

Greaves Cotton Limited

103rd AGM
August 11, 2022

Atindra Basu: Good afternoon, everybody. Welcome to the 103rd Annual Meeting of the Company held through video conferencing. The facility for participation at the AGM through video conferencing or other audio visual means is made available to the shareholders on first come first serve basis. The Company has also provided the webcast facility to view the live proceedings of the annual general meeting. The Company had provided the facility to shareholders to register themselves a speaker shareholder, only those shareholders will be allowed to speak or express their views during the meeting. Once the question answer session starts, with the permission of the Chair, will announce the name of the shareholder who has registered themselves as speaker shareholder one by one. Thereafter, the speaker shareholder will be unmuted by the host and the speaker shareholder is requested to put on the video option. While speaking, the shareholder is requested to minimise any noise in the background, and should keep the questions short and to the point. Due to paucity of time, each speaker shareholder will get maximum two minutes. During the meeting, if any shareholder faces any issue, he or she may contact the helpline number mentioned in the notice of the meeting. Now I request the chairman to start the proceedings. Thank you!

Karan Thapar: I extend to all of you a very warm welcome to this 103rd AGM of your Company. I hope everybody's in good health and safe. Like last year, we are once again meeting virtually, this meeting is being held through video conferencing, in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued in this regard by the Ministry of Corporate Affairs and SEBI. The live streaming of this meeting is also being webcast on the NSDL website. The Company has taken all reasonable efforts under the current circumstances to enable shareholders to participate through video conference and vote at the AGM. The participation of the shareholders attending through video conferencing is being reckoned for the purpose of quorum as per the circulars issued by MCA and section 103 of the Companies Act. I am informed that the necessary quorum is present and I now call the meeting to order.

So, at the outset, let me introduce you to the new members on the Board of Directors of the Company. First, opposite me sitting at the table is Dr. Arup Basu, who was appointed as Deputy Managing Director with effect from 12th May 2022. And we are very pleased to report to you that at the board meeting held an hour ago we have decided as a Board, to appoint Dr. Basu now as Managing Director. So I would like you all to welcome Dr. Basu, who is now going to lead an independent charge of Greaves Cotton and he brings nearly 30 years of experience and executive leadership in manufacturing intensive businesses. And on behalf of the board and all the shareholders, we wish him a prosperous future with the Company. Further we have Mr. Firdose Vandrevala appointed as Independent Director, Mr. Vandrevala, is he there? Perhaps he can raise his hands so that the shareholders can identify who he is. Mr. Vandrewala was appointed as Independent Director with effect from 15th October 2021. Mr. Vandrewala is a professional with over 40 years of experience in steel, power, telecom and real estate industries, with very prominent Indian companies covering all functions of the business value chain, whether it is procurement, planning, production, sales, marketing and project management. Lastly, we have Mr. Ravi Kirpalani on my right here. Welcome Ravi, appointed as an Independent Director with effect from 12th May 2022. Mr. Kirpalani also has four decades of experience in sales, marketing, strategy development and as a CEO of a large listed company. He has worked with global and culturally diverse teams and led major transformational programmes. He has a deep passion for customer relations, building brands and developing people. Let us welcome all three gentlemen, to the Board. Lastly, before we take up some other formalities, I'd like to also announce that with effect from the board meeting held earlier this afternoon, Mr. Nagesh Basavanhalli, your group Managing Director and Group CEO has now been elevated to the position of Executive Vice Chairman. Congratulations Nagesh and look forward for growing contributions from you.

Nagesh Basavanhalli: Thank you Chairman.

