

WABCO INDIA LIMITED

10th Annual Report 2014

WABCO INDIA LIMITED

Board of Directors

M LAKSHMINARAYAN
Chairman
D E UDWADIA
NARAYAN K SESHADRI
LEON LIU
TREVOR LUCAS
VINCENT PICKERING
MICHAEL EDWARD THOMPSON

Whole-time Director

P KANIAPPAN

Chief Financial Officer

T S RAJAGOPALAN

General Manager - Finance and Company Secretary

N SIVALAI SENTHILNATHAN

Audit Committee

NARAYAN K SESHADRI
Chairman
D E UDWADIA
TREVOR LUCAS

Stakeholders Relationship Committee

D E UDWADIA \$
Chairman
NARAYAN K SESHADRI @
P KANIAPPAN
TREVOR LUCAS

Nomination and Remuneration Committee

NARAYAN K SESHADRI
Chairman
M LAKSHMINARAYAN
D E UDWADIA
LEON LIU
VINCENT PICKERING

Corporate Social Responsibility Committee

M LAKSHMINARAYAN
Chairman
LEON LIU
P KANIAPPAN
TREVOR LUCAS

formerly known as Investors' Grievance Committee

\$ from 20th May 2014

@ up to 20th May 2014

Listing of Shares with

Madras Stock Exchange Limited
Chennai
National Stock Exchange of India Limited
Mumbai
BSE Limited
Mumbai

Share Transfer Agent

Sundaram-Clayton Limited
"Jayalakshmi Estates", 1st Floor,
29 Haddows Road, Chennai - 600 006
Tel. : 044 - 2827 2233
044 - 2828 4959
Fax : 044 - 2825 7121
E-mail : kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintsstta@scl.co.in
sivalaisenthilnathan.n@wabco-auto.com

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch
3rd Floor, Sigappi Achi Building
18/3, Rukmanilakshmipathy Road
Egmore, Chennai 600 008
BNP Paribas
Prince Towers, 3rd Floor, 25/26 College Road,
Chennai 600 006
Citibank N.A.
3rd Floor, 2 Club House Road,
Chennai 600 002

Auditors

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Tidel Park, 6th & 7th Floor,
A - Block (Module 601, 701-702),
4, Rajiv Gandhi Salai, Chennai 600 113

Solicitors & Advocates

UDWADIA UDESHI &
ARGUS PARTNERS
Solicitors & Advocates
Elphinstone House
1st Floor, 17 Murzban Road
Mumbai 400 001

Registered Office

Plot No. 3 (SP), III Main Road,
Ambattur Industrial Estate,
Chennai 600 058
Tel. : 044 4224 2000
Fax : 044 4224 2009

Website : www.wabcoindia.com

CIN: L34103TN2004PLC054667

Factories

Plot No. 3 (SP), III Main Road,
Ambattur Industrial Estate,
Chennai 600 058
Tel. : 044 4224 2000
Fax : 044 4224 2009
Large Sector,
Adityapur Industrial Area, Gamharia,
Seraikella-Kharsawan Dist.
Jharkhand 832 108
Tel. : 0657 398 5700
Fax : 0657 238 7997

Plant - 1 & Plant - 2

Plot No. AA8, Central Avenue,
Auto Ancillary SEZ,
Mahindra World City,
Natham Sub-Post, Chengalpet,
Kancheepuram District 603 002
Tamil Nadu
Tel. : 044 3090 1200

Plot No.11, Sector 4, SIDCUL,
IIE Pantnagar,
Rudrapur Udhm Singh Nagar,
Uttarakhand - 263 153
Tel. : 05944 250885

KH 159-162, 164 Village Dhakauli
Nawabganj, Barabanki Dewa Road,
Somaiya Nagar, Barabanki
Lucknow, Uttar Pradesh 225 123
Tel. : 05248 230065

Software Design Centres

"Ispahani Centre", 5th & 7th Floor,
123/124 Nungambakkam High Road,
Chennai 600 034
Tel. : 044 2828 5000
Fax : 044 2833 2212

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WABCO INDIA LIMITED

FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 st	2009-10	2010-11	2011-12	2012-13	2013-14
Profit and Loss Account					
Sales/Revenue from operations [#]	59,126	89,252	104,564	96,592	111,070
Other income	1,828	536	1,206	1,264	2,721
Total income	60,954	89,788	105,770	97,856	113,791
Gross profit before interest, depn & tax	13,574	20,600	23,199	20,668	19,336
Depreciation	1,444	1,442	1,564	2,172	3,215
Profit before interest & tax	12,130	19,158	21,635	18,497	16,121
Interest	296	20	12	2	14
Profit before taxation	11,834	19,138	21,623	18,495	16,107
Profit after taxation	7,819	12,743	15,340	13,079	11,748
Balance Sheet					
Net Fixed assets	18,677	19,031	24,300	28,892	31,756
Investments	221	1,220	2,320	2,545	5,020
Net current assets	9,178	18,984	26,726	34,479	39,652
Long term loans and advances	–	1,582	1,827	1,566	2,369
Total	28,076	40,817	55,173	67,482	78,797
Share capital	948	948	948	948	948
Reserves & surplus	26,084	37,724	51,962	63,932	74,570
Net worth	27,032	38,672	52,910	64,880	75,518
Loan funds/Non current liabilities ^{##}	719	1,330	1,169	1,431	1,665
Deferred taxation (net)	325	815	1,094	1,171	1,614
Total	28,076	40,817	55,173	67,482	78,797
EPS (Rs)	41.22	67.18	80.87	68.95	61.94
DPS (Rs)	2.50	5.00	5.00	5.00	5.00
Book value per share (Rs)	142.51	203.89	278.95	342.04	398.12
Return on capital employed (ROCE) %	44.7	55.6	45.1	30.2	22.0
Return on net worth (RONW) %	33.4	38.8	33.5	22.2	16.7
Fixed assets turnover (no of times)	3.1	4.7	4.8	3.6	3.7
Working capital turnover (no of times)	7.9	6.3	4.6	3.2	3.0
Gross profit as % of sales (EBITDA)	23.0	23.1	22.2	21.4	17.4
Gross profit as % of total income	22.3	22.9	21.9	21.1	17.0
Net profit as % of total income	12.8	14.2	14.5	13.4	10.3

Figures for the year 2009-10 represents "sales" and for 2010-11, 2011-12, 2012-13 and 2013-14 represents "Revenue from operations".

Figures for the year 2009-10 represents "Loan funds" and for 2010-11, 2011-12, 2012-13 and 2013-14 represents "Non current liabilities".

ROCE is profit before interest and taxation divided by average networkth plus loan funds.

RONW is profit after tax divided by average networkth.

Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.

Working capital turnover is sales divided by average net current assets as at the end of the year.

Notice to the Shareholders

NOTICE is hereby given that the Tenth Annual General Meeting of the Company will be held at "The Music Academy", New No. 168 (Old No. 306), T.T.K Road, Chennai 600 014 on Tuesday, the 22nd day of July 2014 at 10.45 a.m. to transact the following business:

1. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March, 2014, the statement of profit and loss and cash flow statement of the Company for the year ended on that date, together with the notes, directors' report and auditors' report thereon, as presented to the meeting be and the same are hereby approved and adopted.

2. To consider and, if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the recommendation of the board of directors of the Company, a dividend of Rs.5/- per share on 1,89,67,584 equity shares of Rs.5/- each fully paid up, absorbing a sum of Rs. 948.38 lakhs, be and is hereby declared for the year ended 31st March, 2014 and the same be paid to the shareholders whose name appear in the register of members of the Company as at the close of 20th July, 2014.

3. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr Trevor Lucas (holding DIN 01627818), director who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Messrs S.R. Batliboi & Associates LLP, Chartered Accountants, Tidel Park, 6th & 7th Floor - A Block (Module 601,701-702), No. 4, Rajiv Gandhi Salai, Taramani, Chennai 600 113, holding Firm Registration No.101049W allotted by the Institute of Chartered Accountants of India, be and are hereby appointed as the statutory auditors of the Company to hold office for the term of five years from the conclusion of this Annual General Meeting until the conclusion of the fifteenth Annual General Meeting, subject to ratification at every Annual General Meeting.

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorised to fix their remuneration and reimburse their travelling and out of pocket expenses.

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the appointment of Mr M Lakshminarayan (Director of the Company

holding DIN 00064750), as a Non-Executive and Independent Director for a term of five consecutive years from 1st April, 2014 to 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby approved.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the appointment of Mr D E Udawadia (Director of the Company holding DIN 00009755), as a Non-Executive and Independent Director for a term of five consecutive years from 1st April, 2014 to 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby approved.

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the appointment of Mr Narayan K Seshadri (Director of the Company holding DIN 00053563), as a Non-Executive and Independent Director for a term of five consecutive years from 1st April, 2014 to 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby approved.

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder or any amendment there to or substitution thereof. Mr P Kaniappan (holding DIN 02696192), Whole-time Director, be and is hereby appointed as Managing Director for a period of five years from 17th June, 2014 on the terms and conditions as to his appointment and remuneration, contained in

the agreement dated 20th May 2014 entered between him and the Company, a copy of which is placed before the meeting and initialled by the Chairman for the purpose of identification thereof, with the powers to the board of directors of the Company to determine quantum of individual items of his remuneration, payable at such intervals, within the overall limits, for each financial year so as not to exceed prescribed limit on the net profits of the Company, calculated in accordance with the provisions of Sections 198 read with Schedule V of the Act and as per Article 140(1) of the Articles of Association of the Company he is not subject to retirement by rotation.

RESOLVED FURTHER THAT the remuneration within the aforesaid limits, as mentioned below, proposed to be paid to Mr P Kaniappan as Managing Director under the Act, for a period of five years from 17th June 2014, be and is hereby approved, subject to the condition that the board of directors, from time to time, may determine the quantum of individual items of his remuneration for each financial year not exceeding the maximum limits specified in each category as follows:

- (1) Salary and commission on profits or performance linked incentive or bonus:
Subject to a ceiling of INR 150 lakhs (Rupees one crore and fifty lakhs only) per annum.
- (2) Perquisites and allowances:
Perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, leave travel assistance for self and family, club fees, earned leave, medical / personal accident insurance premium and other benefits or amenities, in aggregate restricted to a sum not exceeding INR 50 lakhs (Rupees fifty lakhs only) per annum; and
Provision of telephone at residence including payment of local calls and long distance calls shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Personal long distance calls on telephone for private purposes shall be recovered by the Company. Provision of a car for use on Company's business.
- (3) Stock option:
Participation in M/s. WABCO Holdings Inc., stock option schemes. This shall not be included for computation of limits of perquisites and allowances.
- (4) Contribution to statutory funds:
Company's contribution to provident fund which shall not exceed 12% of the salary or such other higher Rate as may be notified by the Central Government from time to time and as per the rules of the Company.
Company's contribution to provident and gratuity funds, shall not be included for computation of limits of perquisites and allowances as aforesaid.
- (5) Pension benefits:
Entitled to pension, if any, payable after retirement, as per the rules of the Company.

RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be altered or varied by the board of directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013/ Income-tax Act, 1961 and / or the rules and regulations made thereunder and / or such guidelines, as may be announced by the Central Government, from time to time.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr P Kaniappan, the remuneration payable to him by way of salary, allowances, commission, perquisites and other benefits, shall not without the approval of the Central Government (if required) exceed the limits prescribed under Schedule V and other applicable provisions of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof.

RESOLVED FURTHER THAT Mr P Kaniappan, Managing Director of the Company, shall have the powers and duties as set out in the aforesaid agreement.

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

RESOLVED THAT approval of the Company be and is hereby accorded in terms of Section 197 and other applicable provisions of the Companies Act 2013 (the Act) read with the rules made thereunder and the Articles of Association of the Company to pay remuneration to the Non-Executive Independent Directors of the Company by way of profit-related commission not exceeding one percent of the net profits of the company, computed in the manner referred to in Section 198 of the Act, in the aggregate for a period of five (5) years from 1st April 2014 to 31st March 2019.

RESOLVED FURTHER THAT in terms of Section 197(2) of the Act the remuneration by way of profit-related commission referred to above shall be exclusive of any fees payable to the directors under Section 197(5) of the Act and re-imbursement of expenses for participation in Board and other meetings.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine the basis and the proportion in which the profit-related commission may be apportioned among the Non-Executive Independent Directors and do all such acts, deeds, matters and things as may be considered necessary from time to time to give effect to this resolution.

By order of the board

Chennai
20th May 2014

N SIVALAI SENTHILNATHAN
General Manager - Finance and
Company Secretary

Registered office:
CIN: L34103TN2004PLC054667
Plot No 3 (SP), III Main Road
Ambattur Industrial Estate
Chennai 600 058.

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company.**

The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The Register of Members and the Share Transfer books of the Company will remain closed for **2 days from 21st July, 2014 to 22nd July, 2014** (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2013-14.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The dividend of Rs.5/- per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 31st July, 2014.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Under Section 205A of the Companies Act, 1956, and Section 124 read with Section 125 of the

Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the annual report.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2007-08, as on the date of the 9th Annual General Meeting (AGM) held on 24th July, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.wabcoindia.com.

A separate reminder was also sent to those members having unclaimed dividends since 2008. Members who have not encashed their dividend warrants are advised to write to the Company by surrendering the unencashed warrants immediately claiming dividends declared.

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual

General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 10th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 10th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 10th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.wabcoindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: investorcomplaintssta@scl.co.in.

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 10th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL): The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "wabcoindia e-Voting.pdf" with your Client

ID or Folio No. as password. The said PDF file contains your user ID and Password / PIN for e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial Password / PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of WABCO India Limited.
 - (viii) Now you are ready for e-Voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to skco.cs@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number) **USER ID** **PASSWORD / PIN**

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

working days, up to and including the date of the Annual General Meeting of the Company.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No. 022-24994600.

III. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password / PIN for casting your vote.

IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

V. The e-Voting period commences on 14th July, 2014 (9:00 am) and ends on 16th July, 2014 (6:00 pm) (three days). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June, 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20th June, 2014.

VII. Mr K Sriram (Membership No. CP No.2215), Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.wabcoindia.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges where the shares of the Company are listed.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours (10.00 am to 12.00 noon) on all

BRIEF RESUME AND OTHER INFORMATION IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:

Item No.3 : Appointment of Mr Trevor Lucas, Non-Executive and Non-Independent Director by retire by rotation

Mr Trevor Lucas is a Bachelor of Business Studies (Honours), University of Dublin and a fellow member of the Institute of Chartered Accountants in Ireland. He has served KPMG, Dublin from 1975 to 1982 as General Practice Manager. He was with CPC Europe, holding various positions as Manager Finance and Taxes, Manager Financial Services and Systems and Manager Financial Accounting.

He has also served as head of Finance for Council for Education, Recruitment and Training for the Hotel, Catering and Tourism Industry, Dublin. He was with Best Foods Europe/Africa/Middle East, Brussels (later part of the Unilever Group) during 1989-2002 as Director Finance and Taxes. He joined American Standard, Brussels, (WABCO Division) in 2003 as Vice President-Taxes. Following the spin off of WABCO Division from American Standard, he held his position as Vice President-Taxes of WABCO Holdings Inc. He retired recently from WABCO but continues consulting on a need basis.

He is the member of the Stakeholders Relationship committee of the company. He is not a director / member of any committee of board of directors of any other company. He does not hold any shares in the Company and he is not related to any other directors of the company.

Except Mr. Trevor Lucas, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:

Item No.5 : Appointment of Mr M Lakshminarayan as an Independent Director

WABCO INDIA LIMITED

Mr M Lakshminarayan is a Non-Executive Independent Director of the Company.

Mr M Lakshminarayan holds Masters Degree in Technology from the Indian Institute of Technology, Mumbai. He has over 37 years of experience in distinguished companies such as Tata Motors and Bosch Ltd (formerly MICO).

He has also headed a product group in Germany for over two years during his tenure in Bosch. He has served as Chairman of Southern Region at Confederation of Indian Industry and has been an Executive Council Member of the Indian machine Tool Manufacturer's Association. He is the Chairman of the Advisory Board of Central Manufacturing Technology Institute, Bangalore. At present he is the Managing Director of Harman International India Pvt Ltd, a 100% subsidiary of the Audio giant Harman.

He is the Chairman of the Corporate Social Responsibility Committee and member of the Nomination and Remuneration Committee of the Company. He holds 50 shares in the Company and is not related to any other directors of the Company. Details of his other directorship and membership / chairmanship of committees are given below:

S. No.	Name of the company	Name of the Committee	Position held
1.	Rane (Madras) Limited	Audit Committee	Chairman
2.	Carborundum Universal Limited	Audit Committee	Member
3.	TVS Automobile Solutions Limited	Audit Committee	Member
4.	Kirloskar Oil Engines Limited		
5.	Manipal Acunova Limited		
6.	Harman International (India) Private Limited		
7.	Janaadhar Constructions Private Limited		
8.	Wholsum Foods Private Limited		

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr M Lakshminarayan being eligible and offering himself for appointment is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years from 1st April, 2014 to 31st March, 2019.

