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 Index of Industrial Production (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 will share certain initiatives that the Company has focused on which are critical to its growth plan.

Anyone ever wonder about what makes us tick as a company? We have been around for 155 years, witnessed a couple of World Wars, withstood event the Great Economic Depression – it is our set of corporate values. The Company has sustained itself through many trying times because of the 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 that have recently been emphasised and worth mentioning are:-
Greaves PanchaTatva, which means 5 core values, one way of life, launched across Greaves. These core values are: (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. It 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 and geographies.

Another initiative which has proven timely is: **– PROPEL –** Procurement and operational excellence, focused on cost optimisation for the manufacturing and sourcing functions. Completely driven internally, this initiative witnessed enormous participation from employees who suggested various models for cost optimisation. Some working models have resulted in significant cost reduction, which in turn has helped the Company maintain its margins in these challenging economic times.

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 all the business segments.

New product development was a focus area for the organisation and the Construction Equipment and Farm equipment business introduced a few new products during the year. 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. This initiative will gather momentum during the current financial year.

Construction Equipment business underwent a rebranding exercise. The year saw the business unveil 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, management has 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

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 benefiting 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.

Performance in Q1 2013-14

The current economic scenario as it turns out is even more challenging than the previous year's. The first quarter's results show Rs.457.8 Cr in revenue and Rs.317 Cr in PAT. The Company has been able to maintain its sales albeit in a tough business scenario. It has taken steps to curtail growth related capital expenditure, while continuing to invest in technology, R&D and quality-assurance related capital expenditure. These steps, coupled with an anticipated improvement in the domestic economy in the second half of the year, would hopefully result in sustainable, profitable growth for the Company in the current financial year and beyond.