kept open for inspection by Members, as required under Section 307 of the Companies Act, 1956.

3. Notice of the Meeting

The Chairman suggested that, with the concurrence of the Members present, the Notice convening this Meeting and the Explanatory Statement, be taken as read. The same was agreed to by the Members.

4. Auditors' Report

At the Chairman's request, Ms. Monica Chopra, Company Secretary & Executive Vice President – Legal of the Company read the Auditors' Report on the Accounts for the year ended 31st March, 2013.

5. Chairman's Speech

The Chairman then addressed the Shareholders covering inter-alia the following key areas: (The text of the Chairman's Speech is attached to these Minutes.)

Indian Economy and Greaves' Performance:

The Financial Year ended March, 2013 was a challenging one at Greaves Cotton. Despite global slowdown and weak economic sentiment, high interest rates, declining GDP, low index of Industrial Production (IIP) in all sectors the Company achieved a modest increase in Net sales of 6% over the previous financial year.

Initiatives:

A few initiatives that have recently been emphasized and worth mentioning are:-

Greaves PanchTatva, which means 5 core values, one way of Life, was launched across Greaves which consist of (1) Integrity, (2) Transparency, (3) Discipline, (4) Respect and (5) Passion for Excellence. This is aimed at



building an organisational culture that drives the way we do our business across various segments and geographies.

Another Initiative which has proven timely is:- PROPEL – Procurement and operational excellence, focused on cost optimization for the manufacturing and sourcing functions.

A newly formed Aftermarket Business aims at leveraging our strong and wide service network across all the business segments in the country.

New products were introduced under Construction and Farm Equipment Business and new geographies were targeted. The Construction Equipment Business underwent a rebranding exercise with its all new product branding as "Greaves Infra"

Change in Directors:

Mr. Suresh Talwar retires from Directorship as per Company's retirement policy and is appreciated for his immense contribution, guidance and support for his long tenure of nearly 9 years as a Director of our Company.

Future Outlook:

Though the year gone by was plagued with global and domestic business slowdowns, management has set the tone for chartering a three pronged growth strategy for your Company. With clear focus on engineering growth through various organization-wide initiatives, Greaves Cotton is all set to tide over difficult times and looks forward to creating increased shareholder value.

Performance in Q1 of FY 14

The first quarter's results show Rs.457.8 Crores in revenue and Rs.31.7 Crores in PAT despite a tough business scenario. The Company has taken steps which would result in sustainable, profitable growth for the Company in the current financial year and beyond.

6. Resolutions

Adoption of Annual Accounts

The Chairman moved the following Resolution to be passed as an Ordinary Resolution:

"RESOLVED THAT the Balance sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended and that date, together with the Reports of the Auditors and Directors thereon, be and are hereby approved and adopted."



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Seconded by Mr. Hiranand Kotwani.

Before putting the Resolution to vote, the Chairman stated that requests had been received from some Members to speak and seek clarifications.

The Chairman requested the Members to be brief and stated that responses would be given at the end, after all questions had been raised.

Thereafter, Members, who had submitted requests to speak, came to the Speaker's Podium. The remarks made and questions asked by them, in brief, are as follows:

Mrs. Shobhana Mehta (Folio no. 10543512)

Mrs. Shobhana Mehta praised the Annual Report. She stated that the Company's performance was encouraging though not comparable with last year's performance on account of exceptional items. She expressed her satisfaction with the dividend declared. Mrs. Mehta enquired about the estimated Capital and Research & Development expenditure will be undertaken in F.Y. 2013-2014 and 2014-15, the present employee strength, break-up of legal, professional and consultancy charges and expenditure on Corporate Social responsibility as a percentage of Net Profits. She requested for a visit to the Company's Aurangabad Plant. She fully supported all the Resolutions to be passed at the meeting.

Mr. Seshan Krishnamoorthy (Folio no. 10083841):

Mr. Krishnamoorthy appreciated the Annual Report. He suggested having a bus service to the venue for the convenience of the Members. He enquired if the Company was providing infrastructure and power equipment for disaster relief in Utrakhand. He suggested channeling donations through bodies like Rama Krishna Mission and the Red Cross. He asked about the effect of the depreciation in the Rupee on the Company's export prospects. He suggested that the Company should consider Burma (Myanmar) as an export destination. He requested for a visit to the Company's factory. He expressed his support for all the proposed Resolutions.