Mr M Lakshminarayan has given a declaration dated 1st April, 2014 confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013. The board of directors, at its meeting held on 20th May 2014, opined that, Mr. M Lakshminarayan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder

for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr M Lakshminarayan as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr M Lakshminarayan as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Mr M Lakshminarayan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No.6 : Appointment of Mr D E Udwadia as an Independent Director

Mr D E Udwadia is a Non-Executive Independent Director of the Company.

Mr D E Udwadia is a post graduate from University of Bombay. He is an Advocate and Solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Mr D E Udwadia was a partner of Crawford Bayley & Co., Mumbai, one of the India's leading law firms for more than two decades. He is a founder partner of Udwadia Udeshi & Argus, Advocates and Solicitors, Mumbai. Consequent upon the reconstitution of the firm, its name was changed to Udwadia Udeshi & Argus Partners effective 1st April 2012. His firm and he are legal advisors to several Indian and multinational companies and foreign banks having a presence in India.

He has during his nearly 49 years of active law practice acquired valuable knowledge, experience and expertise in the areas of corporate law, mergers, acquisitions and take overs, corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance, intellectual property, international loans and finance related transactions and financial instruments, mutual funds, real estate and conveyancing.

He is the Chairman of the Stakeholders Relationship committee and member of the Nomination and Remuneration Committee of the Company. He does not hold any shares in the Company and is not related to

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any other directors of the Company. Details of his other directorship and membership / chairmanship of committees are given below:

S. No.	Name of the company	Name of the Committee	Position held
1.	ABB India Limited	Audit Committee Stakeholders Grievance Committee	Member Chairman
2.	AstraZeneca Pharma India Limited	Audit Committee	Member
3.	The Bombay Burmah Trading Corporation, Limited	Audit Committee	Member
4.	ITD Cementation India Limited	Audit Committee	Member
5.	JM Financial Limited		
6.	MPS Limited	Audit Committee	Member
7.	Wyeth Ltd	Audit Committee	Member
8.	JM Financial Products Limited		
9.	IRD Mechanalysis Limited		
10.	Bombay Gymkhana Limited		
11.	Conservation Corporation of India Pvt Ltd		
12.	JM Financial & Investment Consultancy Services Private Limited		
13.	HabasiT lakoka Private Limited		
14.	JM Financial Trustee Company Private Limited		
15.	Quantum Advisors Private Limited		
16.	Rossi Gearmotors (India) Pvt. Ltd.		
17.	SCA Hygiene Products India Private Limited		

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr D E Udwadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years from 1st April, 2014 to 31st March, 2019.

Mr D E Udwadia has given a declaration dated 1st April, 2014 confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013. The board of directors, at its meeting held on 20th May 2014, opined that, Mr D E Udwadia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr D E Udwadia, as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr D E Udwadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Mr D E Udwadia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No.7 : Appointment of Mr Narayan K Seshadri as Independent Director

Mr Narayan K Seshadri is a Non-Executive Independent Director of the Company.

Mr Narayan K Seshadri is a graduate of Science from the University of Bangalore and a Chartered Accountant with vast professional experience.

He was the founder Chairman and CEO of Halcyon Group, an Investment Advisory and Management Services organization. Halcyon Group runs a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Prior to establishing Halcyon, Mr Narayan K Seshadri was the Managing partner at KPMG's Business Advisory Service Practice which he helped turnaround and rebuild. Besides the industry sectors that he currently works with, Mr Narayan Seshadri has advised the Power, Banking and Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT and ITES Sectors at different levels from policy formulation to corporate strategy, restructuring and organization transformation.

He is the Chairman of the Audit Committee and Nomination and Remuneration Committee of the Company. He does not hold any shares in the Company and is not related to any other directors of the Company. Details of his other directorship and membership / chairmanship of committees are given below:

S. No.	Name of the company	Name of the Committee	Position held
1.	Magma Fincorp Limited	Audit committee Nomination & Remuneration Committee Investment Committee	Chairman Member Member
2.	PI Industries Limited	Audit Committee Managing Committee Remuneration Committee ESOP Committee	Member Member Member Member
3.	Kalpataru Power Transmission Limited	Risk Management Committee Audit Committee	Chairman Member
4.	Astra Zeneca Pharma India Limited	Remuneration Committee	Member
5.	SBI Capital Markets Limited	Committee of Directors Audit Committee Remuneration / HR Committee Risk Management Committee	Member Member Member Chairman

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S. No.	Name of the company	Name of the Committee	Position held
6.	IRIS Business Services Limited	Audit Committee	Member
7.	Sundaram Investments Limited		
8.	International Asset Reconstruction Company Pvt Ltd	Audit Committee Asset Acquisition & Reconstruction Committee	Member Member
9.	Radiant Life Care Pvt Ltd		
10.	Arthveda Fund Management Pvt Ltd		
11.	Tranzmute Capital & Management Pvt Ltd		
12.	A2O Software India Pvt Ltd		
13.	Halcyon Resources & Management Pvt Ltd		
14.	Halcyon Enterprises Pvt Ltd		
15.	Dimexon International Holding, BV		
16.	Indrise Investments, Cayman Islands		
17.	Lindner Investments Ltd, British Virgin Islands		

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Narayan K Seshadri being eligible and offering himself for appointment is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years from 1st April, 2014 to 31st March, 2019.

Mr Narayan K Seshadri has given a declaration dated 1st April, 2014 confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013. The board of directors, at its meeting held on 20th May 2014, opined that, Mr Narayan K Seshadri, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Narayan K Seshadri, as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr Narayan K Seshadri as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Narayan K Seshadri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No.8 : Appointment of Mr P Kaniappan as Managing Director

Mr P Kaniappan is a graduate in mechanical engineering from Regional Engineering College, Karnataka, India and

postgraduate in manufacturing systems engineering from University of Warwick, UK. He also holds Executive MBA degree from Great Lakes Institute of Management Chennai. His experience includes 10 years in TVS Motor Company Ltd, Hosur responsible for production management in different areas such as machining, fabrication, painting, engine and vehicle assembly. He was in the purchase department of brakes division in Sundaram-Clayton Limited (SCL) in various capacities during 1993 to 1999 and was in the rank of General Manager before elevated as business head of Foundry division of SCL. He held this position from 1999 to 2001 and became Operations head of brakes division of SCL from 2001 to May 2009 (since demerged to WABCO-TVS (INDIA) Limited (WTIL) from 28th March 2008.

He was appointed as Whole-time Director of WTIL on 17th June 2009 and holds the office from that date. He has established a world class manufacturing system in WTIL incorporating some of the best practices such as Total Quality Management (TQM), Lean and Total productive Maintenance (TPM) with year over year productivity improvement. He developed and implemented a vendor development model resulting in low cost and high quality supplier base.

He is a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company. He is not a director of any other company. He does not hold any shares in the Company and he is not related to any other directors of the Company.

The shareholders have approved the appointment of Mr P Kaniappan as a Whole-time Director for a period of 5 years from 17th June 2009 and also payment of remuneration to him at the 5th Annual General Meeting held on 24th September 2009 and subsequently increased the remuneration as approved by the shareholder at 6th and 8th Annual General Meeting of the shareholders.

The present term of office of the Mr P Kaniappan, as approved by the shareholders, comes to an end on 16th June, 2014. The members of the Nomination and Remuneration Committee recommended to the Board to appoint him as Managing Director of the Company for a period of five years from 17th June 2014. The Board of directors of the Company at its meeting held on 20th May, 2014 appointed him as Managing director of the Company for the period of 5 year from 17th June 2014, subject to the approval of the shareholders and as per the Article 140(1) of the Articles of Association of the Company he is not subject to retirement by rotation.

The appointment of Mr P Kaniappan is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr P Kaniappan as the Managing Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at its meeting held on 20th May, 2014) are keeping in line with the remuneration package that is

necessary to encourage good professional managers with a sound career record to important position as that of the Managing Director.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

- (1) Salary and commission on profits or performance linked incentive or bonus:
Subject to a ceiling of INR 150 lakhs (Rupees one crore and fifty lakhs only) per annum.
- (2) Perquisites and allowances:
Perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, leave travel assistance for self and family, club fees, earned leave, medical / personal accident insurance premium and other benefits or amenities, in aggregate restricted to a sum not exceeding INR 50 lakhs (Rupees fifty lakhs only) per annum; and
Provision of telephone at residence including payment of local calls and long distance calls shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Personal long distance calls on telephone for private purposes shall be recovered by the Company. Provision of a car for use on Company's business.
- (3) Stock option:
Participation in M/s. WABCO Holdings Inc., stock option schemes. This shall not be included for computation of limits of perquisites and allowances.
- (4) Contribution to statutory funds:
Company's contribution to provident fund which shall not exceed 12% of the salary or such other higher Rate as may be notified by the Central Government from time to time and as per the rules of the Company.
Company's contribution to provident and gratuity funds, shall not be included for computation of limits of perquisites and allowances as aforesaid.
- (5) Pension benefits:
Entitled to pension, if any, payable after retirement, as per the rules of the Company.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the ordinary resolution set out at item no.8 of the accompanying Notice for the approval of the Members.

Copy of the Agreement referred to in the resolution would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Except Mr P Kaniappan, being an appointee, none of the Directors and Key Managerial Personnel of the Company

and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

Item No.9: Payment of commission to Non-Executive Independent Directors:

The shareholders have approved the payment of commission within the overall limits so as not to exceed in aggregate 1% of the net profits of the Company in each financial year calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, for a period of five years commencing from 1st April 2011 by way of a special resolution through the Postal Ballot on 21st December 2010.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and taking into account the roles and responsibilities of the Independent Directors, it is proposed that the Non-Executive Independent Directors together, be paid for each of the five financial years of the Company commencing from 1st April 2014, commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This commission will be distributed amongst all or some of the Non-Executive Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the directors for attending the meetings of the Board or Committee thereof, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the shareholders is sought by way of a special resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Non-Executive Independent Directors of the Company, for a period of five years commencing from 1st April 2014 as said out in the resolution at Item No.9 of the Notice.

Except Non-Executive Independent Directors, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9 of the Notice to the extent of the remuneration that may be received by them.

By order of the board

Chennai
20th May 2014

N SIVALAI SENTHILNATHAN
General Manager - Finance and
Company Secretary

Registered office:
CIN: L34103TN2004PLC054667
Plot No 3 (SP), III Main Road
Ambattur Industrial Estate
Chennai 600 058.

Directors' report to the shareholders

The directors have pleasure in presenting the tenth annual report and the audited accounts for the financial year ended 31st March 2014.

2. FINANCIAL HIGHLIGHTS

Details	Rs. in lakhs	
	Year ended 31.03.2014	Year ended 31.03.2013
Sales (net)	1,04,582.49	91,735.78
Other Operating income	6,487.60	4,856.60
Other income	2,721.18	1,263.50
Total revenue from operations and other income	1,13,791.27	97,855.88
Gross profit before interest and depreciation	19,336.25	20,668.37
Finance costs	14.46	1.76
Depreciation	3,215.09	2,171.78
Profit before tax	16,106.70	18,494.83
Provision for taxation (including deferred tax and tax relating to earlier years)	4,358.92	5416.00
Profit after tax	11,747.78	13,078.83
Surplus brought forward from previous year	40,210.29	33,241.02
Total	51,958.07	46,319.85
Appropriations:		
Proposed dividend	948.38	948.38
Dividend tax payable	161.18	161.18
Transfer to general reserve	1,200.00	5,000.00
Surplus in profit & loss account	49,648.51	40,210.29
	51,958.07	46,319.85

3. DIVIDEND

The board of directors have recommended a dividend of Rs.5/- per share for the year ended 31st March 2014 absorbing a sum of Rs.948.38 lakhs for approval of the shareholders at the ensuing annual general meeting.

4. PERFORMANCE

During the year 2013-14, sales of medium and heavy commercial vehicles (M & HCV), dropped by 21% over the previous year. The Company achieved a total revenue from operations and other income of Rs.1,138 crores as against turnover of Rs.978 crores in the previous year, an increase of 16%.

After market sales segment registered a growth of 7% over the previous year and exports segment registered a growth of 110% over the previous year.

5. CAPITAL EXPENDITURE

Capital expenditure of Rs.90 crores is planned for the year 2014-15 considering the industry growth in this year.

6. DIRECTORS

Mr M Lakshminarayan, Mr D E Udwadia and Mr Narayan K Seshadri, Independent Directors are appointed for a term of five consecutive years from 1st April, 2014 to 31st March, 2019, subject to the approval of the shareholders at the ensuing annual general meeting. Mr P Kaniappan who has been appointed as Whole-time Director with effect from 17th June 2009 by the shareholders in the 5th annual general meeting has now been re-appointed with a re-designation as Managing Director for the period of five years from 17th June, 2014 and he will not be subject to retirement by rotation as per Article 140(1) of the Articles of Association of the Company. Mr Trevor Lucas, retire at the ensuing annual general meeting of the Company, being eligible, offer himself for re-appointment.

In compliance with Clause 49 of the Listing Agreement, a brief resume of the above directors and other required information is given in the notice convening the annual general meeting of the Company. Necessary resolutions for their re-appointment will be placed for approval of the shareholders at the ensuing annual general meeting. Your directors recommend their re-appointment as directors / Managing Director of the Company.

The independent directors have fulfilled the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 ("the Act") and requisite declarations in terms of Section 149(7) of the Act have been received.

7. AUDITORS

Messrs S.R.Batilboi & Associates LLP, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

8. SECRETARIAL AUDITOR

As required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report in this regard.

M/s. S Krishnamurthy & Co., Company Secretaries, who was appointed as secretarial auditor of the Company by the board of

directors of the Company at its meeting held on 20th May, 2014 to carry out the necessary audit as required under the Companies Act, 2013.

9. STATUTORY STATEMENTS

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I to this report, as per the requirements of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Particulars of employees

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are set out in Annexure II and form part of this report. However, pursuant to Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members excluding the aforesaid information. The said particulars will be made available to a Member upon request and also made available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 it is hereby confirmed:

- (i) that in the preparation of annual accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors have prepared the accounts for the financial year ended 31st March 2014 on a going concern basis.

10. CORPORATE GOVERNANCE

The Company has complied with the provisions of the Listing Agreement concerning corporate governance and a report to this effect is attached, as required by Clause 49 of the Listing Agreement with the stock exchanges. The certificate issued by the auditors of the Company regarding compliance with the corporate governance requirements is also annexed to this report.

The Whole-time Director (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March 2014.

The management discussion and analysis report, as required by the Listing Agreement, is also attached and forms part of this report.

11. ACKNOWLEDGEMENT

The directors gratefully acknowledge the continued support and co-operation received from WABCO Europe BVBA, Belgium.

The directors thank the vehicle manufacturers, distributors, vendors and bankers for their continued support and assistance.

The directors wish to place on record their appreciation of the excellent work done by employees of the Company at all levels during the year. The directors specially thank the shareholders for the confidence reposed by them in the Company.

For and on behalf of the board

Chennai
20th May 2014

M LAKSHMINARAYAN
Chairman

Annexure I to the Directors' report

Information as required under Section 217(1)(e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Replacing 400W Metal halide Lamp to 80W Compact Fluorescent Light (CFL) to reduce power consumption;
- ii) Recover the waste heat from Air compressor to Surface Protection Unit to reduce power consumption;
- iii) Use of solar power for lighting in office areas covering 100% of all lighting load in some of the departments in the registered office of the Company;
- iv) Replacing of Del Star Convertors to Air Compressors to reduce the power consumption;
- v) Introduction of Air Blowers in washing machines to reduce the energy consumption;
- vi) Providing Air Solenoid in machines to reduce compressed air consumption during idle stage of machines;
- vii) Replacement of induction motor to servo motor in performance test rig to reduce the energy consumption; and
- viii) Introduction of inverter drive for Grinding machine to reduce power consumption.

This will result in a saving of about 6.40L Units & Rs 38.40 Lakhs per annum.

2. Measures Proposed

- i) Upgradation of old machines (HR3A, Takisawa & test rig) with new energy efficient high torque servo motor system;
- ii) Installation of 15 KW solar power system at roof top to operate air condition and lighting;
- iii) Implementation of Adiabatic Cooling System for reducing energy in Air Conditioning system;
- iv) Introduction of gas operated fryer instead of electrical fryer at canteen to reduce power consumption;
- v) Replacement of contactors with absolute Programmable Logic Controller(PLC) and frequency drive in grinding machines to reduce energy consumption;
- vi) Usage of waste compressed air released from test rig for component cleaning purpose to reduce energy consumption;
- vii) Introduction of air blowers instead of compressed air in washing machines.
- viii) Introduction of regulator for air guns to reduce pressure.

