

## Chairman's Letter



Dear Shareholders,

It is my privilege to update you on the performance of the Company for FY 2017-18 as well as share with you the high-points of our future direction and journey.

The global economy continues on a steady growth path. Risks remain but volatility

is generally low. Commodity prices continue their rise putting pressure on margins.

India witnessed one of the boldest reforms in history with the implementation of GST, ushering in an unprecedented era of a single unified market with the one-nation, one-tax level playing field. GST is also expected to further formalise the economy by bringing the unorganised sector into the mainstream. India is likely to top the list of fastest growing economies in the world for the coming decade and is projected to grow at over 7 per cent annually, ahead of China and the US.

Capitalising on the positive macro-environment and leveraging its leadership position and presence in multiple diversified segments, the Company delivered outstanding performance for the year. Revenues and Profits both witnessed double-digit growth for the year - a strong validation of our strategic plan.

Globally, the automotive industry is undergoing a change. Technological advances and innovations have brought us at the doorstep of a new revolution in mobility with the advent of hybrid and electric-powered vehicles. Adapting to these changes would require more than incremental improvements – what is needed is transformative re-imagination and re-invention, radical and holistic.

At Greaves Cotton, we initiated significant steps in this direction. From people to processes to products and partnerships, we are re-thinking delivery across the value chain as we transform to become a more dynamic organisation. Last year, we have stepped up our focus on Engines, Farm and Energy with the introduction of new solutions and services. Aligned with this, we showcased two new powertrain solutions at the Auto Expo 2018 offering class-leading fuel efficiency and reduced emissions. We have lined up a wide range of fuel agnostics powertrain solutions that will be BS-VI norms ready. This year has also been a year of partnerships and alliances. We are working with a U.S. based partner to further strengthen our presence in the CNG/Petrol segment. We are also collaborating with many other start-ups in all our business verticals for new technologies by investing, incubating and ideating innovative disruptions. Our collaboration with a Bengaluru-based

partner is working on electric and hybrid powertrain solutions. At the Auto Expo 2018, we demonstrated the new EV powertrain solution with EV-charging infrastructure.

With an increasing thrust on the rural economy by the Government and the rising need for mechanisation, we have expanded our range of Made in India products and solutions in the Agri-business, to improve the productivity of farmers. Our endeavour is to enhance the prosperity of these farmers with affordable and reliable farm-tech solutions. Similarly, we expanded our presence in the higher kVA band of the Energy business with Gensets finding usage in large industrial applications.

In the fast-growing Aftermarket segment, Greaves Cotton has added multiple products in various categories to cater to the growing needs of the discerning customers. As part of our forward integration, we have introduced Greaves Care, a venture in the organised service retail business. This will further enhance the footprint of Greaves' offering and help customers in last-mile mobility to get superior lifetime value for their products. Greaves Care is a one-stop shop providing high-quality repair and service for 3-Wheelers and Small Commercial 4-Wheelers with Company-trained expert mechanics, authentic spare parts with a warranty of up to six months. Our strong distribution and service network will facilitate our proposition in this business, which I see entrenching us further into the high potential aftermarket space.

As we move forward, customer-centricity will continue to remain a strong propeller of our growth, giving us a clear edge in a tough market environment and enabling us to weather the external challenges effectively. As I look ahead into the future, I am confident and convinced that we are on the right track. We are synergising decades of experience, market understanding and customer relationships with cutting-edge futuristic capabilities and that makes us not only future-ready but also future-relevant. As new opportunities unfold and unravel, Greaves Cotton is well-prepared and poised for an exciting phase of growth and expansion.

On behalf of the Board of Directors, let me thank all our customers as well as members of the Greaves Cotton family for their support and faith in the Company. I would also like to take this opportunity to thank all shareholders, bankers, lenders, financial institutions, vendors and business partners for their continued support, which has made it possible for us to sustain business growth year after year.

Yours truly,

**Karan Thapar**  
Chairman