Karan Thapar: Apart from the Board of Directors, the key executives and senior management have joined from their respective locations. The representatives of the statutory auditor, internal auditor, cost auditor and secretarial auditor have also joined the meeting. Authorization for attending the AGM has been received from 12,86,14,955 equity shares for those who, if any, are joining from overseas, that is 128,614,955 shares of Rs. 2 each representing about 55.5 % of the Company's equity share capital. Since the meeting is being held through video conferencing and other audio-visual means, physical attendance of the members is dispensed with. Accordingly, there is no requirement for appointment of proxies. The register of directors and key management personnel and their shareholding and the register of contracts and arrangements in which Directors are interested are open for inspection by the members electronically if they so desire. I now proceed further in the agenda of the meeting. The notice convening the meeting has already been circulated to all of you. With your permission therefore, I am taking the same as read. Since the statutory auditors' report and secretarial auditors' report do not contain any qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company. With your permission, I am taking it as read. Now I'd like to say a few words, as I normally do at every AGM regarding the state of affairs of your Company. So once again, to all of you a very warm welcome to this 103rd AGM of Greaves Cotton. The pandemic severely impacted shared mobility, which indirectly affected our primary business of engines for auto applications, and of course subsequently impacted profitability negatively. With the pandemic gradually receding, we anticipate our operational and financial performance to improve. The impact of the loss of business in auto applications was mitigated to some extent by an increase in sales in the non-auto application segment but unfortunately, not sufficient to fully compensate for the losses. As the impact of the pandemic abated, and business and social activity resumed, the steps taken by the Company to reduce fixed costs, improve supply chain and the addition of new revenue streams started yielding results. These initiatives supported the significant performance improvement in the second half of the fiscal year under review, and particularly in the last quarter. I am pleased to say that this trend continues in the first quarter of the current financial year.

The pressure on profitability during the fiscal year continued. Due to the ongoing Russia Ukraine conflict, which disrupted supply chains, resulted in higher prices of both fuel and other important commodities. With no near term resolution visible for the conflict, uncertainty is anticipated to remain in the near term. Supply chain disruption was further aggravated by China's policy on tackling COVID, which has resulted in repeated shutdowns in several of their manufacturing and port hubs. This resulted in short supplies, delayed deliveries of critical industrial raw materials and products, which in turn impacted your Company in various product segments again in the last financial year.

Over the past 24 months, the management foresight and ability to adapt to a series of adverse circumstances has kept the ship afloat and as long as the trend towards normality continues, so will the improvement in our financial performance. Notably, the Company's ability to overcome the myriad challenges, showcases the resilient nature of its business, especially due to its diversified product and service offerings. We expect to vastly improved performance on all fronts in the current year.

Some positive news now. The Indian Government has put strong emphasis on the growth of India's electric vehicle sector and is also emphasising the creation of need-based economy in order to achieve a cleaner primary energy mix for India. So, while shared mobility suffered during the pandemic, personal mobility improved. Greaves took full advantage of this trend through its subsidiary, GEMPL, that is Greaves Electric Mobility Private Limited, and the financial performance on this front has been very encouraging. Sales volumes have increased significantly and the last two quarters, last three quarters in fact, have yielded a positive bottom line. A large

part of this has been aided by the Government subsidy accorded to EV manufacturers, which we are fully conscious of and that, it cannot continue forever. Therefore, to have a sustainable and profitable future, without or even at a reduced subsidy, GEM, Greaves Electric Mobility is taking various initiatives, both in cost reduction and improved margins.

To help sustain the rapid growth and invest further in new products and brand, Greaves evaluated equity funding options from various sources in the last quarter of the financial year. The interest and belief in our story was very strong and finally resulted in the selection of the family office of Abdul Latif Jameel, a very highly regarded and long-term oriented investor in the clean mobility space around the globe. Abdul Latif Jameel has a strong belief in both India and our story and has invested US\$150 million for 35.8% stake on a fully-diluted basis in the equity of GEM which, however, the company continues to remain a subsidiary of Greaves Cotton. There is an option to GEM, Greaves Electric Mobility in case the business requires additional capital for its plans to go down a further US\$70 million from ALJ within 12 months at a pre-agreed valuation formula. We wholeheartedly welcome our new investor into the Greaves family and look forward to a prosperous future together.

As part of our strategy, we continue to focus on differentiating ourselves from competition to help us create a unique position in the customers' minds. To achieve this, we are looking at opportunities available in the areas of step out adjacencies, technologies, geographies, markets, products and processes. We firmly believe in offering products that deeply enrich the personal aspirations and provide value for money to our customers. Greaves continues to look for growth and diversification opportunities in areas of strategic alignment with our main business. This combined with our eminence and knowledge on the IC engine manufacturing front over multiple applications has resulted in strong enquiries by large firms interested in partnering with us as an integral part of their supply chain. We hope for a strong outcome in this area of business over the medium term.

We have also taken initiatives on the electric vehicle financing business through our subsidiary Greaves Finance Limited but as up to date has been a cautious start, pleased to report that is also PBT slightly positive or at breakeven. But with the increasing adoption of electric vehicles across the country, we expect this business to grow substantially in the future. Other strong initiatives have been taken in the retail sector through our multi brand retail stores and this business too promises rapid, profitable growth. The retail stores houses products from leading EV brands bringing all EV related products and services under one roof, thereby delivering choice, convenience and a unique experience to the buyers.