This will result in a saving of about 6.70 L Units & Rs. 39 Lakhs per annum.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D is carried out by the Company.

Existing activities:

- (a) Products launched
 1. Higher capacity compressors
 2. Lift axle control valve
 3. New actuators and brake chambers
 4. Type 22, 24 brake chamber
 5. Integral pedal unit
 6. 3" clutch servo
 7. Automatic slack adjuster
 8. D2 Governor valve
 9. Air tanks
- (b) New high speed test track formed to facilitate commercial vehicle homologation of ABS;
- (c) Pune Engineering Centre established to support customers in the western part of the country;
- (d) New test facilities added to support product validations;
- (e) Hydraulic booster performance facility is commissioned to augment hydraulic testing capabilities.

2. Benefits derived as a result of R & D:

- i) Design and development of cost competitive and value added products for emerging markets to acquire new business opportunities.
- ii) Innovative products for entering into global market.
- iii) Exclusive design and development of cost competitive global aftermarket products to improve profitability.
- iv) Acquiring competency in new areas like Hydraulic Brake Boosters.

3. Future plan of action:

- i) Launch of Actuators for emerging market.
- ii) Expanding market for Automatic Slack Adjusters.
- iii) Launch of Air Processing and Distribution Assembly (APDA) for Indian market.
- iv) Development of compressor with clutch for energy saving.
- v) Launch of new products like lift axle control system for domestic customers.
- vi) New concept developments for innovative next generation products like hybrid lift axle control system and actuators.

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4. Expenditure on R & D:	Rs. in Lakhs
Capital expenditure	309.73
Recurring expenditure (including salaries)	433.23
	<u>742.96</u>
Total expenditure as percentage of sales turnover	0.7%

Technology absorption, adaptation and innovation:

(a) Efforts in brief:

1. Implementation of Advanced Modeling Environment Simulations for hydraulic module.
2. Automatic Slack Adjusters root rolling to enhance endurance life.
3. Non linear dynamic simulation.
4. Ultra Violet resistance Poly Propylene for palm coupling.
5. Enhance surface protection of actuators.
6. Rubber parts for wider temperature applications.

(b) Benefits derived as a result of the above efforts:

1. Development of products with best in class performance and reliability to retain market leadership.

2. Continued expansion of simulation capabilities to reduce product development lead time and quality of design.
3. Improved corrosion resistance of the products helped to obtain new business opportunities with global customers.

(c) Details relating to imported technology: (Technology imported during the last 5 years reckoned from the beginning of the financial year).

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Export Activities:

Exports during the year ended 31st March 2014 amounted to Rs. 41,760.10 lakhs.

2. Total foreign exchange used and earned:

- a) Foreign exchange used Rs. 18,351.17 lakhs
- b) Foreign exchange earned Rs. 47,231.13 lakhs

For and on behalf of the board

Chennai
20th May 2014

M LAKSHMINARAYAN
Chairman

Management discussion and analysis report

I. Industry Structure and Development:

i. Gross Domestic Product (GDP) Growth:

India's GDP growth for 2013-14 at 4.74% was marginally higher than the GDP of 2012-13. Table -1 shows India's real GDP growth rates (at factor cost) for various sectors broadly from 2009-10 to 2013-14.

Table -1 India's real GDP growth rates (at factor cost) for various sectors.

Sector	2009-10	2010-11	2011-12	2012-13	2013-14 (Forecast)
Agriculture	0.81	8.60	5.02	1.42	4.71
Industry	9.16	7.55	7.81	0.96	0.35
Services	10.50	9.67	6.57	6.96	6.78
GDP (constant prices)	8.59	8.91	6.69	4.47	4.74

Source: India Macro Economic Summary, Planning Commission, Government of India.

The key drivers of GDP growth in India - consumption and investment are still displaying weak growth. Lending rates on Equated Monthly Installment (EMI) based products (like auto, housing, white goods) continue to remain high. On the other hand, regulatory hurdles, poor demand conditions and high cost of finance are the main reasons behind poor investments.

ii. Industrial Growth:

On a cumulative basis in Apr'13-Mar'14, IIP posted a negative growth of 0.1% as compared to a growth of 1.1% in the corresponding period of previous year.

iii. Indian Commercial Vehicle Industry:

With the domestic Commercial Vehicle (CV) industry registering a drop of 20% in sales volume in 2013-14, the cyclical downward phase continues amidst slowing economy, sluggish industrial activity and overcapacity in the trucking system. In contrast to the previous fiscal, the demand slowdown has been broad based, covering even the Small Commercial Vehicle (SCV) segment, which has otherwise been the key growth driver for the industry. In 2013-14, sales of Light Commercial Vehicles (LCV) declined by 17% on a YoY basis following five years of strong growth. The Medium and Heavy Commercial Vehicle (M & HCV) also continues to bore the brunt of slowing industrial activity, weak investment sentiment and the impact of significant fleet capacity addition over the past three years. Within the M & HCV segment, the demand for the higher tonnage category of trucks such as tippers, tractor trailers and Multi-Axle Vehicles (MAVs) continue to be the most impacted during the current fiscal, indicative of the subdued macro-economic environment.

From fleet operator's perspective, the current operating environment has been characterized by low freight availability, stiff competition as a result of surplus capacity in the trucking system (i.e. M & HCV sales nearly doubled between FY09-12, bringing down the average age of M & HCVs population to a 10 year low) and steadily rising operating costs in wake of gradually rising diesel prices. Besides increase in fuel costs, the road logistics sector has also been facing cost pressures on account of rising

driver salaries, toll charges and overall repair and maintenance of vehicles. The increase in some of these costs is generally not a pass through for fleet operators, which along reduced trips per month has put pressure on viability of fleet operators. As a result, capacity deferment and implementation of cost rationalization measures have been at the forefront for even the organized fleet transporters. Our channel check with dealers and organized fleet operators suggest that most the CV purchases are for replacing older fleets. In comparison to the road transportation sector, the trend in freight carried by Railways has also faced some slowdown but given the fact it caters to some of the essential bulk commodity segments such as iron ore, coal, fertilizers etc., the slowdown has not been steep. For instance, in April-August 2013, total freight carried by Railways grew by ~5% on a YoY basis. Table 2 shows the declines in production and sales of M & HCV from 2012-13 to 2013-14.

Table -2 M & HCV Production and Sales numbers.

Figures in units

Category	2012-13	2013-14	Growth
M & HCV production	280,677	221,626	(21%)
M & HCV Sales	288,213	224,440	(22%)

Source: SIAM

II. Business outlook and overview

India's economic performance remains muted for the time being, restrained by a high cost of financing and a difficult business environment that reflects heavy bureaucracy and weak infrastructure, particularly in terms of transport, energy and information technology.

Growth: The economic growth outlook for the year 2014-15 is to be in the range of 5.0%~6.5% as estimated by various rating

agencies and Government bodies, on the back of a recuperating export sector contributed by global recovery, and a pick-up in investment that reflects authorities' efforts to clear structural bottlenecks delaying large industrial projects. The mining sector, which has been plagued by policy issues since July 2011, is also forecast to expand for the first time in three years. Consumer spending growth will likely remain modest relative to historical standards due to weak confidence and high inflation that is eroding households' real incomes.

Inflation & Monetary Context: For more than a year now, inflation continues to remain untamed. Meanwhile, leakages in the food and petroleum sectors the two key drivers of inflation persist. And critical road and rail infrastructure projects are progressing only slowly, preventing Indian businesses from exploiting the shortest possible routes to efficiently transport food, raw materials and petroleum products. The Reserve Bank of India (RBI) aims to guide consumer price inflation to below 8% by January 2015 - and gradually to 4% over a three year horizon as part of its process to move toward an inflation-targeting monetary policy framework. As a favourable monsoon last year is limiting food cost gains, consumer price inflation has dropped in the past few months. The RBI noted that conditional on enduring disinflation; further monetary tightening is not anticipated in the near term.

III. Opportunities & Threats

The Company provides safety and vehicle control solutions to the commercial vehicle segment of the automotive industry.

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) tender towards purchase of 10,000 busses is being floated State Transport Unit (STU) wise. This is likely to boost the CV sector as production of these buses materializes. Local market growth opportunities through increase in content per vehicle in the form of introducing new systems / technologies like Automated Manual Transmission (AMT), Automatic Slack Adjusters, Adjusting valve, higher capacity compressors etc., and post regulation volumes of ABS will result in increased business opportunities.

In the Aftermarket side, further potential in retro fitment of Auto-Manual Transmission (AMT) is being explored. The Lift Axel Control Valve volumes for Aftermarket are likely to mature by end of this year. In addition, the aftermarket is also planning to introduce new products like Trailer Anti-lock Braking System (ABS) and Electronic Braking System (EBS), front pressure limiting valve and Electronically Controlled Air Suspension (ECAS) to market for increasing the sales.

So far, the Company has commissioned 175 authorized service centers at strategic locations across the country, to provide quicker and better service on air brake aggregates. Further, to improve availability of quality service in rural areas, the company also plans to initiate 75 authorised service centers into the network. A new warehouse has been established in Pune to

ensure better fill rate and hence lower lead time to procure Aftermarket parts. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the Company.

The Company's competitors have an active presence in India and are trying to establish a base through new investments in production and R & D facilities.

IV. Risks and concerns

The cyclical nature of the Indian commercial vehicle industry (Company's major customer segment) might affect the demand. In 2014-15, operating expenses are likely to rise with the expected increase in prices of key raw materials.

The trend in prices of key raw materials is as follows:-

- Steel prices have been rising in the year 2013-14 especially in the second half and have increased by 3.5% compared to 2012-13. This is primarily due to the fact that the weakening of the Indian Rupee has led to the prime producers to reap benefits of exports thereby reducing the availability of material for domestic consumption leading to higher domestic prices. Fall in Indian rupee against US Dollar by 19.7% in 2013-14 has impacted on the key raw materials imports - Iron ore and coal.
- Domestic aluminum prices increased by 11% in 2013-14 compared to 2012-13. The impact of drop in London Metal Exchange (LME) index did not have any effect on aluminum price due to weaker Indian rupee against dollar. The steep rise in price of furnace oil during 2013-14 by over 30% compared to 2012-13 has impacted the aluminum price. Average aluminum prices are expected to be 15 - 18% higher in 2014-15, as compared to 2013-14 levels primarily due to depreciating rupee.
- Average rubber prices are expected to be 10-12% higher in 2014-15, as compared to 2013-14 levels due to continuous increase in synthetic rubber prices driven by adverse forex impact.

The sensitivity of transporters' profitability to the increase in vehicle cost would determine the extent of the incremental cost actually passed on to the end customer. Commercial Vehicles manufacturers no longer want to compensate their suppliers for any increases rather they are expecting aggressive cost reduction from their Tier- I suppliers.

Since, major growth is expected from Exports as well as from new systems; new product launch at the right time will be the focus area. Suitable measures have been factored in the company's operating plan. The OEM customers across the world would continue their pressure on price reduction from their suppliers. The Company plans to mitigate this risk through cost reduction initiatives such as value engineering, and global sourcing.

V. Internal control system and their adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition thereof. All transactions are authorized, recorded and reported correctly. The internal controls are checked by internal auditors. The observations made by them, management action and time frame are reviewed by the audit committee of the Board of Directors. Concerns if any are reported to the Board.

VI. Operations review**A. Manufacturing**

In 2012-13, as part of expansion and to set up a plant near the major customers, the company completed the construction of its plant near Lucknow in the State of Uttar Pradesh. The Company commenced commercial production during September 2013.

The Company's manufacturing facilities follow the best practices such as Total Quality Management (TQM), Total Productive Maintenance (TPM) and Lean Manufacturing and has best-in-class practices for safety, work environment, water and energy conservation. These initiatives are deployed companywide to achieve significant improvement in productivity and reduction in manufacturing cost.

Continuous improvement actions are implemented to improve manufacturing quality and productivity in all the manufacturing locations.

During the year under review, the company obtained awards and appreciation from customers, which include "Excellence in Innovation and Technology" award from TATA Motors Limited, "Outstanding contribution to New Product Development" award from Volvo Eicher Commercial Vehicles Limited, "Best in Class performance in Environment Friendly initiatives" award from Ashok Leyland Limited. Other awards include "Silver trophy for star performer in exports for the year 2011-12" from EEPC INDIA, "Strong Commitment to HR Excellence" award at the 4th CII National HR Excellence Award celebrations, "CII EHS Excellence award" for best EHS practices from CII southern region, "Frost & Sullivan Gold Award" for manufacturing excellence for Mahindra World City plant.

B. Quality

The quality system at the plants aim at achieving total customer satisfaction through its focus on improving product quality to world standards. This is achieved through total employee involvement and continuous improvement culture. Rigorous usage of poka-yokes, utilization of statistical tools for process optimization and control also contribute towards improving the product quality.

The standardization of the quality procedures is aligned with QS 9000 / TS 16949 requirements. The Company is certified for TS 16949.

TQM is a way of life at the Company. 100% participation in employee involvement has been successful for the past 14 consecutive years.

Employees have completed more than 180 projects by applying statistical tools through QC Circles in 2013-14. The average number of suggestions implemented per employee is 48 in 2013-14 which is close to international benchmark.

C. Cost management

The Company continues its rigorous focus on its costs through an effective cost deployment system. Value engineering and global sourcing projects are being pursued for cost reduction and also to insulate from cost escalation. Cost reduction workshops are conducted periodically to identify cost reduction opportunities on various product groups. Some of the strategies for cost reduction include material change, process change, source change etc. Commodity sourcing from prime producers and price negotiation with customers help in managing the cost effectively and efficiently.

Other significant cost reduction projects include;

- Usage of new generation cutting tools, thereby improving the productivity levels.
- Utilizing third party power to reduce energy cost.
- Low cost automation to improve the productivity.

D. Information Technology

The Company uses ERP system that integrates all business processes across the Company as well as customers and suppliers. During the year, the Company has focused on further leveraging the ERP system. Special emphasis on automation of repetitive activities through the usage of IT was done across several functions. Projects focused towards paperless office such as e-Purchase order system, on-line field claims processing system, on-line attendance monitoring system, on-line leave management system, IT based medical centre administration etc. have been implemented and are being utilized in improving the office administration productivity.

VII. Human Resource Development

The Company focuses on attracting the best talent and enjoys a good brand image across leading educational institutions and talent pool. The current average hiring speed of the lateral talent is within 80 days. The Company blends successfully mid career

recruitment with internally grown talent through a robust globally managed talent management process. Rewards and recognition system is in place to retain and provide fast track growth for high potential employees. Talent Retreat workshops are undertaken every year by the Leadership to identify such high potential employees and facilitate career moves within India and Global sites. Our Voluntary attrition rate is at 7.28%, while similar Industry attrition rates are at an average of 11%

Potential talents are sponsored to overseas and inland universities for developing their capabilities to handle new technologies and management practices. Customized management development programs have been developed in partnership with reputed educational institutions to hone the leadership skills of the senior executives. **Next Gen Leadership programs** were conducted to identify and nurture critical mass of young, talented individuals with the potential to occupy key positions in the company. **Let's Get Acquainted** is another unique initiative - a platform to develop a cohesive work environment between supervisor and subordinate which enables them to complement each other and enhance their individual capabilities.

The year 2014 saw the launch of a change management program, **WIN 2.0** with a primary vision of elevating the organization to the next level of world class performance to deliver consistent high performance in any environment through inspired employees and robust products and processes. This change management program is necessitated by the changing requirements of global customers.

The company participated in the CII HR Excellence Award and bagged the prize for "**Strong commitment to HR Excellence**".

As of 31st March 2014, the Company had 1,112 employees on its rolls.

VIII. Environment & Safety

Safety management is integrated with the overall Safety Health and Environment (SHE) management system. Further, the Company successfully observed "Safety Months" programs and conducted various safety awareness events for the employees. Chennai plant has been awarded with EHS Excellence award from CII Southern India for implementing the best EHS practices.

The Company also won the outstanding award for "CII Environmental Best Practices Award" organized by CII.

The Company is committed to energy conservation. During the year the following implemented projects gained momentum;

- 15 KW solar plant installed at roof top for lighting purpose.
- Compressed testing oil recycled and reused for same purpose.
- About 220 saplings planted across all the plant locations.

IX. Community development and social responsibility

As a corporate citizen, the Company believes in its social responsibility and community development activities. This year the team planned to contribute to the society through internal engagement of employees, resources and driving activities which would help the needy. Employees at WABCO India made donations and contributed financially to bring cheer to destitute at "Siragu"- a Montessori School providing free education for homeless and under-privileged children, based in Chennai, India.

