



# Investor Update

Q4 FY`10

# Agenda

- Economic Environment**
- Business and Financial Highlights Q4 & FY 2009-10**
- Way Forward**

# Business & Financial Highlights Q4 FY'10

- **GDP growth is expected at around 8.5% in FY'11 on the expectation of early monsoon.**
- **Many international tyre majors have planned investments in India.**
- **All major Indian tyre companies have lined up capacity expansion plans in TBR and PCR.**

# Business & Financial Highlights Q4 FY'10

- ❑ Net Sales Turnover at Rs. 773 cr. showing growth of 8.8% over Q3 and 33.5% on Q4 FY'09.
- ❑ EBDITA margin of 5.1% (Q3'10 6.8%, Q4 '09 9.8 %)
- ❑ PBT clocked Rs. 21.5 Cr.
- ❑ Op. PBT to Net Sales of 2.7% (Q3'10 4.6% , Q4 '09 6.3%)
- ❑ Natural Rubber prices continued to rise unabated, sharply denting the profitability. Raw material costs increased by 11% over the previous quarter.

# Manufacturing Highlights Q4 FY'10

Q4 FY '09	Particulars	Q4 FY '10	YOY
Actual		Actual	Growth
4.36	Truck Tyres ( Lac Nos.)	5.06	16%
1.54	Light Truck Tyres ( Lac Nos.)	1.85	20%
0.12	OTR / Grader (Lac Nos.)	0.17	42%
0.84	PCR/UVR Radial ( Lac Nos.)	1.22	45%

# Sales Highlights Q4 FY'10

Rs. Cr.

Q4 FY '09	Particulars	Q4 FY '10	YOY
Actual		Actual	Growth
497.49	- Replacement	592.55	19.1%
49.64	- OE	99.66	100.8%
547.13	- Domestic	692.21	26.5%
80.14	- Export	132.61	65.5%
<b>627.27</b>	<b>- Total</b>	<b>824.82</b>	<b>31.5%</b>
48.53	Excise Duty	51.99	7.1%
<b>578.74</b>	<b>Net Sales</b>	<b>772.83</b>	<b>33.5%</b>

# Financial Performance Q4 FY'10

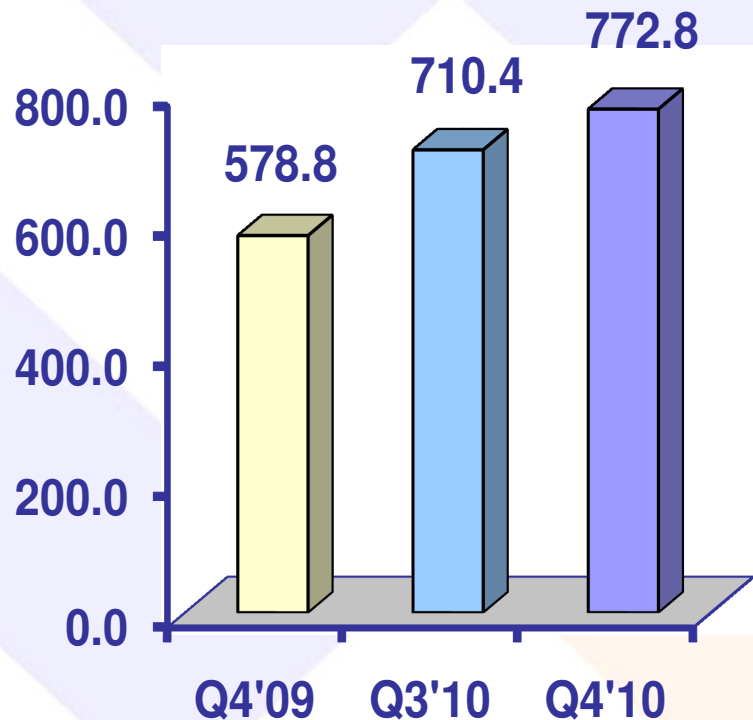
Rs. Cr.