Our ability to attract talent was further enhanced by as a qualification by the Great Place to Work. And this has also been further emphasised by the on-boarding of Dr. Basu, now the MD, as well as Mr. Sanjay Behl as Executive Director and CEO of Greaves Electric Mobility. These industry veterans will definitely help our businesses deliver successful outcomes going ahead.

We have engaged in some sustainability initiatives which are touching lives across the country in areas like reskilling, education, health and environment. With the award-winning CSR DEEP programme, Greaves has successfully reskilled and trained socio-economically deprived and needy students towards being better employability and thus having a brighter future. Stakeholder reskilling programmes have enabled better productivity and higher earning ability also, for mechanics, farmers, fishermen, auto rickshaw drivers, etc. Through the Greaves scholarship programme, education scholarship awards are extended to underprivileged and needy students.

Before I conclude, I want to congratulate the entire Greaves team for resolutely strengthening the great legacy of this Company and demonstrating unwavering commitment to customer excellence.

Last but not the least, I would like to thank all my colleagues on the Board for their tremendous and continuous support in laying out the strategy for the Company and my gratitude to all our shareholders and other stakeholders who remain our loyal partners. Stay safe. And thank you.

Atindra Basu: Thank you, Sir.

So I will just inform the shareholders on the voting facility. The Company provided the facility for remote voting, which began at 9:00 am on 8th August 2022 and ended at 5:00 pm on 10th August 2022. Shareholders who have already voted through the electronic mode are not allowed to vote again. Therefore, only those shareholders who will be present in the AGM through VC OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through voting system at the AGM. The voting on all the resolutions mentioned in the notice of this meeting will be conducted through e-voting system during the AGM following the principle of one share one vote. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The reference of e-voting at the AGM is already made to the shareholders in the notice of annual general meeting and in the public notice through newspaper advertisement. The necessary arrangement in this regard is made on the NSDL portal. The facility of e-voting at AGM will be available only till the conclusion of this meeting. The shareholders who did not cast their vote through remote e-voting mode, can now complete it through voting through AGM. Mr. Sunny Gogiya or filling him Mr. Gaurav Sainani, the Practising Company Secretaries who are scrutinisers for e-voting will also act as a scrutinisers for the voting during AGM. With this, I would like to hand it over to Mr. Chairman for the remaining part of the meeting.

Karan Thapar: Thank you Atindra. We have received requests from shareholders who want to speak at the AGM. My pleasure to invite them all, we will do so one by one and we will respond to all the queries, once all the questioning has been completed. The Company Secretary could kindly call the names of the shareholders as per their as per the request received.

Atindra Basu: Sure Sir. Starting to do that.

Karan Thapar: Are you going to call the shareholders or should we take up the resolution?

Atindra Basu: Just calling the shareholders. In the interest of time, I request the shareholders to keep the questions and comments in brief and not repeat those already raised by your fellow shareholders. I also request you not to take more than two minutes. After completion of the shareholders questions and comments, if any, we will respond to the questions and comments. With this I request Mr. Ashish Bansal.

Karan Thapar: Mr. Bansal?

Ashish Bansal: Respected Chairman and Board of Directors, can you hear my voice?

Karan Thapar: I can hear you clearly, we all can hear you clearly.

Ashish Bansal: Thank you so much. I want to know page number 105, which are the two direct and indirect subsidiaries?

Karan Thapar: They can only be direct subsidiary. Please let me know which page no.?

Ashish Bansal: 105

Karan Thapar: Yes, okay

Ashish Bansal: I did not happen to cast my vote. I clicked on the number but this is not my number. My EVEN number is 120144, I am not able to e-vote.

Karan Thapar: That I think we will ask Mr. Basu, Company Secretary agree to look into that offline.

Ashish Bansal: Thank you so much. Thank you for sending us the Annual Report

Karan Thapar: Thank you. Next speaker please. Mr. Basu.

Atindra Basu: Yes sir. Mr. Yusuf.

Yusuf Rangwala: Hello.

Atindra Basu: Yes, Mr. Yusuf, you can put on the video if you want. We can hear you.