Company partnered with M/s. Chhota Baramari Panchayat Forest Saramik Sahyog Samiti Ltd, a Non-Governmental Organization, in constructing a Multipurpose Community Hall for the use of downtrodden tribal community living in and around villages of Saraikella Prakhand in Jharkhand state. This is to facilitate and support in effective development of the socio economic weaker section of the society, tribal community, forest workers, living mostly in hutments and most of them are illiterates. This community requires assistance from the outside public and social welfare organizations even to meet its essential needs. These villages lack various infrastructure and amenities for which our organization intend to cater to the basic needs of the local community. Also Company organized a free medical camp in association with Red Cross Society, Govt. Middle School Uparbera Gamharia. 13 members specialist medical team included General Physicians, Chromo Therapy, Dermatologists, Master Trainer Health and Medicine and Paramedical staff and nurses. Various age group of people with ailment ranging from diabetes, heart ailments, gynecological disorders, skin diseases, ENT, ophthalmologic and dental problems were benefited from the medical camp.

WABCO INDIA LIMITED

X. Financial statement

Particulars	Year ended 31 st March 2014		Year ended 31 st March 2013	
	Rs. in lakhs	%	Rs. in lakhs	%
Sales (net)	1,04,582.49	91.9	91,735.78	93.7
Other Operating income	6,487.60	5.7	4,856.60	5.0
Other income	2,721.18	2.4	1,263.50	1.3
Total income	1,13,791.27	100.0	97,855.88	100.0
Raw materials consumed	63,287.63	55.6	51,080.88	52.2
Changes in inventories of Finished goods and WIP	99.35	0.1	638.07	0.7
Staff cost	12,525.48	11.0	10,701.04	10.9
Stores & tools consumed	4,668.43	4.1	2,943.92	3.0
Power & fuel	1,966.17	1.7	1,756.13	1.8
Repairs & maintenance	1,107.45	1.0	1,016.72	1.0
Other expenses	10,800.51	9.5	9,050.75	9.2
Finance costs	14.46	0.0	1.76	0.0
Depreciation	3,215.09	2.8	2,171.78	2.2
Total expenditure	97,684.57	85.8	79,361.05	81.0
Profit before tax	16,106.70	14.2	18,494.83	19.0
Provision for taxation	4,358.92	3.8	5,416.00	5.5
Profit after tax	11,747.78	10.4	13,078.83	13.5

XI. Cautionary statement

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws 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, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on corporate Governance

1. Company's philosophy on code of governance

The Company believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance. The Company would constantly endeavour to improve on these aspects.

2. Board of directors

2.1 Composition and category of directors:

As of 31st March 2014, the total strength of the Board of Directors (the board) was eight directors. All the directors except the Whole-time Director are Non-Executive Directors.

Out of the seven Non-Executive Directors, three Directors viz., Messrs. M Lakshminarayan (Chairman), D E Udawadia and Narayan K Seshadri are independent directors. Chairman is a Director and not related to any promoter of the Company as defined under Clause 49 of the Listing Agreement.

The number of Independent Directors is one third of its total strength. Thus, the Company meets with the

requirements of composition of the board as per the Listing Agreement.

2.2 Board Meetings:

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the committees / board in order to assist the Directors for planning their schedules to participate in the meetings.

During the year 2013-14, the Board met 4 times on 15th May 2013, 23rd July 2013, 25th October 2013 and 28th January 2014 and the gap between two meetings did not exceed four months.

2.3 Attendance and other directorships:

The details of attendance of the Directors at the board meetings, during the year, and at the last Annual General Meeting held on 24th July 2013 and also the number of other directorships and committee memberships / chairmanships as on 31st March 2014 is as follows:

Name of the director Messrs	Category	Attendance particulars		Number of directorships and committee member / chairmanships		
		Board meeting	Last AGM	Other directorships*	Committee memberships**	Committee chairmanships
M Lakshminarayan	C-I	3	Yes	9	3	1
P Kaniappan	WTD-NI	4	Yes	1	–	–
Narayan K Seshadri	NE-I	4	Yes	14	6	1
D E Udawadia	NE-I	3	Yes	17	7	1
Leon Liu \$	NE-NI	–	No	12	–	–
Trevor Lucas \$	NE-NI	4	Yes	–	–	–
Vincent Pickering \$	NE-NI	2	Yes	24	–	–
Michael Edward Thompson \$	NE-NI	2	Yes	1	–	–

* includes private companies.

** includes committees where the director is also chairman.

\$ includes directorship in foreign companies.

C-I : Chairman Independent

WTD-NI: Whole-time Director - Non-Independent Director

NE-I : Non-Executive - Independent Director

NE-NI : Non-Executive - Non-Independent Director

None of the Directors is a member in more than 10 board level committees or chairman of more than 5 such committees, as required under Clause 49 of the listing agreement.

2.4 Access to information and Updation to directors:

The board reviews all information provided periodically for discussion and consideration at its meetings in terms of Clause 49 of the Listing Agreement.

Functional heads are present whenever necessary and apprise all the directors about the developments. They also make presentations to the board and audit committee of directors.

Apart from this, the observations of audit carried out by the internal auditors and the compliance report on payment of statutory liabilities submitted by a firm of Chartered Accountants are placed at the audit committee of the directors.

The board also reviews the declarations made by the Whole-time Director, Vice President- Legal and General Manager - Finance and Company Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

2.5 Code of Business Conduct and Ethics for board and senior management personnel:

The Company has in place the Code of Business Conduct and Ethics for Board and Senior Management personnel (the Code) approved by the board. The Code has been communicated to Directors and the members of the senior management. The Code has also been displayed on the Company's website www.wabcoindia.com.

All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2014. The annual report contains a declaration to this effect signed by the Whole-time Director and General Manager - Finance and Company Secretary of the Company as compliance officer for the Code.

2.6 Appointment of directors:

In terms of Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and their relationships with other directors are provided in the notice convening the ensuing annual general meeting of the Company.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

3.1 Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the following responsibilities to supervise the Company's internal control and financial reporting process:

1. To recommend for appointment, remuneration and terms of appointment of auditors of the company;
2. To approve payment to statutory auditors for any other services rendered by the statutory auditors;
3. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
4. To examine the financial statement and the auditors' report thereon;
5. To approve of transactions of the Company with related parties or any subsequent modifications;
6. To scrutinise inter-corporate loans and investments;
7. To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
8. To evaluate internal financial controls and risk management systems;
9. To monitor the end use of funds raised through public offers and related matters.
10. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may discuss any related issues with the internal and statutory auditors and the management of the company. To investigate any activity within its terms of reference of the Companies Act, 2013 or referred to it by the Board and for its purpose, shall have full access to information contained in the records of the Company and external professional, legal or other advice, if necessary;
11. To seek information from any employee;
12. To obtain outside legal or other professional advice; and
13. To secure attendance of outsiders with relevant expertise, if it considers necessary;
14. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
15. To review, with the management, the annual financial statements and auditor's report thereon before

submission to the board for approval, with particular reference to:

- a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. qualifications in the draft audit report.
16. To review, with the management, the quarterly financial statements before submission to the board for approval;
 17. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 18. To review, with the management, performance of internal auditors, adequacy of the internal control systems;
 19. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 20. To discuss with internal auditors any significant findings and follow up there on;
 21. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 22. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as

well as post-audit discussion to ascertain any area of concern;

23. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
24. To review the functioning of the Whistle Blower mechanism;
25. To approve appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee time to time.

The auditors of a Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

3.2 Composition, name of members and the chairman of the Audit Committee:

As of date, the Audit Committee consists of the following directors:

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
D E Udwadia	Non-executive, Independent director
Trevor Lucas	Non-executive, Non-Independent director
M Lakshminarayan@	Non-executive, Independent director

@ appointed as a member of audit committee only for the meeting held on 28th January 2014.

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Audit Committee. Mr N Sivalai Senthilnathan, General Manager - Finance and Company Secretary of the Company acts as the Secretary of the Audit Committee.

Chairman of the Audit Committee was present at the annual general meeting held on 24th July 2013. The composition of the committee is in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and Section 177 of the Companies Act, 2013.

- 3.3 The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
15 th May 2013	Narayan K Seshadri, D E Udwardia and Trevor Lucas
23 rd July 2013	Narayan K Seshadri, D E Udwardia and Trevor Lucas
25 th October 2013	Narayan K Seshadri, D E Udwardia and Trevor Lucas
28 th January 2014	Narayan K Seshadri, Trevor Lucas and M Lakshminarayan

4. Disclosures

- 4.1 Materially significant related party transactions:

During the year, the Company has not entered into any transaction of material nature with the directors, their relatives or management which is in conflict with the interests of the Company.

The transactions with the related parties, namely its promoters, its subsidiary and associate companies etc., are of routine nature and have been reported elsewhere in the annual report as per Accounting Standard 18 (AS 18) issued by The Institute of Chartered Accountants of India.

The Audit Committee is briefed, *inter alia*, on the following aspects:

- (i) the related party transactions undertaken by the Company in the ordinary course of business (summary);
- (ii) material individual transactions, if any, which were not in the normal course of business; and
- (iii) material individual transactions, if any, with related parties or others, which were not at arm's length basis.

- 4.2 Disclosure of accounting treatment:

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006.

- 4.3 Risk Management:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

- 4.4 Instances of non-compliances, if any:

There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory

authorities on any matter related to the capital markets during the last three years.

- 4.5 Disclosure by senior management personnel:

The senior management personnel have made disclosure to the board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

- 4.6 CEO and CFO Certification:

The Whole-time Director (CEO) and Chief Financial Officer (CFO) of the Company have certified to the board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March 2014.

- 4.7 Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of Clause 49 of the Listing Agreement. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

- 4.8 Management discussion and Analysis Report:

The Management Discussion and Analysis Report has been attached to the Directors' Report.

5. Nomination and Remuneration Committee

The Board constituted a Nomination and Remuneration Committee in terms of Section 177 of the Companies Act, 2013.

Composition, name of members and the chairman of the Committee, as of date, the Committee consists of the following directors:

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
M Lakshminarayan	Non-executive, Independent director
D E Udwardia	Non-executive, Independent director
Leon Liu	Non-executive, Non-Independent director
Vincent Pickering	Non-executive, Non-Independent director

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Nomination and Remuneration Committee. Mr N Sivalai Senthilnathan, General Manager - Finance and Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

5.1 Remuneration to directors:

Mr P Kaniappan, director of the Company, was appointed as a Whole-time Director of the Company for a period of five years effective 17th June 2009 on a remuneration consisting salary and other perquisites in terms of the agreement entered into between him and the Company on 17th June 2009. A supplemental agreement was entered with Mr P Kaniappan on 28th July 2010 to give effect to the increase in remuneration effective 1st April 2010 and approved by the shareholders at their meeting held on 26th August 2010.

A second supplemental agreement was entered with Mr P Kaniappan on 23rd May 2012 to give effect to the increase in remuneration effective 1st July 2012 and approved by the shareholders at their meeting held on 25th July 2012.

The remuneration payable to the Whole-time Director is fixed by the board within the limits approved by the shareholders in terms of the relevant provisions of the Companies Act, 1956.

The present term of office of the Mr P Kaniappan, as approved by the shareholders, comes to an end on 16th June, 2014. The members of the Nomination and Remuneration Committee recommended to the Board to re-appoint him with a re-designation as Managing Director of the Company for a period of five years from 17th June 2014. The Board of directors of the Company at its meeting held on 20th May, 2014 appointed him as Managing director of the Company for the period of 5 years from 17th June 2014 subject to the approval of the shareholders.

As approved by the shareholders by passing special resolution by postal ballot on 21st December 2010, non executive independent directors are being paid commission not exceeding 1 % of the net profits of the Company subject to a limit of Rs 7.50 lakhs per annum per director fixed by the board of directors, for every financial year for a period of five years from 1st April 2011 to 31st March 2016.

5.2 Particulars of sitting fees paid to non executive directors and commission payable to non-executive independent directors during the financial year 2013-14.

Name of the directors Messrs	Sitting fee (Rs.)	Commission (Rs.)	Total (Rs.)
M Lakshminarayan	60,000	7,50,000	8,10,000
D E Udwadia	90,000	7,50,000	8,40,000
Narayan K Seshadri	1,80,000	7,50,000	9,30,000
Total	3,30,000	22,50,000	25,80,000

Other non-executive directors, Messrs Leon Liu, Trevor Lucas, Vincent Pickering and Michael Edward Thompson have waived the sitting fees payable to them.

During the year, the Company paid Rs. 1.74 lakhs to M/s. Udwadia Udeshi & Argus Partners, Solicitors & Advocates, Mumbai, as fees for professional services that were provided by the said firm to the Company on specific legal matters entrusted to them from time to time. Mr D E Udwadia is a partner of M/s. Udwadia Udeshi &

Argus Partners. The Board does not consider the firms' association with the Company to be of any material nature so as to affect the independence of judgement of Mr D E Udwadia as a Director of the Company.

5.3 Details of shareholdings of non-executive directors in the Company as on 31st March 2014:

Mr M Lakshminarayan holds 50 shares and all other directors do not hold any share in the Company. There are no other material pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company. None of the directors is related to each other.

5.4 Particulars of remuneration paid to the Whole-time Director during the financial year 2013-14:

(Rs. in lakhs)

Name of the director Messrs	Salary	Contribution to PF and other funds	Perquisites & Allowances	Total
P Kaniappan	70.28	6.65	27.10	104.03

5.5 Presently, the Company does not have a scheme for grant of any stock option either to the executive directors or employees.

6. Stakeholders Relationship Committee:

(formerly known as Investors' Grievance Committee)

6.1 The Stakeholders Relationship Committee (formerly known as Investors' Grievance Committee)

Composition, name of members and the chairman of the Stakeholders Relationship Committee:

As of date, the Stakeholders Relationship Committee consists of the following directors:

Name of the directors - Messrs	Status
D E Udwadia \$	Non-executive, Independent director
Narayan K Seshadri @	Non-executive, Independent director
Trevor Lucas	Non-executive, Non-Independent director
P Kaniappan	Executive, Non-Independent director

\$ appointed on 20th May 2014 as a chairman of the Stakeholders Relationship Committee.

@ Relinquished as a member and chairman of the Stakeholders Relationship Committee on 20th May 2014.

The Committee met four times during the year on 15th May 2013, 23rd July 2013, 25th October 2013 and 28th January 2014.

6.2 As required by Securities and Exchange Board of India (SEBI), Mr N Sivalai Senthilnathan General Manager - Finance and Company Secretary of the Company has been appointed as Compliance Officer. For any clarification

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/ complaint, the shareholders may contact Mr N Sivalai Senthilnathan, General Manager- Finance and Company Secretary of the Company at sivalaisenthilnathan.n@wabco-auto.com.

- 6.3 The committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. The committee also looks into the redressal of investors' grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Company, as a matter of policy, disposes investor complaints within a span of seven days.

- 6.4 Complaints received and redressed during the year 2013-14:

S.No.	Nature of complaint	No. of complaints
1	Demat request	1
2	Non receipt of dividend warrants	2
	Total	3

- 6.5. All the complaints were resolved and, as on 31st March 2014, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

- 6.6 Secretarial Audit

A qualified practising company secretary carried out secretarial audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and placed the report for perusal of the Board. The secretarial audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized form held with NSDL and CDSL.

7. Corporate Social Responsibility Committee (CSR Committee)

The Board constituted a Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013.

Composition, name of members and the chairman of the Committee, as of date, the Committee consists of the following directors:

Name of the directors - Messrs	Status
M Lakshminarayan	Non-executive, Independent director
Leon Liu	Non-executive, Non-Independent director
P Kaniappan	Executive, Non-Independent director
Trevor Lucas	Non-executive, Non-Independent director

Mr M Lakshminarayan, Independent Director, is the Chairman of the CSR Committee. Mr N Sivalai Senthilnathan, General Manager - Finance and Company Secretary of the Company acts as the Secretary of the CSR Committee.

8. General body meeting:

- 8.1 Location and time where the Annual General Meetings were held during the last three years.

Year	Location	Date	Time
2010-11	The Music Academy, New No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	27.07.2011	10.00 A.M.
2011-12	The Music Academy, New No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	25.07.2012	10.00 A.M.
2012-13	The Music Academy, New No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	24.07.2013	10.00 A.M.

