

## RACER INDIA

Racer is the largest automobile company in India with revenues touching to Rs. 20,483 crores (USD 4.7 billion) in the financial year 2007-08. It leads the market in commercial vehicles in each segment and is the second largest in the passenger vehicles segment. Globally, Racer stands fifth in the medium and heavy commercial vehicle manufacturer category.

Established just in 1945, the company's presence cuts across the length and breadth of the country. More than 3 million of its-manufactured-vehicles ply on the Indian roads since the first one rolled out.

This company is the first from the country's engineering sector to be listed in the New York Stock Exchange. Racer has also emerged as an international automobile company. In 2004, Racer Motors acquired the Bobson Commercial Vehicles Company, Korea's second largest truck maker, and rechristened it as Racer Bobson Commercial Vehicles Company. Today two-thirds of heavy commercial vehicle exports out of South Korea are from Racer Bobson. It also exports buses to many African countries, The Middle East, Russia, and Ukraine. Profit margins for Racer India depend heavily on steel constituting 25% of the total cost of production. The automobile sector is well protected from other big MNCs as the current import duty stands at 40% though there is tremendous amount of pressure on the govt. to open up the sector.

Through subsidiaries and associate companies, Racer Motors has operations in the UK, South Korea, Thailand and Spain. Among them is Apolo and Rover, a business comprising the two iconic British brands that was acquired in 2008. In 2005, Racer acquired a 21% stake in Hispano Carrocera, a reputed Spanish bus and coach manufacturer, with an option to acquire the remaining stake as well. Hispano's presence is being expanded in other markets. In 2006, it formed a joint venture with the Brazil-based Marcopolo, a global leader in body-building for buses and coaches to manufacture fully-built buses and coaches for India and select international mark.

Through its subsidiaries, Racer has engaged in providing engineering and automotive solutions. With the pace of new product development, the company has launched Ace, in the year 2005, India's first indigenously developed mini-truck.

In 2007 the company won the prestigious 'Golden Peacock Environment Management Award', the Vyavahar Puraskar for fair business practices. In April, 2008 it was awarded The Indian Merchants' Chamber Diamond Jubilee Endowment Trust Award.

Despite the economic slowdown Racer India has declared handsome profits and dividends for its investors.

Particulars	Six Months ended September 30, 2007 (in crores)	Year Ended March 31, 2008 (in crores)
Vehicle Sales (No.)	95576	194558
Vehicle Production (No.)	96552	199848
Net Sales/ Income from operations	4,145.35	8,644.90
Operating Profit	519.96	1,063.79
Profit before extraordinary/exceptional items	428.22	816.02
Profit Before Tax	427.21	814.00
Profit After Tax	309.21	610.54

With the foundation of its rich heritage, Racer India today is etching a refulgent future.