Yusuf Rangwala: Good Afternoon sir. Can you hear me? Mr. Karan please accept my greetings. I am happy to see you in good health. Your chairman speech of half an hour was amazing and has left me speechless. We are happy you gave a dividend of Rs. 20 paise on a share price Rs. 2 shares. It is a good thing. I want to know when was the last bonus given? I request for a bonus. We have never received bonus even after the completion of 103 years. Also, what is the position of the automatic scooter since it was launched. What is the current number of scooters manufactured? The last we met in 2019 at Nehru Centre, What is the total number of staffs in the Company. I got a call from Company's share department yesterday and this morning too. You have an amazing share department. I wish you all the very best and my wishes for all the upcoming celebrations and festivities. How are we celebrating 15th August? If possible, please invite us too for the celebration. Can you see my video?

Atindra Basu: Mr. Yusuf we cannot see your video sir.

Yusuf Rangwala: I want to apply for factory visit at Aurangabad and Pune, please arrange factory visit since its being a long time. Thank you very much. Jai Hind, Jai Maharashtra!

Karan Thapar: Next speaker please.

Atindra Basu: Mr. Bimal Kumar Aggarwal

Bimal Aggarwal: Can you hear me?

Karan Thapar: Yes, we can hear you.

Bimal Aggarwal: Good afternoon everyone. First of all, thank the Company Secretary and his team and also the management and it is 103rd meeting. We may be having good land bank also but company has posted lower profit, revenue.

Karan Thapar: Your voice is breaking Mr. Aggarwal, we can't hear you.

Atindra Basu: We can hear you Mr. Aggarwal. Next I will request Mr. Ayush Gupta.

Ayush Gupta: Sir, Can you hear me? I welcome you all the board members from Delhi. I'm a very old shareholder and associated with the Company for a very long time. We are working on electric vehicles. We opened a multi-brand EV store too. What is the response from there and are we planning to open more such stores in future? We believe in your leadership and we have now thrived for more than 100 years in this field. I hope under your leadership the company keeps growing. As we love you we have complaints from you too, today when we have entire India celebrating Raksha Bandhan and we have conducted this meeting. It is my request to schedule the meeting on a more convenient time in future. We will surely connect in future too. I got a call yesterday as well as today regarding the meeting from the Secretarial team, I hope this communication continues even after the meeting. This mode shall continue so that we can connect in future too as I am from Delhi. Thank you sir.

Karan Thapar: Thank you Mr. Gupta.

Atindra Basu: Ms. Lekha Shah.

Lekha Shah: Hello. Can you hear me sir?

Karan Thapar: Yes, we can hear you.

Lekha Shah: Thank you sir. Respected Chairman Sir, Board of Directors and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I am very much thankful to Mr. Basu ji, our Company Secretary and his team and Mr. Harish for extending their services and also for sending the AGM notice well on time which is full of knowledge. Thank you, chairman sir, for explaining us about the Company. I congratulate the management and team for winning the GREAT PLACE TO WORK Certification for the second time. My first question is I would like to know how much revenue and growth are you expecting from 2022-23? My second question is, any new innovation in our manufacturing and R&D plans. What are the initiatives for carbon footprints and environmental issues? So I would like to say I strongly support all the discussion for today's meeting and my best wishes always with the company and its prosperity. Thank you Sir.

Karan Thapar: Thank you.

Atindra Basu: Next speaker is Mr. Dinesh Bhatia.

Dinesh Bhatia: Am I audible?

Karan Thapar: Yes, we can hear you.

Dinesh Bhatia: I would like to congratulate the team for the revenue generate, even during the pandemic period. Our consolidated revenue is Rs. 1,700 crores and standalone revenue is Rs. 1,177 crores. This is a testament of your teams hardwork. We are progressing at all levels. Our share of FV Rs. 2, has a market value of Rs. 167 as on today's date. This shows the investors trust in the Company's future. During the year, the share reached a low of Rs. 126 and a high of Rs. 258. Please split the share of Rs. 2 into Re. 1 and give us a bonus and this will increase the no. of shares of the Company. The Company is blooming in all. This is increase the trading volume in the market. Please suggest this in the next meeting. Non-current borrowing on Page 164 is Rs. 169 crores and last year the same was NIL. Likewise the current borrowing is Rs.63 crores and last year it was only Rs. 3 crores. What is the reason for the increase in borrowing are you projecting any new

projects? You have a great secretarial team. We got a very good service and assistance from the Secretarial team. Thank you. I support the team in all the resolutions.

Karan Thapar: Thank you.

Atindra Basu: Sir please give us a minute. There are some shareholders who have registered themselves as speakers but may have joined with different name.

Karan Thapar: No problem.