- 8.2 Special resolutions passed in the previous three annual general meetings:

- Approval of shareholders by way of Special Resolution was obtained pursuant to Section 309 of the Companies Act, 1956 for payment of commission to Non-Executive Independent Directors effective 1st April 2011 by way of Postal Ballot process. The result was announced on 21st December 2010.
- At the annual general meeting of the Shareholders of the Company held on 27th July 2011, consent / approval of the shareholders was obtained for change of name of the Company pursuant to Section 21 of the Companies Act, 1956. Approval of Central Government was obtained on 2nd August 2011 and fresh certificate of incorporation was issued by the Registrar of Companies Chennai on 2nd August 2011 consequent upon change of name of the Company.
- Approval of shareholders by way of Special Resolution was obtained pursuant to Section 163 of the Companies Act, 1956 ("the Act") for keeping the register of members, the index of members, the register and index of debenture holders if any and copies of all returns prepared under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act, at the new office of the Share Transfer Agent viz., Sundaram-Clayton Limited at "Jayalakshmi Estates", No. 29 Haddows Road, Chennai 600 006. The result was announced on 16th April 2013.

- 8.3 None of the subjects placed before the shareholders in the last / ensuing Annual General Meeting required / requires approval by a postal ballot.

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9. Means of communication

9.1 Quarterly results:

The unaudited quarterly financial results of the Company were published in the English and vernacular newspapers. These are not sent individually to the shareholders.

9.2 Newspapers wherein results normally published:

The results are normally being published in any one of the English newspapers, namely "Times of India", "The Hindu", "Business Line", or "Financial Express" and the Tamil version in a Tamil daily viz., "Dinamani".

9.3 Website:

The Company has in place a web site addressed as www.wabcoindia.com. The unaudited results, quarterly compliance report on corporate governance and the quarterly distribution schedules as filed with the Stock Exchanges are published in Company website. The Company makes use of its website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

10. General shareholder information

10.1 Annual general meeting:

Date and time : 22nd July 2014 at 10.45 a.m.
Venue : "The Music Academy",
New No. 168 (Old No. 306)
T.T.K. Road, Chennai 600 014

10.2 Financial year : 1st April to 31st March

Financial calendar
2014-15 (Tentative) :
Financial reporting for
the quarter ending : Financial calendar
30th June 2014 : between 15th to 31st July 2014
30th September 2014 : between 15th to 31st October 2014
31st December 2014 : between 15th to 31st January 2015
31st March 2015 : between 15th to 31st May 2015
Annual General Meeting
(next year) : July / August 2015

10.3 Date of book closure : 21st July 2014 to 22nd July 2014 (both days inclusive)

10.4 Particulars of dividend payment

The board of directors had recommended a dividend of Rs.5.00 per share for the year 2012-13, absorbing a sum of Rs.948.38 lakhs, and approved by the shareholders in the last annual general meeting. This dividend was paid on 30th July 2013.

10.5 Listing on Stock Exchanges:

Name of the stock exchange	Stock code
Madras Stock Exchange Ltd. (MSE)	—
BSE Ltd. (BSE)	533023
National Stock Exchange of India Ltd. (NSE)	WABCOINDIA
ISIN allotted by depositories	INE342J01019
(Company ID Number)	

(Note: Annual listing fees for the year 2014-15 have been duly paid to the above stock exchanges).

10.6 Market Price Data: (Amount in Rupees)

Month	National Stock Exchange		Bombay Stock Exchange	
	Share Price		Share Price	
	High	Low	High	Low
April-13	1,447.00	1,250.00	1,430.00	1,250.15
May-13	1,724.00	1,336.00	1,848.00	1,332.15
June-13	1,778.00	1,591.05	1,774.00	1,598.00
July-13	1,810.00	1,607.15	1,814.60	1,605.05
August-13	1,769.85	1,504.00	1,758.60	1,509.50
September-13	1,744.00	1,555.50	1,730.00	1,560.00
October-13	1,820.00	1,670.05	1,810.00	1,679.00
November-13	1,778.55	1,602.65	1,750.00	1,640.00
December-13	2,095.00	1,678.00	2,093.90	1,674.50
January-14	2,071.70	1,801.00	2,039.95	1,817.90
February-14	1,899.00	1,660.00	1,944.45	1,682.00
March-14	2,050.00	1,720.05	2,039.00	1,720.00

10.7 Share Transfer Agents (STA) and share transfer system:

- With a view to rendering prompt and efficient service to the investors, Messrs Sundaram-Clayton Limited (SCL), which has been registered with SEBI as the Share Transfer Agent (STA) in Category II, has been appointed as the STA of the Company.

The shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.

- All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned elsewhere in this report.
- Shares lodged for transfer will be processed within 10 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation will be given to the depositories within 7 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc will be processed by the STA within 7 days.
- Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, will be issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

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- e. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company will be obtained.
- f. The Company, as required under Clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in (share transfer agent) / sivalaisenthilnathan.n@wabco-auto.com (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- g. The shareholders are, therefore, requested to correspond with the STA at the address mentioned elsewhere in this report for any change of names and queries pertaining to the shareholding and dividends etc.
- h. During the year STA has shifted the office and in this regard shareholders have given the approval through postal ballot process. Therefore, shareholders are requested to correspond with the STA at "Jayalakshmi Estates" First Floor, No.29 Haddows Road, Chennai 600 006.

10.8 Shareholding pattern as on 31st March 2014:

Particulars	No. of shares held	% to total
(a) Shareholding of Promoter and Promoter Group		
(1) Indian - Bodies Corporate	—	—
(2) Foreign- Bodies Corporate	1,42,25,684	75.00
Total Shareholding of Promoter and promoter Group (A)	1,42,25,684	75.00
(b) Public Shareholding		
1. Institutions		
(a) Mutual Funds	16,49,267	8.70
(b) Banks, Financial Institutions, Insurance Companies (Central, State Government Institutions, Non-Government Institutions)	6,002	0.03
(c) Foreign Institutional Investors	4,74,728	2.50
Sub Total Institutions	21,29,997	11.23
2. Non - Institutions		
a) Bodies Corporate	7,33,029	3.86
b) Individuals <1 lakh	15,88,727	8.38
c) Individuals >1 lakh	2,59,143	1.37
d) NRI - Repatriable	14,216	0.07
e) NRI - Non - Repatriable	16,788	0.09
Sub Total Non - Institutions	26,11,903	13.77
Total (B)	47,41,900	25.00
Grand Total (A) +(B)	1,89,67,584	100.00

10.9 Distribution of Shareholding as on 31st March 2014:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	16,91,351	8.92	16,083	99.51
5,001 - 10,000	1,83,720	0.97	24	0.15
10,001 - 20,000	2,60,667	1.37	19	0.11
20,001 - 50,000	5,50,695	2.90	18	0.11
50,001 - 1,00,000	6,46,460	3.41	9	0.06
1,00,001 & above	1,56,34,691	82.43	9	0.06
Total	1,89,67,584	100.00	16,162	100.00

10.10 Dematerialization of shares and liquidity:

Out of 47,41,900 shares held by persons other than promoters, 44,61,486 shares have been dematerialised as on 31st March 2014 accounting for 94.09%.

10.11 The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

10.12 Plant locations:

- Factories:
- Plot No. 3 (SP), III Main Road, Ambattur Industrial Estate, Chennai 600 058.
Tel : 044 4224 2000
Fax : 044 4224 2009
 - Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832 108.
Tel : 0657 661 6800
Fax : 0657 238 7997
 - Plant - 1 & Plate - 2 at:
Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603 002 Tamil Nadu
Tel. : 044 3090 1200
 - Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Rudrapur Udhm Singh Nagar, Uttarakhand - 263 153
Tel. : 05944 250885
 - KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki Lucknow, Uttar Pradesh 225 123
Tel. : 05248 230065

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Software Design Centre:
"Ispahani Centre", 5th & 7th Floor,
123/124 Nungambakkam High Road,
Chennai 600 034.
Tel : 044-2828 5000
Fax : 044-2833 2212

10.13 Address for investors Correspondence:

- (i) For transfer / dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company. Sundaram-Clayton Limited Share transfer department "Jayalakshmi Estates" No. 29, Haddows Road, Chennai 600 006.
- (ii) for any query on non-receipt of annual report; and Tel : 044 2828 4959
044 2827 2233
Fax : 044 2825 7121
- (iii) for investors grievance & Email :
general correspondence kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in
sivalaisenthilnathan.n@wabco-auto.com

11. Non-mandatory disclosure:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

11.1 The Board:

During the year, the Ministry of Corporate Affairs (MCA) has notified certain provisions relating to selection, manner of appointment, role, functions, duties and re-appointment of Independent Directors (IDs) and made effective from 1st April 2014.

Accordingly, the IDs are eligible to hold office for a term of upto five consecutive years on the board and are eligible for re-appointment for the second term on passing special resolution by the Company in terms of Section 149(10) read with Section 149(5) of the Act 2013. During this period, they will not be liable to 'retire by rotation' as per Sections 150(2), 152(2) read with Schedule IV to the said Act 2013.

It is, therefore, proposed to appoint the IDs of the Company for a consecutive term of five years at the AGM in line with the requirement of the Companies Act, 2013.

Non-Executive Directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment.

11.2 Remuneration committee:

The Board of directors of the company has constituted the Nomination and Remuneration committee at their meeting held on 20th May, 2014. The terms of reference and function of the committee has specified in the item no.5 of corporate governance report.

11.3 Shareholder rights:

The half-yearly results of the Company will be published in English and vernacular newspapers and are also displayed on the Company's website, namely www.wabcoindia.com. The results are not sent to the shareholders individually.

11.4 Audit Qualifications:

The statutory financial statements of the Company are unqualified.

11.5 Training of board members / Mechanism for evaluating Non-Executive Directors:

The present board consists of well-experienced and responsible members of society. All the directors are well aware of business model as well as the risk profile of the business parameters of the Company and their responsibilities as directors. Hence, in the opinion of the board, they do not require any further training. There is also no specific mechanism for evaluating the performance of the Non-Executive Directors of the Company.

11.6 Whistle blower policy:

The Company is in the process of formulating the whistle blower policy. However, the Company has not denied access to any personnel to approach the management on any issue.

12. Request to shareholders:

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat / electronic form through any of the depository participants (DPs) to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) Mandate:

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode:

Shareholders should fill in complete and correct particulars in the securities transfer form, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the STA.

Shareholders are requested to note that as per SEBI circular no. MRD/DoP/Cir -05/1009 dated 20th May 2009, it is mandatory for

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transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificates, Shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / STA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Nomination in respect of shares - Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc.

It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to the Company or STA. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA to receive all communications promptly.

Shareholders, holding shares in electronic form are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc.

SMS Alerts:

Shareholders are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs).

No charge will be levied by NSDL / CDSL on DPs providing this facility to shareholders. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation / losing their right of claim owing

to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March, 2008 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to "Investors Education and Protection Fund" (IEPF) terms of Section 125 of the Companies Act, 2013. Shareholders are requested to note that as per the Companies Act, 2013, unclaimed dividends once transferred to IEPF will not be refunded.

Web based applications - SEBI / NSE

In line with the circular No. CIR/OIAE/2/2011 dated 3rd June 2011 from SEBI, the investors' complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically.

In line with the circular No. NSE/LIST/C/2011 dated 29th September 2011 from the National Stock Exchange of India Ltd, (NSE) the Company now uploads its quarterly shareholding pattern, corporate governance report, financial results, corporate announcements through a web based application designed for corporates by NSE called as NEAPS.

Information in respect of unclaimed dividends due for remittance into IEPF is given below:

PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2007-08 (2 nd interim)	20.08.2008	25.09.2008	25.09.2015
2008-09 (1 st Interim)	08.12.2008	13.01.2009	13.01.2016
2009-10	26.08.2010	01.10.2010	01.10.2017
2010-11	27.07.2011	01.09.2011	01.09.2018
2011-12	25.07.2012	30.08.2012	30.08.2019
2012-13	24.07.2013	24.08.2013	24.08.2020

WABCO INDIA LIMITED

Declaration pursuant to Clause 49 of the listing agreement regarding adherence to the Code of Business Conduct and Ethics

To

The Shareholders of WABCO INDIA LIMITED

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the relevant provision of Clause 49 of the Listing Agreement, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of directors for the year ended 31st March 2014.

Chennai
20th May 2014

P KANIAPPAN
Whole-time Director

N SIVALAI SENTHILNATHAN
General Manager - Finance and Company Secretary

Auditors' certificate on corporate governance

To

The Members of WABCO INDIA LIMITED

We have examined the compliance of conditions of corporate governance by WABCO INDIA Limited ('the Company'), for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Chennai
20th May 2014

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

Independent Auditors' report

To

The Members of **WABCO INDIA LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of WABCO INDIA LIMITED ("the company"), which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The balance Sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, the statement of profit and loss, and the cash flow statement comply with the Accounting Standards notified under the Act, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Place : Chennai
Date : May 20, 2014

WABCO INDIA LIMITED

Annexure referred to in paragraph 3 of our report of even date

Re: WABCO INDIA LIMITED ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the company and hence not commented upon.
- (b) According to information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4(iii) (e) to (g) of the Order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act, related to the manufacture of automotive parts and accessories and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess, investor education and protection fund and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess, investor education and protection fund and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Nature of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,010.59	2007 - 2008	Commissioner of Income Tax (Appeals), Chennai
Central Excise Act, 1944	Excise duty - Cenvat credit reversal	0.16	2008 - 2009 2009 - 2010	Commissioner of Central Excise (Appeals), Chennai
Central Excise Act, 1944	Excise duty - Cenvat credit availment on inputs and capital goods pertaining to R & D unit	45.16	2008 - 2009 2009 - 2010 2010 - 2011 2011 - 2012 2012 - 2013	Additional Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	2.93	2009 - 2010	Deputy Commissioner of Central Excise (Appeals), Chennai
Service Tax	Service tax- Credit reversal on certain inputs	19.21	2008 - 2009 2009 - 2010	The Customs, Excise and Service Tax Appellate Tribunal

WABCO INDIA LIMITED

Annexure referred to in paragraph 3 of our report of even date

Re: WABCO INDIA LIMITED ('the Company')

Nature of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service tax- Credit reversal on certain inputs	4.47	2010 - 2011	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax- Credit reversal on certain inputs	1.27	2010 - 2011	Deputy Commissioner of Central Excise, Chennai
Service Tax	Service tax- Credit reversal on certain inputs	4.11	2010 - 2011	Deputy Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	3.03	2011 - 2012	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax - Credit reversal on certain inputs	0.04	2011 - 2012	Deputy Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	1.33	2011 - 2012	Assistant Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	1.08	2012	Assistant Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	1.56	2010 - 2011	Assistant Commissioner of Central Excise, Chennai
Service Tax	Service tax - Credit reversal on certain inputs	17.23	2010 - 2011 2011 - 2012	Commissioner of Central Excise, Chennai
Service Tax	Service tax - Non-distribution of common services input credit	1.09	2012 - 2013	Assistant Commissioner of Central Excise, Chennai
Sales Tax	For sales made without C form and input tax credit availment for capital goods	86.05	2009 - 2010 2010 - 2011	Assistant Commissioner, Commercial Taxes, Chennai

that the Company has not defaulted in repayment of dues to banks. The company does not have dues payable to financial institutions or debenture holders.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Cause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion

Place : Chennai
Date : May 20, 2014

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO INDIA LIMITED

Balance Sheet as at 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Notes	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
Corporate information	1		
Basis of preparation	2		
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	948.38	948.38
Reserves and surplus	4	74,569.69	63,931.47
	(A)	<u>75,518.07</u>	<u>64,879.85</u>
Non-current liabilities			
Deferred tax liabilities (net)	5	1,614.46	1,170.64
Other long-term liabilities	6	4.00	4.00
Long-term provisions	7	1,660.56	1,427.08
	(B)	<u>3,279.02</u>	<u>2,601.72</u>
Current liabilities			
Trade payables	8.1	14,202.70	10,247.45
Other current liabilities	8.2	497.73	297.53
Short-term provisions	7	1,280.95	1,285.60
	(C)	<u>15,981.38</u>	<u>11,830.58</u>
TOTAL	(A+B+C)	<u>94,778.47</u>	<u>79,312.15</u>
ASSETS			
Non Current assets			
Fixed assets			
Tangible assets	9	30,344.77	26,208.75
Intangible assets	9	300.89	141.20
Capital work-in-progress	10	1,110.16	2,542.08
Non-current investments	11	220.24	220.24
Long-term loans and advances	12	2,369.26	1,565.52
	(A)	<u>34,345.32</u>	<u>30,677.79</u>
Current assets			
Current investments	15	4,800.00	2,325.00
Inventories	16	11,244.41	13,562.47
Trade receivables	13	23,147.38	18,983.53
Cash and cash equivalents	17	15,540.53	9,913.34
Short-term loans and advances	12	5,634.01	3,843.36
Other current assets	14	66.82	6.66
	(B)	<u>60,433.15</u>	<u>48,634.36</u>
TOTAL	(A + B)	<u>94,778.47</u>	<u>79,312.15</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board of directors of WABCO INDIA LIMITED

