

***WABCO-TVS (INDIA) Limited***  
***Chennai***

**Speech delivered by the Chairman of the meeting at the Sixth Annual General Meeting of WABCO-TVS (INDIA) Limited held on 26<sup>th</sup> August 2010.**

---

**Ladies and Gentlemen**

I have great pleasure in welcoming you all to this sixth annual general meeting of the Company.

The Directors' report and the audited results of the Company for the year ended 31<sup>st</sup> March 2010 are with you. I take this opportunity to brief you on the progress made by the Company during the year under review.

**INDUSTRY REVIEW**

After coming out of global recession, the Indian economy recorded a strong performance during the year under review especially in second half of financial year 2009-10. GDP registered a growth of 7.5%, facilitated by 9.4% growth in industrial production and 8.3% growth in the services sector.

In the backdrop of the strong recovery, Commercial Vehicle (CV) industry registered a positive growth of 35% over the previous year. The medium and heavy commercial vehicles (MHCV) segment which has a major impact on the Company's business, registered a positive growth of 33%.

**PERFORMANCE**

During the year under review, the Company achieved a turnover of Rs 609 crores as against Rs 446 crores in 2008-09, representing an increase of 37%. The growth in the turnover is due to improved economy which resulted in growth in CV industry and increased sales from aftermarket and exports. In the spares segment, sales improved

from Rs 89 crores to Rs 110 crores and exports sales increased from Rs 35 crores to Rs 55 crores.

Profit before tax increased to Rs 118 crores during 2009-10 from Rs 52 crores in 2008-09, representing an increase of 127%. The company has also repaid its long term debts during the year.

Considering the future investment needs and the business prospects, the board of directors recommended a dividend of Rs 2.50 per share for the year ended 31<sup>st</sup> March 2010.

## **NEW PRODUCT DEVELOPMENT**

The Company has carried out extensive application engineering to offer complete braking solutions to domestic Original Equipment Manufacturers (OEMs). This has resulted in commercial production and sales of brake systems to the following customers:-

- TATA Motor's World Truck;
- Ashok Leyland FVDP(Future Vehicle Development Program);
- Mahindra Navistar Automotive Ltd for their heavy duty trucks.

The Company has also commenced supplies of the following new products/ systems:

- Integral Pedal Unit to various OEMs;
- Electronically Controlled Air Suspension (ECAS) for Ashok Leyland buses;
- Clutch servos for various OEMs;

The Company has also been awarded contract for design, development and supply of many new products for domestic and export market which includes:-

- Brake systems for Daimler India

- Automated Manual Transmission (AMT) for Ashok Leyland
- Brakes system Valves for North American OEMs;
- Foot Brake Valves for Volvo;
- Air Compressors for Cummins, Brazil;
- Governor valves for North American Market;
- Double Diaphragm Spring Brake Actuators.

## **NEW INITIATIVES**

The Company continued to achieve 100% participation in Total Employee Involvement (TEI) activities for the eleventh year in succession. Now these TEI practices are being extended to our new plants at Jamshedpur and Mahindra World City.

Similarly Total Productive Maintenance (TPM) implementation is being extended to our new plants.

We are continuing to develop our Product Development capability to global standards.

## **AWARDS**

During the year under review, the Company has won the following awards

- *"Manufacturing Excellence Gold Trophy* from ACMA,
- *"India Manufacturing Excellence Super Platinum award* from Frost & Sullivan
- *"Best New Product Development Supplier award for 2009* from Volvo Eicher
- *"Overall Quality Excellence Gold award for 2009-10* from Ashok Leyland

## **OUTLOOK FOR THE CURRENT YEAR**

The production of commercial vehicles with air brakes is up by 73% during the first quarter of 2009-10. With the increased infrastructure development projects in the domestic market and increase in agriculture output resulting in increased freight

availability, the MHCV industry is likely to register a positive growth of 15-20% during the current year.

### **FIRST QUARTER PERFORMANCE**

The Company posted improved results during the first quarter of the current year compared to last two quarters of 2009-10. Sales were at Rs.197 crores as against Rs 96 crores in the first quarter of 2009-10, representing an increase of 105%. Profit before tax also increased to Rs 40 crores from Rs 12 crores in 2009-10, representing an increase of 233%. The Company has achieved sales turnover of Rs 281 crores during first 4 months ended 31<sup>st</sup> July 2010 as against Rs 142 crores in the corresponding period of last year.

With Total Quality Management (TQM) as the foundation, the Company continues its thrust on Total Productive Maintenance (TPM) and Lean manufacturing for enhancing customer satisfaction and improved business results.

### **ACKNOWLEDGEMENT**

The board of directors thank the shareholders for the trust and confidence reposed in the Company. I would also like to thank the promoters TVS Group, a promoter till 3<sup>rd</sup> June 2009, and WABCO, our customers, suppliers and State Bank of India, banker to the Company, for their continued co-operation and support.

The employees of the Company deserve special appreciation for their commitment to the Company in achieving the performance during the year.

**Thank you.**

---

(This does not purport to be a report on the proceedings of the 6<sup>th</sup> annual general meeting of the Company.)