Q4 FY'09	Particulars	Q4 FY'10
Actual		Actual
627	Gross Sales	825
579	Net Sales	773
<b>56.6</b>	<b>Operating Profit</b>	<b>39.1</b>
14.0	Interest	10.6
6.4	Depreciation	7.9
<b>36.3</b>	<b>Operating PBT</b>	<b>20.7</b>
0.2	Non-Operating Income	0.9
<b>36.5</b>	<b>PBT</b>	<b>21.5</b>
<b>6.3%</b>	<b>Op. PBT to Net sales %</b>	<b>2.7%</b>

# Financial Performance Q4 FY'10

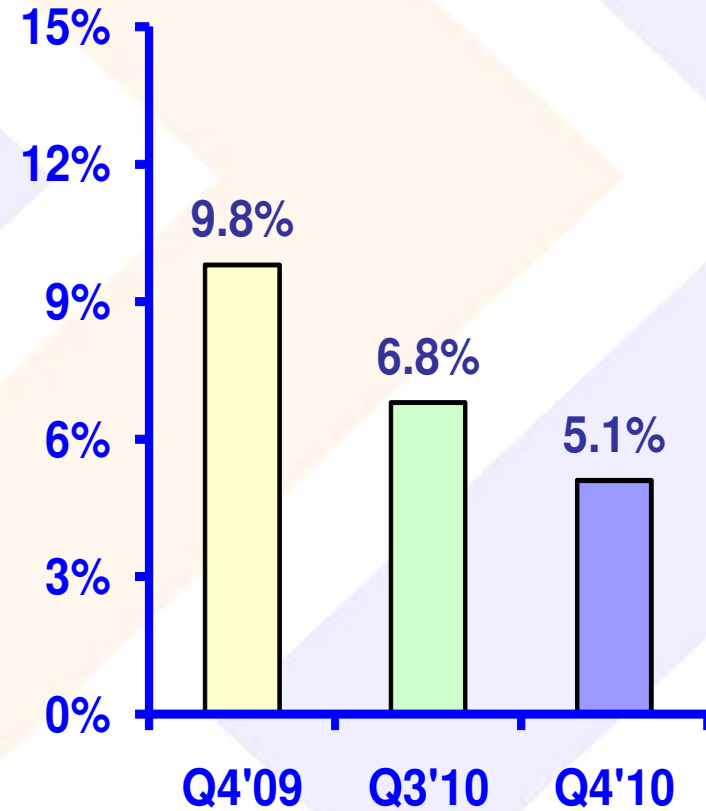
## Net Sales - Rs. Cr.

Sales growth 33.5% over Q4 '09



## Comparative EBDITA

Margin contraction by 170 basis points



# Financial Performance FY`10

Rs. Cr.

2008-09	Particulars	2009-10
Actual		Actual
2611	Gross Sales	2990
2366	Net Sales	2807
<b>44.1</b>	<b>Operating Profit</b>	<b>303.7</b>
58.3	Interest	39.7
25.6	Depreciation	26.9
<b>-39.8</b>	<b>Operating PBT</b>	<b>237.1</b>
2.7	Non-Operating Income	1.9
<b>-37.2</b>	<b>PBT</b>	<b>239.0</b>
<b>-1.7%</b>	<b>Op. PBT to Net sales %</b>	<b>8.4%</b>

# Way Forward

- ❑ Commercial production of radials at Halol, Baroda is expected from Oct'10.
- ❑ RM prices continue to be an area of concern. Raw material costs are increasing without respite and this is impacting margins adversely. Tyre prices have been hiked by around 4% from May'10 to manage the cost push.

Statement in this “Management Discussion and Analysis” describing the company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include demand supply conditions , finished goods prices, availability and prices of raw materials , changes in the govt. regulations, tax regimes, economic development within India & countries within which the company conducts business and other factors such as litigations and labour negotiations.



***Thank you***