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

N SIVALAI SENTHILNATHAN
General Manager - Finance and Company Secretary

T S RAJAGOPALAN
Chief Financial Officer

Chennai, 20th May, 2014

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Per S BALASUBRAHMANYAM
Partner

Membership No. 053315

WABCO INDIA LIMITED

Statement of Profit & Loss for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Notes	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
CONTINUING OPERATIONS			
Revenue			
Revenue from operations (gross)	18	119,991.49	106,475.81
Less: Excise duty		8,921.40	9,883.43
Revenue from operations (net)		111,070.09	96,592.38
Other income	19	2,721.18	1,263.50
Total revenue (I)		113,791.27	97,855.88
Expenses			
Cost of raw material and components consumed	20	63,287.63	51,080.88
Changes in inventories of finished goods and work-in-process	21	99.35	638.07
Employee benefits expense	22	12,525.48	10,701.04
Other expenses	23	18,542.56	14,767.52
Finance costs	24	14.46	1.76
Depreciation and amortization expense	9	3,215.09	2,171.78
Total expenses (II)		97,684.57	79,361.05
Profit before tax (I - II)		16,106.70	18,494.83
Tax expenses			
Current tax		4,148.54	5,338.66
Deferred tax		443.82	77.34
Tax relating to earlier years		(233.44)	—
Total tax expense		4,358.92	5,416.00
Profit for the year		11,747.78	13,078.83
Summary of significant accounting policies	2.1		
Nominal value of each share in rupees		5.00	5.00
Basic and diluted earnings per share in rupees on 1,89,67,584 shares		61.94	68.95

The accompanying notes are an integral part of the financial statements.
For and on behalf of the board of directors of WABCO INDIA LIMITED

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

N SIVALAI SENTHILNATHAN
General Manager - Finance and Company Secretary

T S RAJAGOPALAN
Chief Financial Officer

Chennai, 20th May, 2014

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Year ended 31 st March 2014 ₹ lakhs	Year ended 31 st March 2013 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	16,106.70	18,494.83
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortization	3,215.09	2,171.78
Net foreign exchange loss (not realised)	189.53	44.86
Profit on sale of investments	(181.21)	(173.27)
Loss / (Profit) on sale of fixed assets (net)	1.74	9.96
Interest paid	14.46	1.76
Interest income	(882.32)	(718.28)
	<u>2,357.29</u>	<u>1,336.81</u>
Operating profit before working capital changes	18,463.99	19,831.64
Adjustments for:		
(Increase) / decrease in inventories	2,318.06	(1,986.23)
(Increase) / decrease in trade receivable	(4,376.89)	(3,278.52)
(Increase) / decrease in loans and advances	(1,870.56)	(114.52)
Increase / (decrease) in long term liabilities	-	(2.00)
Increase / (decrease) in trade payable and current liabilities	4,178.96	(509.17)
Increase / (decrease) in provisions	228.83	73.80
	<u>478.40</u>	<u>(5,816.64)</u>
	18,942.39	14,015.00
Direct taxes paid	(4,638.93)	(4,993.63)
Net cash from operating activities (A)	14,303.46	9,021.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including capital work-in-progress	(6,165.59)	(6,780.20)
Sale of fixed assets during the year	84.97	6.28
Purchase of investments	(31,225.00)	(30,199.96)
Redemption of investments	28,931.21	30,148.23
Interest received	822.16	722.12
Net cash from / (used in) investing activities (B)	(7,552.25)	(6,103.53)

WABCO INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		Year ended 31 st March 2014 ₹ lakhs	Year ended 31 st March 2013 ₹ lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend and dividend tax paid		(1,109.56)	(1,102.23)
Interest paid		(14.46)	(1.76)
Net cash from financing activities	(C)	<u>(1,124.02)</u>	<u>(1,103.99)</u>
D. NET INCREASE IN CASH AND CASH EQUIVALENTS			
	(A+B+C)	5,627.19	1,813.85
Opening cash and cash equivalents			
– Cash and bank balances	9,913.34		8,099.49
– Cash credit utilisation	–	9,913.34	–
Closing cash and cash equivalents			
– Cash and bank balances (refer note 17)	15,540.53		9,913.34
– Cash credit utilisation	–		–
		<u>15,540.53</u>	<u>9,913.34</u>

Notes :

- The above statement has been prepared in indirect method as per Accounting Standard 3.
- Cash and cash equivalent include cash and bank balances. Closing cash and cash equivalents include Rs 20.29 (31st March 2013 Rs 17.88) towards unpaid dividend accounts which are meant for settlement of unpaid dividend amounts.

For and on behalf of the board of directors of WABCO INDIA LIMITED

M LAKSHMINARAYAN
Chairman

N SIVALAI SENTHILNATHAN
General Manager - Finance and Company Secretary

Chennai, 20th May, 2014

P KANIAPPAN
Whole-time Director

T S RAJAGOPALAN
Chief Financial Officer

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

1. CORPORATE INFORMATION

WABCO INDIA LIMITED ("the Company") was incorporated originally as Auto (India) Engineering Limited on 18th November 2004. The name of the Company was changed to WABCO INDIA LIMITED on 2nd August 2011. The Company is into its present business pursuant to the scheme of demerger of the brakes division of Sundaram-Clayton Limited into the Company. The Company is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The company also provides software development services to the group companies.

On June 3, 2009, WABCO Holdings Inc., executed its step acquisition in WABCO and increased its percentage ownership to 75% by acquiring the shares from the other joint venture partner, TVS Group. Post-acquisition, the Company has become a subsidiary of WABCO Holdings Inc.

On June 28, 2013, M/s. Clayton Dewandre Holdings Limited, Rotterdam holding 75% of the equity shares of the company transferred the entire holding to M/s. WABCO Asia Private Limited, Singapore, a subsidiary of M/s. Clayton Dewandre Holdings Limited, Rotterdam.

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

(b) Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

All expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred other than expenses which increase the future benefit of the existing assets.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

(c) Depreciation on tangible fixed assets

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings	1.63% - 3.34%	1.63% - 3.34%
Plant and machinery	4.75% - 10.34%	4.75% - 10.34%
Tooling	33.33%	4.75% - 10.34%
Computers (included in office & other equipments)	30.00%	16.21%
Furniture, fixtures and equipments	6.33%	6.33%
Vehicles	18.00%	9.50%

Depreciation in respect of assets whose actual cost does not exceed Rs 5,000/- has been provided at 100%.

Leasehold lands are amortised on a straight line basis over the primary lease period ranging from 30 to 99 years.

Notes to financial statements for the year ended 31st March 2014**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period of two years based on management's estimate of useful lives of such software, or over the license period of the software, whichever is shorter.

Research costs are expensed as incurred.

(e) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value, if any, is made to recognise a decline other than temporary in the value of the investments.

(g) Leases

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item the leases are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and loss on a straight-line basis over the lease term. Operating lease arrangements of the company are cancellable.

(h) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

Work-in-process and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The company collects sales tax and value added tax (VAT) on behalf of the Government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Notes to financial statements for the year ended 31st March 2014**Income from services**

Revenues from services are recognised as per the terms of the contract as and when services are rendered. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Profit on sale of investments

Profit on sale of investment is recognised only at the time when the investments are realised.

(j) Foreign currency translation**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(k) Retirement and other employee benefits

Retirement benefits in the form of provident fund and employee state insurance are defined contribution schemes. The company has no obligation other than the contribution payable to the fund. The company recognises the contribution payable to the above schemes as an expenditure when the employee renders related service. If the contribution payable to the schemes for services received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If on the other hand the contribution already paid exceeds the contribution due for the services received before the Balance Sheet date, then the excess is recognised as an asset to the extent that the prepayment will lead to reduction in future payment or cash refund.

The Company operates two defined benefits plans viz. gratuity and pension for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India. The company also operates a pension plan for selected senior managers, the eligibility and the terms and conditions of payment are at the discretion of the company. Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation done as per the projected unit credit method as at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains / losses are taken to the statement of Profit and loss and are not deferred.

The Company has a scheme of voluntary retirement applicable to certain employees. The amount payable under such scheme is expensed to the statement of profit and loss when the option under such scheme is exercised by eligible employees and accepted by the Company.

Notes to financial statements for the year ended 31st March 2014**(l) Income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the net impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the company re-assesses unrecognised deferred tax asset. The company recognises all unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares if any.

(n) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates or on actuarial valuation where applicable.

Warranty provisions

Provisions for warranty related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually. A provision is recognized for expected warranty claims on products sold, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company. It includes a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

3. SHARE CAPITAL

Authorised shares (in numbers)

2,00,00,000 (31st March 2013: 2,00,00,000) Equity shares of Rs 5/- each

31 st March 2014	31 st March 2013
₹ lakhs	₹ lakhs

1,000.00

1,000.00

Issued, subscribed and fully paid-up shares (in numbers)

1,89,67,584 (31st March 2013: 1,89,67,584) Equity shares of Rs 5/- each

948.38

948.38

Total issued, subscribed and fully paid-up share capital

948.38

948.38

a. There is no movement of the shares outstanding during the financial year.

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2014, the amount of per share dividend proposed as distributions to equity shareholders is Rs 5 (31st March 2013: Rs 5) which is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company, in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

In Number of shares	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
WABCO Asia Private Limited, Singapore 1,42,25,684 (31 st March 2013 - 1,42,25,684 shares held by Clayton Dewandre Holdings Limited, Rotterdam, Holding company) Equity shares of Rs 5 each fully paid	711.28	711.28

Apart from the above, there are no shares held by the ultimate holding company, or their subsidiaries or associates.

d. Aggregate number of bonus shares issued, share issued for consideration other than in cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 st March 2014 In numbers	31 st March 2013 In numbers
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than in cash	1,89,67,584	1,89,67,584

Pursuant to the scheme of demerger of Brakes division to the company from Sundaram-Clayton Limited, Chennai, (SCL) the shareholders of SCL were entitled for allotment of 1,89,67,584 equity shares of Rs 5/- each fully paid up for consideration other than in cash. These shares are deemed to be issued, subscribed and fully paid up in terms of the scheme of arrangement. These shares were allotted on 7th May 2008.

e. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 st March 2014 In numbers	% holding in the class	As at 31 st March 2013 In numbers	% holding in the class
Equity shares of Rs 5 each fully paid				
WABCO Asia Private Limited, Singapore	1,42,25,684	75%		
Clayton Dewandre Holdings Limited, Rotterdam, Holding Company			1,42,25,684	75%

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownerships of shares.

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Notes	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
4. RESERVES AND SURPLUS			
(a) Capital reorganisation reserve			
Balance as per last financial statements	(A)	5.00	5.00
(b) General reserve			
Balance as per last financial statements		23,716.18	18,716.18
Add: Amount transferred from statement of Profit and Loss		1,200.00	5,000.00
Closing Balance	(B)	24,916.18	23,716.18
(c) Surplus in the statement of Profit and Loss			
Balance as per last financial statements		40,210.29	33,241.02
Profit for the year		11,747.78	13,078.83
		51,958.07	46,319.85
Less: Appropriations			
Proposed final equity dividend		948.38	948.38
(amount per share Rs 5 (31 st March 2013 Rs 5)			
Tax on proposed equity dividend		161.18	161.18
Transfer to general reserve		1,200.00	5,000.00
Total appropriations		2,309.56	6,109.56
Net surplus in the statement of Profit and Loss	(C)	49,648.51	40,210.29
(d) Total reserves and surplus	(A+B+C)	74,569.69	63,931.47
5. DEFERRED TAX LIABILITIES (NET)			
(a) Deferred tax liability			
(i) Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		2,445.33	2,153.54
Gross deferred tax liability	(A)	2,445.33	2,153.54
(b) Deferred tax assets			
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on payment basis			
(i) Provisions relating to employee benefits		623.64	542.34
(ii) Provision for warranty		130.57	126.99
(iii) Provision for doubtful debts and other losses		76.66	82.66
(iv) Royalty and technical services fees		–	230.91
Gross deferred tax assets	(B)	830.87	982.90
Net deferred tax liabilities	(A–B)	1,614.46	1,170.64
The deferred tax computation has been prepared considering the extended tax benefit of 5 years as prescribed under Section 10AA(2) of the Income tax Act, 1961.			
6. OTHER LONG-TERM LIABILITIES			
Others			
Deposits from customers		4.00	4.00
		4.00	4.00

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

7. PROVISIONS

	Long-term		Short-term	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
(a) Provision for employee benefits				
(i) Provision for leave benefits	285.41	219.21	42.96	53.91
(ii) Provision for gratuity - refer note 25	—	—	1.39	—
(iii) Provision for pension - refer note 25	1,106.24	961.02	11.79	11.79
	1,391.65	1,180.23	56.14	65.70
(b) Other provisions				
(i) Provision for warranties	268.91	246.85	115.25	105.79
(ii) Proposed dividend	—	—	948.38	948.38
(iii) Provision for tax on proposed dividend	—	—	161.18	161.18
(iv) Provision for fringe benefit tax (net of advance tax payments)	—	—	—	4.55
	268.91	246.85	1,224.81	1,219.90
	1,660.56	1,427.08	1,280.95	1,285.60

Provision for warranties

The table below gives information about movement in warranty provisions:

	31 st March 2014	31 st March 2013
	₹ lakhs	₹ lakhs
Opening balance	352.64	436.14
Add: Provision made during the year	261.90	229.48
Total	614.54	665.62
Less: Utilised / withdrawn during the year	230.38	312.98
At the end of the year	384.16	352.64
Current portion	115.25	105.79
Non-current portion	268.91	246.85

8. OTHER CURRENT LIABILITIES

8.1 Trade payables (refer note 29 for details of dues to micro and small enterprises)	14,202.70	10,247.45
8.2 Other current liabilities		
(a) Advance from customers	229.63	90.33
(b) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	20.29	17.88
(c) Others		
(i) Income tax deducted at source payable	25.11	32.29
(ii) Employees' Provident Fund payable	51.42	42.00
(iii) Employees' State Insurance payable	3.34	7.23
(iv) Employees' Family Pension Fund deductions payable	43.63	35.65
(v) Sales Tax payable	124.31	72.15
	497.73	297.53
	14,700.43	10,544.98

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

9. TANGIBLE AND INTANGIBLE ASSETS

(Rupees in lakhs)

Description	Tangible Assets							Intangible Assets		
	Land	Lease hold Land	Buildings	Plant & Machinery, Dies & Jigs	Furniture & Fixtures	Office & other equipments	Vehicles	Total	Computer Software and licences	Total
Cost of assets										
As at 1 st April 2012	1,829.06	565.65	7,242.27	22,477.61	449.81	1,228.28	213.04	34,005.72	393.51	393.51
Add : Additions during the year	–	–	176.91	4,967.37	29.77	167.72	–	5,341.77	172.55	172.55
Less : Disposed during the year	–	–	–	96.03	–	0.72	0.45	97.20	–	–
As at 31st March 2013	1,829.06	565.65	7,419.18	27,348.95	479.58	1,395.28	212.59	39,250.29	566.06	566.06
Add : Additions during the year	–	–	1,377.38	5,514.15	68.02	292.69	13.37	7,265.61	331.90	331.90
Less : Disposed during the year	–	–	–	113.39	–	0.77	18.77	132.93	–	–
As at 31st March 2014	1,829.06	565.65	8,796.56	32,749.71	547.60	1,687.20	207.19	46,382.97	897.96	897.96
Depreciation										
As at 1 st April 2012	–	37.84	1,052.66	8,835.94	186.03	807.81	110.07	11,030.35	345.23	345.23
Add : Charge for the year	–	8.41	239.80	1,672.09	28.47	125.49	17.89	2,092.15	79.63	79.63
Less : On assets disposed during the year	–	–	–	80.49	–	0.04	0.43	80.96	–	–
As at 31st March 2013	–	46.25	1,292.46	10,427.54	214.50	933.26	127.53	13,041.54	424.86	424.86
Add : Charge for the year	–	8.41	264.67	2,569.00	30.82	152.23	17.75	3,042.88	172.21	172.21
Less : On assets disposed during the year	–	–	–	27.80	–	0.59	17.83	46.22	–	–
As at 31st March 2014	–	54.66	1,557.13	12,968.74	245.32	1,084.90	127.45	16,038.20	597.07	597.07
Written down value										
As at 31 March 2013	1,829.06	519.40	6,126.72	16,921.41	265.08	462.02	85.06	26,208.75	141.20	141.20
As at 31 March 2014	1,829.06	510.99	7,239.43	19,780.97	302.28	602.30	79.74	30,344.77	300.89	300.89

31st March 2014
₹ lakhs

31st March 2013
₹ lakhs

10. CAPITAL WORK-IN-PROGRESS

Machinery under installation

1,110.16

2,542.08

1,110.16

2,542.08

11. NON-CURRENT INVESTMENTS

Non-trade investments (at cost)

Investment towards Pension obligation with ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai (unquoted)

220.24

220.24

220.24

220.24

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

12. LOANS AND ADVANCES

		Non-Current		Current	
		31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Capital advances					
Unsecured, considered good		291.56	264.10	—	—
	(A)	291.56	264.10	—	—
Security deposit					
Unsecured, considered good		477.22	450.15	—	—
	(B)	477.22	450.15	—	—
Advances recoverable in cash or kind					
Unsecured, considered good		—	—	5,020.27	3,301.04
	(C)	—	—	5,020.27	3,301.04
Other loans and advances (Unsecured, considered good)					
Advance income-tax (net of provision for taxation)		1,571.55	819.33	—	—
Prepaid expenses		—	—	245.12	236.60
Loans to employees		28.93	31.94	18.61	23.13
Balances with government authorities		—	—	350.01	282.59
	(D)	1,600.48	851.27	613.74	542.32
Total	(A + B + C + D)	2,369.26	1,565.52	5,634.01	3,843.36

Advances recoverable in cash or kind includes Rs 964.80 lakhs (31st March 2013 Rs 294.72 lakhs) being amounts recognised under the duty drawback and Served from India export incentive scheme (SFIS) from financial year 2011-12 as per eligibility. The company has filed / in the process of filing necessary documents with the authorities in this regard. Based on legal advice the company is confident of eligibility under the respective schemes and expects to recover these amounts in due course.