Mr. Adi Kersasp Nalladuru (Client Id: 10059352)

Mr. Nalladuru informed that he had been a shareholder of the Company for the past 40 years. He enquired about the return from the Company's property at Kala Ghoda, Mumbai. He suggested that in view of the substantial reserves, the Company should consider a Bonus Issue. He enquired about the perquisites given to Directors, source from where steel was acquired, to whom royalty is paid, what was the cash on hand, how many gen sets are manufactured and the extent of warranty liability.



Mr. Hiranand Kotwani (Folio No. 00013786)

Mr. Kotwani enquired about the exceptional income and loss. In his view, considering the age of the Company, the turnover was not substantial. He enquired about the reason for the subsidiaries making losses. He wanted to know the effect of monsoon on sales, amount of Capital Expenditure in India and abroad for last 3 years and the need for investment in mutual funds and yield there from.

Mr. Michael Martins (Folio No. 01261386)

Mr. Martins expressed his thanks for the Annual Report and generally praised the Company and its performance.

Mr. H. V. Sanghvi (Folio no. 11850881)

Mr. H.V. Sanghvi appreciated the performance of the company considering the present difficult times and past performance of the company. He asked for more dividend to be given if the profit permits.

Mr. Dinesh Bhatia (Folio No 00083651)

Mr. Bhatia thanked the Company for giving 80% dividend for the financial year 2012-13. He suggested that issuing Bonus Shares be considered, the venue of the Meeting should be near a railway station and that the Meeting should be held in the 2nd or 3rd week of July. He requested for a factory visit.

Mr. Yusuf Rangwala (Client ID: 00232396)

Mr. Rangwala appreciated the timely receipt of the Annual Report and the 3 Interim dividends. He requested for a factory visit to be held after rainy season also for Bonus Issue in the ratio of 1:1.

The Chairman acknowledged and appreciated the comments made by the Shareholders. He replied the questions relating to financial matters while Mr. Sunil Pahilajani answered the questions relating to the operations of the Company, to the satisfaction of the Shareholders.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

The Chairman then dealt with the other Resolutions as detailed in the Notice.



Confirmation of the Interim Dividends:

The following Resolution was proposed by Mr. Yusuf Rangwala as an Ordinary Resolution:

"RESOLVED THAT the 1st, 2nd and 3rd Interim Dividends aggregating to Rs.1.10 per Equity Share of Rs.2 declared and paid by the Board of Directors be and are hereby confirmed."

Seconded by Mr. Adi Kersasp Nalladaru.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

Declaration of Final Dividend:

The following Resolution was proposed by Mr. H.V. Sanghvi as an Ordinary Resolution:

"RESOLVED that, for the year ended 31st March, 2013, a Final Dividend of Rs.0.50 per Equity Share (25%) amounting to Rs.12,21,03,398 on the Paid-up Equity Share Capital of Rs.48,84,13,590 comprising of 24,42,06,795 Equity Shares of Rs.2 each, as per provision already made in the Accounts for the said year, be and is hereby declared and the same be paid at par on or after Friday, 9th August, 2013."

"FURTHER RESOLVED that the aforesaid Dividend be paid to Members holding Shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Tuesday, 30th July, 2013. In respect of Shares held in electronic form, the dividend will be paid to the beneficial owners of the Shares as at the end of business hours on Monday, 22nd July, 2013 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited."

Seconded by Mr. Seshan Krishnamoorthy.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

Re-appointment of Mr. Vijay Rai as a Director:

The following Resolution was proposed by Mrs. Shobhana Mehta as an Ordinary Resolution:

"RESOLVED THAT Mr. Vijay Rai, be and he is hereby re-appointed as a Director of the Company."

Seconded by Mr. Jayesh Gandhi.



Retirement of Mr. Suresh N. Talwar as a Director:

The following Resolution was proposed by Mr. Michael Martin as a Ordinary Resolution:

"RESOLVED THAT Mr. Suresh N. Talwar, who retires by rotation who has not offered himself for re-appointment, not be re-appointed and the resulting vacancy not be filled up."

Seconded by Mr. Dinesh Bhatia.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

Re-appointment of Auditors of the Company:

The following Resolution was proposed by Mr. H. V. Sanghvi as Ordinary Resolution:

"RESOLVED THAT Walker, Chandok & Co., Chartered Accountants , (Firm Registration Number 001076N) be and are hereby re-appointed as the statutory Auditors of the Company to hold office from the conclusion of 94th Annual General Meeting up to the conclusion of the 95th Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration plus reimbursement of actual out of pocket expenses incurred for the purposes of the audit."