Atindra Basu: Mr.Kotwani.

Hiranand Kotwani: I am an old shareholder Mr.Kotwani and I am still holding physical shares which will now be demated. The expectation is more regarding the bonus, right issues and dividend. It is not raising upto our expectations. How are you planning to evolve and expand at various verticals? In 103 years we should be at top of the world. I see our organization at the top of the world, in our field. What is our vision and mission in this regard, how are you going to impact? What are we thinking about right issue? There is a long way to go. The capital is very scarce and intensive. I hope the company comes up with bigger premium, mini bonuses and right issues rather than borrowing and creating a contingency liability. The pandemic has taught has many lessons. How will the inflation will help our organization? How will you take our organization in various geographies, nationally and globally? How are you going to reward the investor? Good luck. Hope to meet you physically, you introduced so many directors but we couldn't see them. I am Hiranand Kotwani from Kalyan.

Karan Thapar: Thank you Mr. Kotwani.

Parmod Jain: Hello, Sir. I'm Parmod Jain from Delhi. I would like to thank Board of Directors and Chairman that you gave me an opportunity to be a speaker in this AGM. I support all the resolutions. My fellow shareholders have covered all the points, I have hardly anything left to ask. My only concern that coming times are for electric vehicles. Will our Company be able survive and what is our future plan? At the end I would like to thank secretarial department and Mr. Harish who showed us how to connect today. Thank you.

Atindra Basu: So sir, we are done with all the speaker shareholders.

Karan Thapar: So, we answer the questions now before we take up the resolutions. So there were usual requests for bonus and rights issue and my usual response which I have been giving for 20 years now is the same this will happen the Board and the circumstances deem it necessary to issue bonus and rights.

There were couple of questions about electric vehicles. So yes, we see a very bright future in electric vehicles. Our subsidiary Greaves Electric Mobility is growing very rapidly quarter on quarter and we are fortunately able to supply. We haven't been impacted as much as perhaps our people with material shortages. Our production level has increased dramatically and continue to rise and we are currently occupying the 3rd position in the registered scooter category, those who are registered with vehicle authority but our sales are substantially higher than that because we sell lot of unregistered scooters as well. If I am not mistaken, till date we have sold 1,15,000 scooters, which is not bad considering the recent start. And then, there were some other questions about revenue and R&D plans and environmental initiatives. I think if you read the report many of these initiatives are outlined there. Our whole electric vehicle journey is transition to clean energy and that's the statement in itself. Our FY23 revenue is expected to be substantially higher than FY22 revenue and our R&D plans are substantially spent on legacy

traditional business and electric subsidiaries. The borrowings pointed out by Mr. Bhatia for the non-current, those are funding for Greaves Electric Mobility which we lent money to the subsidiaries for their growth plan. But with the induction of the new investor, Greaves has got all its money back. We are back now at very very low levels of debt, practically nothing. Cash reserve is very high. Net we are cash surplus company. So I think with that we have covered all the answers and now we can take the resolution Mr. Basu.

Atindra Basu: Ok, I can do that. We will move to item no. 1 of the Notice which pertains to the adoption of the audited annual standalone and consolidated financial statements and reports thereon, we passed as ordinary resolution.

The next resolution pertains to the dividend of Rs 0.20 per equity share to be passed as ordinary resolution.

The third resolution pertains to the appointment of Mr. Karan Thapar, who is retiring by rotation, to be passed as ordinary resolution.

Item no. 4 is regarding the appointment of Dr. Arup Basu as Deputy Managing Director and to approve his remuneration to be passed as special resolution.

Item No. 5 refers to the appointment of Mr. Ravi Kirpalani as Independent Director to be passed as special resolution.

Item no.6 pertains to approval of shifting of registered office from Mumbai to Auranagabad to be passed as special resolution.

Item no.7 Ratification of remuneration of Cost Auditors to be passed as s resolution.

The result of remote e-voting as well as voting at AGM will be declared during the timeline specified under the regulatory provision and will be shared with the stock exchange where the shares of the Company are listed and thereafter will be placed on the Company's website. Voting will continue for 15 minutes once the meeting is over and shall authorize the Company Secretary to receive the Scrutinizer's report and declare the voting result.

Karan Thapar: Thank you Atindra. I don't think there is anything else, so I would like to announce the closure of the meeting. Thank you all the members, colleagues, auditors, management and the Board of Directors for joining this meeting over VC. I hope all of you are and remain safe and in good health. Until next time. Thank you.

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