Loans and advances due by officers, etc.

Loans to employees include

Dues from officers	—	1.51	—	0.08
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13. TRADE RECEIVABLES (UNSECURED)

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good		138.47	497.45
Doubtful		213.58	254.76
		352.05	752.21
Provision for doubtful receivables		(213.58)	(254.76)
	(A)	138.47	497.45
Other receivables			
Unsecured, considered good		23,008.91	18,486.08
	(B)	23,008.91	18,486.08
Total	(A+B)	23,147.38	18,983.53

14. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Interest accrued on fixed deposits	66.82	6.66
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WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

15. CURRENT INVESTMENTS

Current investments (valued at lower of cost and fair value, unless stated otherwise)

Quoted

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
(a) 1,69,421.36 units (31 st March 2013 - 71,940.661 units) in SBI Mutual fund of SBI Funds Management Private Limited, Mumbai (institution plan - growth option)	4,800.00	1,325.00
(b) Investment in UTI Mutual Fund (31 st March 2014 - NIL units; 31 st March 2013 - 52,047.827 units) of UTI Asset Management Company Private Limited, Mumbai UTI Liquid Cash Plan (institutional plan - growth option)	—	1,000.00
	<u>4,800.00</u>	<u>2,325.00</u>
Market value of quoted investments	4,806.87	2,327.34

16. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(a) Raw materials and components	6,296.55	8,004.26
(b) Work-in-process	400.01	412.14
(c) Finished goods	2,002.08	2,089.30
(d) Stores and spares	1,728.69	2,423.73
(e) Goods in transit - raw materials and components	817.08	633.04
	<u>11,244.41</u>	<u>13,562.47</u>

17. CASH AND CASH EQUIVALENTS

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
(a) Balances with banks:		
(i) On current accounts	347.36	295.10
(ii) On term deposit accounts	15,163.64	9,587.30
(iii) On unpaid dividend account	20.29	17.88
(b) Cash on hand	9.24	13.06
	<u>15,540.53</u>	<u>9,913.34</u>

18. REVENUE FROM OPERATIONS

Revenue from operations

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
(a) Sale of products:		
(i) Finished goods	113,503.89	101,619.21
(b) Rendering of services	5,736.78	4,076.46
(c) Other operating revenue - Scrap sales	750.82	780.14
Revenue from operations (gross)	<u>119,991.49</u>	<u>106,475.81</u>
Less: Excise duty	8,921.40	9,883.43
Revenue from operations (net)	<u>111,070.09</u>	<u>96,592.38</u>

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
Details of products sold		
Finished goods sold (net of excise duty)		
(a) Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	41,658.19	51,144.69
(b) Spares	18,001.54	16,892.17
(c) Exports of automotive components	41,760.10	19,882.04
(d) Anti lock braking system	3,162.66	3,816.88
	104,582.49	91,735.78
Details of services rendered		
(a) Software services	2,855.59	2,390.12
(b) Research and Development services	1,648.08	831.38
(c) Shared services	691.97	299.28
(d) Test track service usage	541.14	555.68
	5,736.78	4,076.46
Tax deducted at source on test track service usage	50.24	26.08
19. OTHER INCOME		
(a) Interest income on		
(i) Bank deposits	868.76	684.76
(ii) Others	13.56	33.52
(b) Profit on sale of fixed assets	5.68	1.89
(c) Gain on sale of current investments	181.21	173.27
(d) Tool development income (net of expenses Rs 91.04 lakhs - 31 st March 2013:Rs 50.46 lakhs)	184.91	97.52
(e) Test rig income	21.44	53.38
(f) Export incentive	418.63	—
(g) Exchange differences (net)	1,026.99	219.16
	2,721.18	1,263.50
Tax deducted at source on interest income	80.44	72.71
20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	8,004.26	5,778.61
Add: Purchases	61,579.92	53,306.53
Less: Inventory at the end of the year	6,296.55	8,004.26
Cost of raw material and components consumed	63,287.63	51,080.88
Details of raw material and components consumed		
Steel sheets, bar materials and tubes	364.37	208.86
Castings and forgings	28,756.70	20,504.53
Intermediates and components (which individually do not account for 10% or more of the total value of consumption)	34,166.56	30,367.49
	63,287.63	51,080.88

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
(a) Work-in-process		
(i) Inventories at the end of the year	400.01	412.14
(ii) Inventories at the beginning of the year	412.14	449.38
	<u>12.13</u>	<u>37.24</u>
(b) Finished goods		
(i) Inventories at the end of the year	2,002.08	2,089.30
(ii) Inventories at the beginning of the year	2,089.30	2,690.13
	<u>87.22</u>	<u>600.83</u>
(Increase) / decrease in inventories	<u>99.35</u>	<u>638.07</u>

Details of inventory

(a) Work-in-process		
Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	400.01	412.14
(b) Finished goods		
(i) Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	1,976.06	2,008.67
(ii) Spares	26.02	80.63
	<u>2,002.08</u>	<u>2,089.30</u>

22. EMPLOYEE BENEFITS EXPENSE

(i) Salaries, wages and bonus	10,623.77	9,003.70
(ii) Contribution to provident and other funds (note 25)	877.04	655.24
(iii) Workmen and staff welfare expenses	1,024.67	1,042.10
	<u>12,525.48</u>	<u>10,701.04</u>
Contribution to provident and other funds include:		
(i) Gratuity as per scheme framed by Life Insurance Corporation of India	93.20	71.60
(ii) Pension fund	156.99	117.57
(iii) Deposit linked insurance as per scheme framed by Life Insurance Corporation of India	15.66	9.80
	<u>265.85</u>	<u>198.97</u>

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

23. OTHER EXPENSES

	31 st March 2014 ₹ lakhs	31 st March 2013 ₹ lakhs
(i) Consumption of stores and spares	4,668.43	2,943.92
(ii) Power and fuel	1,966.17	1,756.13
(iii) Rent	501.17	421.64
(iv) Rates and Taxes	229.72	267.30
(v) Repairs and Maintenance		
a) Building	416.54	373.32
b) Machinery	614.59	522.30
c) Other assets	76.32	121.10
(vi) Insurance	71.58	76.33
(vii) Commission	88.57	67.67
(viii) Audit fees (refer details below)	26.00	26.00
(ix) Cash Discount	64.43	54.99
(x) Travel and Conveyance	1,039.26	876.16
(xi) Packing and Forwarding	4,433.33	3,780.11
(xii) Data processing	224.01	174.85
(xiii) Sitting fees to directors	3.30	3.60
(xiv) Royalty	638.66	698.31
(xv) Research and development	243.56	305.23
(xvi) Other expenses (includes Rs 22.50 lakhs - 31 st March 2013 Rs 22.50 lakhs, commission payable to non-executive independent directors)	3,229.50	2,286.71
(xvii) Loss on sale / scrapping of assets	7.42	11.85
	18,542.56	14,767.52
Audit fees comprise of:		
(a) As auditor:		
Audit fee	18.00	18.00
Tax audit fee	6.00	6.00
(b) In other capacity - Certification fees	2.00	2.00
(c) Reimbursement of expenses	8.91	3.47
	34.91	29.47
Repairs and maintenance includes:		
Stores consumed	8.07	10.65
	8.07	10.65
Other expenses includes:		
Miscellaneous expenses	116.21	101.75
	116.21	101.75
24. FINANCE COSTS		
Interest	14.46	1.76
	14.46	1.76

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

25. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Disclosure under AS-15 - Refer Note 2.1 (k)

(Rupees in lakhs)

Particulars	As at / year ended 31 st March 2014	As at / year ended 31 st March 2013	As at / year ended 31 st March 2014	As at / year ended 31 st March 2013
	Pension		Gratuity	
(a) Expenses recognised in the statement of Profit and Loss				
(i) Current service cost and interest cost	82.20	73.21	121.44	110.19
(ii) Expected return on plan assets	–	–	(53.62)	(52.62)
(iii) Net actuarial loss / (gain) recognised in the year	74.79	44.36	28.83	14.03
Total	156.99	117.57	96.65	71.60
(b) Change in defined benefit obligation during the year				
(i) Present value of obligation as at beginning of the year	972.81	867.02	653.48	606.84
(ii) Current service cost and interest cost	82.20	73.21	121.44	110.19
(iii) Benefits paid	(11.78)	(11.78)	(62.55)	(77.58)
(iv) Actuarial gain / (loss) on obligation	74.79	44.36	28.83	14.03
(v) Present value of obligation as at the end of the year	1,118.02	972.81	741.20	653.48
(c) Change in fair value of plan assets during the year				
(i) Fair value of plan assets at the beginning of the year	–	–	655.54	609.07
(ii) Expected return on plan assets	–	–	53.62	52.62
(iii) Contributions made during the year	–	–	93.20	71.43
(iv) Benefits paid	–	–	(62.55)	(77.58)
(v) Actuarial gain on plan assets	–	–	–	–
(vi) Fair value of plan assets as at the end of the year	–	–	739.81	655.54
(d) Balance Sheet movements				
(i) Value of benefit obligations / (net assets) at the beginning of the year	972.81	867.02	655.54	609.07
(ii) Actual return on plan assets	–	–	53.62	52.62
(iii) Contributions made during the year	–	–	93.20	71.43
(iv) Expenses	156.99	117.57	–	–
(v) Benefits paid	(11.78)	(11.78)	(62.55)	(77.58)
(vi) Value of benefit	–	–	–	–
(vii) Fair value of plan assets as at the end of the year	–	–	739.81	655.54
(viii) Value of benefit obligations / (net assets) at the end of the year	1,118.02	972.81	–	–
Funded status	1,118.02	972.81	(1.39)	2.06
The net asset in respect of gratuity plan is not recognised as it is lying in an irrecoverable trust fund approved by Income tax authorities.				
(e) Actuarial assumptions				
(i) Discount rate used	8.50%	8.50%	8.00%	8.00%
(ii) Expected return on plan assets	NA	NA	8.00%	8.00%

Estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority and other relevant factors.

The Company expects to contribute Rs 93.20 lakhs to gratuity in the next year.

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Amounts for the current and previous four periods are as follows:

	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011	31 st March 2010
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Gratuity					
Defined benefit obligation	741.20	653.48	606.84	607.05	569.39
Plan assets	739.81	655.54	609.07	607.43	573.62
Surplus / (deficit)	(1.39)	2.06	2.23	0.38	4.23
Experience adjustments on plan liabilities	28.83	14.03	9.64	29.02	36.70
Experience adjustments on plan assets	—	—	—	—	—

26. SEGMENT INFORMATION

The company is engaged in the business of manufacture of automotive components and related services and accordingly this is the only primary segment. The Company has considered geographical segment as the secondary segment, based on the location of the customers. There are no other assets outside India.

	Year ended 31 st March 2014	Year ended 31 st March 2013
	₹ lakhs	₹ lakhs
a) Revenue from operation		
(i) Sales (net of excise duty)		
India	62,822.39	71,853.74
Others	41,760.10	19,882.04
Total	104,582.49	91,735.78
(ii) Rendering of services		
India	541.14	555.68
Others	5,195.64	3,520.78
Total	5,736.78	4,076.46
b) Total assets		
India	83,694.53	72,745.52
Others	11,083.94	6,566.63
Total	94,778.47	79,312.15
c) Capital expenditure		
India	6,165.59	6,780.20
Other	—	—
Total	6,165.59	6,780.20

27. OTHER INFORMATION

(A) Other matters		
(a) Bills discounted of customers	5,988.58	7,074.25
(b) Counter guarantee given to bankers	149.82	134.61
(c) The company has a cash credit facility from the bank which is secured by hypothecation of raw materials, components, work-in-process, finished goods, book debts, stores, spares and tools.		
(B) Contingent liabilities not provided for		
(a) Claims against the company not acknowledged as debts primarily towards:		
i) Denial of Cenvat credit under Excise laws	0.16	0.16
ii) Reopening of assessment under Section 147 of Income tax Act for the 2006-07	1,010.59	1,010.59
iii) Reversal of service tax credit on certain inputs under the Service tax laws	102.51	56.26
iv) Levy of infrastructure and amenities charges by the Tamilnadu Town and Country Planning Department	49.25	49.25
v) Property tax levied by Anjur Village Panchayat	91.68	91.68
In respect all the above, based on legal advice obtained, the management is of the view that the above claims are not tenable and the same can be successfully contested and hence no provision has been made in the accounts.		
(C) Commitments not provided for *		
(a) Capital	296.32	358.05
(b) Others	817.08	633.04

* As certified by management

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

28. UNHEDGED FOREIGN CURRENCY EXPOSURE

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(Rupees in lakhs)

Sl. No.	Description	Foreign Currency (FCY)	Amount in FCY		Amount in INR	
			31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
1	Import of goods and services	USD	7.55	2.23	463.28	117.94
		JPY	–	0.01	–	–
		CHF	0.02	0.06	1.33	3.44
		EUR	18.80	16.77	1,553.41	1,191.72
2	Export of goods and services	USD	85.39	41.57	5,234.36	2,222.73
		EUR	69.85	61.24	5,849.58	4,343.90

29. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	As at 31 st March 2014	As at 31 st March 2013
Total outstanding dues to Micro and Small enterprises	925.74	1,080.77

The above details are furnished based on the information available with the company in respect of Micro, Small and Medium Enterprises (as defined in the Micro, Small and Medium Enterprises Development Act 2006). The company is regular in making payments of dues to such enterprises before due dates agreed upon. Hence the question of payment / provision of interest towards belated payments does not arise. During the year there was no interest payment under the above statute.

30. RELATED PARTY DISCLOSURE

A. LIST OF RELATED PARTIES

- | | | |
|----|-----------------------------|---|
| a) | Reporting entity | WABCO INDIA LIMITED |
| b) | Subsidiary companies | The reporting entity does not have any subsidiary company. |
| c) | Associate companies | Nil |
| d) | Holding company | WABCO Asia Private Limited, Singapore (Subsidiary of Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands from 28 th June 2013. Till 27 th June 2013 subsidiary of Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands.) |
| e) | Ultimate holding company | WABCO Holdings Inc., USA |
| f) | Fellow Subsidiary companies | <ol style="list-style-type: none"> 1 WABCO Fahrzeugsysteme, GmbH, Germany 2 WABCO China Co Ltd, China 3 WABCO France SAS, France 4 Meritor WABCO Vehicle Control Systems, US 5 Shandong Weiming Automotive Products Co. Ltd, China 6 WABCO (Shanghai) Management Co Limited, China 7 WABCO Automotive SouthAfrica 8 WABCO Automotive UK Ltd, United Kingdom 9 WABCO Asia Private Limited, Singapore (Till 27th June 2013) 10 WABCO Compressor Manufacturing Co. US |

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

f) Fellow Subsidiary companies (Contd.)