Seconded Mr. Adi Kersasp Nalladaru.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

Re-appointment of Branch Auditors of the Company:

The following Resolution was proposed by Mrs. Shobhana Mehta as an Ordinary Resolution.

"RESOLVED THAT Wrigley Partington, London, U.K., be and are hereby re-appointed as Branch Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration plus reimbursement of actual out of pocket expenses incurred for the purposes of the audit."



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Seconded by Mr. Yusuf Rangwala.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

Increase in Remuneration of the Managing Director & CEO

The following Resolution was proposed by Mr. H. V. Sanghvi as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XII thereto (including any statutory modification(s) or re-enactment thereof from time to time) and subject to the approval of the Central Government or any statutory authority, as may be required, consent be and is hereby accorded for an increase in the remuneration payable to Mr. Sunil Pahilajani, Managing Director & CEO, with effect from 1st April, 2013 for the remaining part of his five year tenure i.e. till 4th November, 2016, as per details set out in the Explanatory Statement annexed to the Notice of this Meeting."

Seconded by Mr. Dinesh Bhatia.

The Resolution was then put to vote and, on a show of hands, declared by the Chairman as carried unanimously.

The Chairman stated that all business as per Notice have been transacted, the Meeting stood concluded.

The Meeting thereafter was concluded with a vote of thanks by Mrs. Shobhana Mehta to the Chair.

Appendix:

Text of Mr. Karan Thapar's Speech

CHAIRMAN



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The Financial Year ended March, 2013 was challenging. The global **slowdown** and weak economic sentiment engulfed the business scene. The story was **no** different in India. High interest rates, declining GDP, low IIP numbers challenged **growth** in all sectors of the economy. Amidst this, the Company achieved a modest **increase** in net sales of 6% over the previous financial year.

Rather than stating the numbers, which I am sure all of you would have **read** at great length in the Annual Report, I would want to quickly share certain **initiatives** that the Company has focused on which will be critical to the entire growth plan.

Anyone over here ever wondered about what makes us a **completely** focused company that has been around for 155 years, witnessed a couple of **World Wars**, withstood even the Great Economic Depression – it is our set of **corporate values**. The Company has sustained itself through many trying times because of our deep rooted values that drive our business culture. In today's times, as the organisation is putting together its growth strategy it is imperative that we move ahead and conduct business in the right manner with integrity. A few initiatives worth mentioning are:-

The emergence of **Greaves PanchaTatva**, which means 5 core values, one way of life, launched across Greaves. This was aimed at building an organisational culture that drives the way we do our business. This is pivotal to the organisation as it becomes the one voice and the one language we speak at Greaves. I strongly believe that this initiative will fuel the way we conduct our business, across various segments.

Another initiative which was key - **PROPEL** - Procurement and operational excellence, worked on cost optimisation for the manufacturing and sourcing functions. Completely driven internally, this initiative witnessed enormous participation from employees who suggested models for cost optimisation. Some working models have resulted in significant cost optimisation, which in turn has benefitted the Company, immensely.



It's a customer's world, today. Customers, in a sense, drive the business. We have a strong and wide service network across the country and the newly formed **Aftermarket Business** aims at leveraging this network across businesses.

New product development was a focus area for the organisation and Construction Equipment and farm equipment business introduced new products. New geographies were targeted and our presence in the Middle East and North Africa were strengthened and there have been encouraging responses from these markets.

Construction Equipment business underwent a rebranding exercise. The year saw the business unveils its all new, product branding of "Greaves Infra". This new branding with bolder colours reflects the approach of this business. An increasing number of our construction equipment will now sport the "Greaves Infra" look.

Though the year gone by was plagued with global and domestic business slowdowns, FY 12/13 set the tone for chartering a three pronged growth strategy for your company. With clear focus on engineering growth through various organisation-wide initiatives, Greaves Cotton is all set to tide over difficult times and looks forward to creating increased shareholder value.

Change in Directors

As you would have noted from the Notice of the Annual General Meeting, as Mr. Suresh Talwar has elected not to be re-appointed, he will be retiring from Directorship in line with the Company's retirement policy. We have had the good fortune of benefitting from his expert advice during his long tenure of nearly 9 years as a Director of our Company. We thank him for his immense contribution, guidance and support. We wish him good luck for the future.



A handwritten signature in black ink, appearing to be the initials "ST" or similar, written below the stamp.