

WABCO

Chairman's Speech

WABCO INDIA LIMITED

**Speech delivered by the Chairman of the meeting
at the Tenth Annual General Meeting of
WABCO INDIA LIMITED held on
22nd July 2014.**

Ladies and Gentlemen

I have great pleasure in welcoming you all to this tenth annual general meeting of your company. The directors' report and the audited results of the company for the year ended 31st March 2014 are with you. I would like to brief you on the progress made by your company during the year under review.

ECONOMIC AND INDUSTRY REVIEW

India's GDP growth in real terms for the full year 2013-14 stood at 4.7% as against 4.5% in 2012-13. The year 2013-14 saw a bad performance in terms of GDP owing to poor growth rate in the industrial sector. Whilst the Agricultural sector witnessed an increase, the decline was seen more in the industry and services sectors. The Index of Industrial Production (IIP) registered a cumulative growth of 0.1 % in 2013-14 as compared to 1.1 % growth during corresponding period of the previous year.

The commercial vehicle industry production declined by 21% in 2013-14 compared to the previous year and by 42% as compared to best year in 2011-12. And the sales volume in the Medium and Heavy Commercial Vehicle (MHCV) dropped by 22% in 2013-14. While industry is facing de-growth, I am glad to inform you that our company has outperformed the market with an increase in sales by 16% during the financial year 2013-14.

PERFORMANCE

In the above background, your company's turnover for the year under review was Rs 1,138 crores as against Rs 978 crores in 2012-13, an increase of 16.3% mainly driven by export sales. The company's second plant at Mahindra World City became fully operational during the financial year and the company commenced commercial production from its new plant at Barabanki in Lucknow. The total investment in these plants is Rs 59.13 Crores. Though the sales in the OE segment was lower by 18.5% compared to 2012-13 the company outperformed M&HCV market growth in OE through increased content per vehicle and increased market share. The company also benefited by an increase of 6.6% growth in sales of spares. Exports of the company grew by 110% with sales increase from Rs 198.82 crores in 2012-13 to Rs 417.60 crores in 2013-14. The major products exported were Brake chambers, crankshafts, crankcases and higher capacity compressors.

The profit after tax stood at Rs 117 crores in 2013-14 as against Rs 131 crores in 2012-13 registering a fall of 10.7 %. The earnings per share declined to Rs 61.94 in 2013-14 from Rs. 68.95 in 2012-13. The year 2013-14 witnessed increase in some of the conversion costs like energy cost, apart