- 11 WABCO Hong Kong Limited, Hong Kong
- 12 WABCO Japan Inc, Japan
- 13 WABCO Korea Ltd, Korea
- 14 WABCO Polska Sp.z o.o. Poland
- 15 WABCO Polska Sprzedaz Sp. Z o.o. Poland
- 16 WABCO Development Gmbh, Germany
- 17 WABCO Logistik GmbH, Germany
- 18 WABCO Australia Pty Limited, Australia
- 19 WABCO Europe BVBA, Belgium
- 20 WABCO Austria GesmbH, Austria
- 21 WABCO Belgium BVBA, Belgium
- 22 WABCO Financial Services SPRL;Belgium
- 23 Tavares NV, Belgium
- 24 Transics NV, Belgium
- 25 FLC NV
- 26 Transics Belux NV, Belgium
- 27 Transics Deutschland GmbH, Germany
- 28 Transics Italia S.R.L
- 29 Delta Industrie Service SARL, France
- 30 Transics France SARL, France
- 31 Transics Ireland Limited, Ireland
- 32 Carrierweb B.V, Netherlands
- 33 Transics Nederland B.V
- 34 Transics Telemática España
- 35 WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil
- 36 WABCO Brzdy K Vozidlum spol S.R.O, Czech Republic
- 37 WABCO Gmbh, Germany
- 38 WABCO Radbremsen Gmbh, Germany
- 39 WABCO Automotive Italia SRL, Italy
- 40 WABCO BV, Netherlands
- 41 WABCO Europe Holdings BV, Netherlands
- 42 WABCO Espana SLU, Spain
- 43 WABCO Automotive AB, Sweden
- 44 WABCO (Schweiz) GmbH, Switzerland
- 45 WABCO Automotive B.V, Netherlands
- 46 WABCO ARAC Kontrols Sistemleri Destek VE Pazarlama Limited Sirketi, Turkey
- 47 WABCO Middle East and Africa FZCO, Dubai

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

f) Fellow Subsidiary companies (Contd.)

- 48 WABCO IP Holdings LLC, US
- 49 WABCO Automotive Products Ltd, Cayman
- 50 WABCO Air Compressor Holdings Inc.,US
- 51 WABCO Automotive Control Systems Inc.,US
- 52 WABCO Group Inc.,US
- 53 WABCO Group International Inc.,US
- 54 WABCO Logistics (Qingdao) Co. Ltd, China
- 55 WABCO North America LLC, US
- 56 WABCO Expats Inc.
- 57 WABCO (Thailand) Limited
- 58 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
- 59 Ephicas BV, Netherlands
- 60 WABCO Foundation Brakes Private Limited, Chennai
- 61 WABCO International LLC, US
- 62 WABCO Europe Holdings LLC, US
- 63 Ephicas Patents BVBA;
- 64 WABCO France S.A.S.
- 65 WABCO Services S.A.S, France
- 66 WABCO WURTH Workshop Services GmbH
- 67 WABCO Testbahn GmbH, Germany
- 68 WABCO Holding GmbH, Germany
- 69 WABCO Systeme GmbH, Germany
- 70 WABCO Holdings B.V., Netherlands
- 71 WABCO Sandown B.V., Netherlands
- 72 WABCO CV, Netherlands
- 73 WABCO RUS LLC.
- 74 WABCO Vostok LLC, Russia
- 75 WABCO Centro de Distribuicao de pecas Automotives Ltda, Brazil
- 76 Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands (from 28th June 2013)
- 77 WABCO Automotive Pensions Trustees Limited, UK
- 78 WABCO Automotive U.K. Limited, UK

g) Key management personnel

Mr P Kaniappan - Whole-time Director

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

31. RELATED PARTY TRANSACTIONS

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended	
			31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
1	Purchase of goods	Shandong Weiming Automotive Product Co. Ltd, China	2.86	2.26	—	—
		WABCO Fahrzeugsysteme GmbH, Germany	2,260.87	2,057.89	—	—
		WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil	97.44	227.83	—	—
		WABCO BV, Netherlands	21.41	117.12	—	—
		WABCO Polska sp.z.o.o, Poland	8.75	25.10	—	—
		WABCO France S.A.S, France	38.73	44.02	—	—
		WABCO China Co Ltd, China	420.07	290.34	—	—
		WABCO Compressor Manufacturing Co, USA	21.46	36.37	—	—
			2,871.59	2,800.93	—	—
2	Receiving of services Royalty Technical services	WABCO IP Holdings LLC, USA	638.66	698.31	—	—
		WABCO Europe BVBA, Belgium	550.13	459.71	—	—
		WABCO (Shanghai) Management Company Limited	183.38	81.79	—	—
			1,372.17	1,239.81	—	—
3	Sale of products	Meritor WABCO Vehicle Control Systems, USA	6,321.08	1,539.33	—	—
		WABCO Logistics GmbH, Germany	1,092.56	498.75	—	—
		WABCO China Co Ltd, China	1,176.98	611.01	—	—
		WABCO Automotive, SouthAfrica	10.51	14.40	—	—
		WABCO Compressor Mfg. Co,USA	6,971.18	4,760.89	—	—
		WABCO Polska sp.z.o.o, Poland	1,652.39	2,375.42	—	—
		WABCO Development GmbH, Germany	—	0.30	—	—
		WABCO Korea Ltd, Korea	42.17	33.51	—	—
		WABCO France S.A.S, France	2,102.93	1,372.03	—	—
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	399.03	233.10	—	—
		Shandong Weiming Automotive Product Co. Ltd, China	174.98	2.95	—	—
		WABCO GmbH, Germany	337.80	258.33	—	—
		WABCO Asia Private Ltd., Singapore	150.23	77.96	—	—
		WABCO Middle-East & Africa FZCO, Dubai	15.84	7.18	—	—
		WABCO Europe BVBA, Belgium	15,343.38	7,256.41	—	—
		WABCO Japan Inc. Japan	815.23	39.24	—	—
		WABCO North America L.L.C	3,649.01	37.07	—	—
		WABCO (Thailand) Limited	127.57	—	—	—
		WABCO Radbremsen GmbH	0.41	—	—	—
		WABCO Europe	285.43	—	—	—
			40,668.71	19,117.88	—	—
4	Rendering of Services Software Service R & D Service Tool development Tool development Test Rig Income Test Rig Income Tool development Tool development Shared services	WABCO Development GmbH, Germany	2,855.59	2,390.12	—	—
		WABCO Europe BVBA, Belgium	1,648.08	831.38	—	—
		Meritor WABCO Vehicle Control Systems,USA	6.42	85.68	—	—
		WABCO Logistics GmbH	254.88	—	—	—
		WABCO Logistics (Qingdao) Co. Ltd	16.24	—	—	—
		WABCO Reman Solutions	5.20	—	—	—
		WABCO Polska sp.z.o.o, Poland	—	43.96	—	—
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	—	10.99	—	—
		WABCO Europe BVBA, Belgium	691.97	299.28	—	—
			5,478.38	3,661.41	—	—

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended	
			31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
5	Receivables	WABCO Logistics GmbH, Germany	638.67	120.94	–	–
		WABCO Development GmbH, Hannover	0.30	201.88	–	–
		WABCO China Co Ltd, China	308.91	135.27	–	–
		Meritor WABCO Vehicle Control Systems, USA	2,043.06	917.68	–	–
		WABCO Compressor Mfg. Co, USA	1,493.84	958.36	–	–
		Shandong Weiming Automotive Product Co. Ltd, China	74.88	2.17	–	–
		WABCO Polska sp.z.o.o, Poland	580.35	273.54	–	–
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	89.99	58.78	–	–
		WABCO Asia Private Ltd., Singapore	4.59	3.47	–	–
		WABCO Europe BVBA, Belgium	3,459.53	3,204.43	–	–
		WABCO Japan Inc. Japan	107.48	36.01	–	–
		WABCO GmbH, Germany	72.64	36.61	–	–
		WABCO Automotive South Africa	1.66	3.69	–	–
		WABCO France S.A.S, France	611.67	408.40	–	–
		WABCO North America L.L.C	871.57	37.07	–	–
		WABCO Middle-East & Africa FZCO, Dubai	10.49	4.84	–	–
		WABCO Korea Ltd, Korea	8.74	3.89	–	–
		WABCO (Thailand) Limited	233.78	–	–	–
		WABCO Radbremsen GmbH	0.32	–	–	–
		WABCO Reman Solutions	5.20	–	–	–
		WABCO Europe	285.43	–	–	–
			10,903.10	6,407.03	–	–
6	Payables	Meritor WABCO Vehicle Control Systems, USA	–	3.17	–	–
		WABCO China Co Ltd, China	97.40	190.73	–	–
		WABCO Polska sp.z.o.o, Poland	–	15.84	–	–
		WABCO BV, Netherlands	32.95	58.62	–	–
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	29.95	16.40	–	–
		WABCO Compressor Mfg. Co, USA	(11.24)	19.64	–	–
		WABCO France S.A.S, France	2.62	14.41	–	–
		Shandong Weiming Automotive Product Co. Ltd, China	–	0.11	–	–
		WABCO IP Holdings LLC, USA	126.77	726.71	–	–
		WABCO Europe BVBA, Belgium	134.75	615.09	–	–
		WABCO (Shanghai) Management Company Limited	40.43	81.79	–	–
		WABCO Fahrzeugssysteme GmbH, Germany	240.23	605.00	–	–
		WABCO Vehicle Control systems (POLAND)	16.13	–	–	–
		WABCO Westinghouse	112.20	–	–	–
			822.19	2,347.51	–	–
7	Remuneration to Key management personnel					
	Mr P Kaniappan - Whole-time Director		–	–	97.38	102.54

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

32. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

(Rupees in lakhs)

	Year ended 31 st March 2014		Year ended 31 st March 2013	
	% of total consumption	Value	% of total consumption	Value
I. CONSUMPTION OF RAW MATERIALS AND COMPONENTS				
a) Imported	20.5	12,992.07	15.9	8,105.55
b) Indigeneous	79.5	50,295.56	84.1	42,975.33
	100.0	63,287.63	100.0	51,080.88
II. CONSUMPTION OF MACHINERY SPARES				
a) Imported	2.0	4.83	2.7	5.23
b) Indigeneous	98.0	238.95	97.3	191.30
	100.0	243.78	100.0	196.53
Value of imports calculated on CIF basis				
a) Raw materials and components		15,552.55		9,800.48
b) Stores and tools		67.84		540.87
c) Capital goods		322.33		961.94
33. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)				
a) Commission on export sales		32.08		11.63
b) Travel		118.97		47.77
c) Training		2.79		3.61
d) Consultancy, retainer		99.21		87.28
e) Royalty		638.66		698.31
f) Fees for technical services		733.51		541.50
g) Sub-contract labour charges		–		19.49
h) Research and development		5.72		8.93
i) Others		66.23		59.85
34. PAYMENT TO NON RESIDENT SHAREHOLDERS				
a) No. of non resident shareholders		One		One
b) No. of shares held by non residents (in lakhs)		142.26		142.26
c) Dividend				
- relating to 31 st March 2013 (lakhs)		711.28		–
- relating to 31 st March 2012 (lakhs)		–		711.28
35. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)				
(a) Exports (on FOB basis)		40,986.00		19,433.12
(b) Freight and insurance recovery		774.10		448.91
(c) Software service		2,855.59		2,390.12
(d) Shared services		691.97		299.28
(e) R & D Service		1,648.08		831.38
(f) Test rig income		21.44		53.38
(g) Tool development income		253.95		147.98

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

36. DISCLOSURE MADE IN TERMS OF CLAUSE 32 AND CLAUSE 41 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

(Rupees in lakhs)

Particulars	Name of the company	Amount outstanding as on 31 st March 2014	Maximum amount due at any one time during the year	Amount outstanding as on 31 st March 2013
(a) Loans and advances				
(i) Loans and advances in the nature of loans made to subsidiary company	The company does not have any subsidiary.			
(ii) Loans and advances in the nature of loans made to associate company	The company does not have any associate company.			
(iii) Loans and advances in the nature of loans made to firms / companies in which directors of the company are interested	The company has not given any advance to firms/companies in which directors of the company are interested.			
(b) Investments by the company				
(i) In subsidiary companies	The company does not have any subsidiary.			
(ii) In associate companies	The company does not have any associate company.			
(iii) In joint venture	The company does not have any joint venture.			
(c) Investments by the holding company	<p>On 3rd June 2009, the company became a subsidiary of Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands, when the latter acquired 35.83% of share capital and is now holding 75% of share capital.</p> <p>Effective from 28th June 2013, the entire shareholding of 75% held by Clayton Dewandre Holdings Limited Rotterdam, The Netherlands, were transferred to WABCO Asia Private Limited, Singapore.</p>			

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2014

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

37. RESEARCH AND DEVELOPMENT

	31 st March 2014	31 st March 2013
	₹ lakhs	₹ lakhs
a) Revenue expenditure eligible for weighted deduction	433.23	667.65
b) Other revenue expenditure	–	78.13
c) Capital Expenditure - Land and buildings	–	2.51
d) Capital Expenditure - other than land and buildings	309.73	276.76
	<u>742.96</u>	<u>1,025.05</u>

38. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification.

For and on behalf of the board of directors of WABCO INDIA LIMITED

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

N SIVALAI SENTHILNATHAN
General Manager - Finance and Company Secretary

T S RAJAGOPALAN
Chief Financial Officer

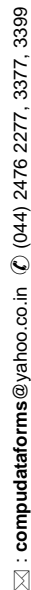
Chennai, 20th May, 2014

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

NOTES

NOTES



(CIN : L34103TN2004PLC054667)

E-mail : investorscomplaintsstta@scl.co.in www.wabcoindia.com Phone : 044-3090 2600 / 4224 2000 Fax : 044-4224 2009

ATTENDANCE SLIP

I/We hereby record my/our presence at the 10th Annual General Meeting of the Company at The Music Academy, New No. 168 (Old No. 306), TTK Road, Royapettah, Chennai - 600 014 on Tuesday, 22nd July, 2014 at 10.45 A.M.

Name of the member/ Proxy :

Folio No./Client id and DPid of member :

Signature of member/proxy : _____

Note :

Members or their proxies / representatives of bodies corporate should bring the attendance slip duly filled in for attending the meeting ;

1. Members are requested to -
 - ◆ avoid being accompanied by non-members and/or relatives or children ;
 - ◆ bring their copies of annual report to the meeting, as the Company will not be able to provide another copy in view of the increased cost of paper and printing expenses ;
 - ◆ be in their seats at the meeting hall before the scheduled time for commencement of the meeting to avoid interruptions in the proceedings.
 - ◆ Members, holding shares in physical form, are requested to update their addresses registered with the company, directly through the STA, to receive all communications promptly. Members, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.
2. ELECTRONIC copy of the Annual Report for 2014 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014 and Notice of the AGM along with Attendance Slip and Proxy Form are sent in the permitted mode(s) to all members, whose email is not registered or who have requested for a hard copy of the same.
4. The Company is offering electronic voting facility to its members in respect of the ordinary / special business to be transacted at the ensuing AGM, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014.

The Company has engaged the services of National Securities Depository Limited as the authorised agency to provide e-voting facilities. The e-voting particulars are set out below :

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

NOTE : Please read instructions given at Note No. 13 of the Notice convening the 10th AGM carefully before voting electronically. Members who have cast their vote electronically shall not be allowed to vote again at the meeting.

FORM NO. MGT 11
PROXY FORM

(Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

CIN : L34103TN2004PLC054667

E-mail : investorscomplaintssta@scl.co.in Website : www.wabcoindia.com

Phone : 044-3090 2600 / 4224 2000 Fax : 044-4224 2009

I/We being the member(s) holding shares of the above named Company hereby appoint :

(1)	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	,or failing him/her;
(2)	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	,or failing him/her;
(3)	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company, to be held on Tuesday, 22nd July, 2014 at 10.45 A.M. at The Music Academy, New No. 168 (Old No. 306), TTK Road, Royapettah, Chennai - 600 014 and at any adjournment thereof in respect of such resolutions, in the manner as indicated below :

Resolution No.	Description	Type of Resolution	Optional	
			For	Against
1	Adoption of audited financial statements for the year ended 31 st March 2014.	Ordinary		
2	Declaration of dividend.	Ordinary		
3	Re-appointment Mr. Trevor Lucas as director, who retires by rotation.	Ordinary		
4	Appointment of Messrs S.R. Batliboi & Associates LLP, Chartered Accountants, Chennai as Statutory Auditors and fixing their remuneration.	Ordinary		
5	Appointment of Mr. M. Lakshminarayan, as an Independent Director for a term of five consecutive years.	Ordinary		
6	Appointment of Mr. D.E. Udawadia, as an Independent Director for a term of five consecutive years.	Ordinary		
7	Appointment of Mr. Narayan K. Seshadri, as an Independent Director for a term of five consecutive years.	Ordinary		
8	Appointment of Mr P. Kaniappan as Managing Director.	Ordinary		
9	Payment of remuneration to the Non Executive Independent Directors of the Company by way of profit-related commission.	Special		

Signed this day of 2014

Signature of shareholder :

Signature of Proxy holder(s) :

Note :

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company or at the Office of the Share Transfer Agent at No. 29 Haddows Road, Chennai 600 006, not less than 48 hours before the commencement of the Meeting;
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 10th Annual General Meeting;
3. It is optional to put a '✓' in the appropriate column against the Resolution indicated in the Box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she think appropriate;
4. Please complete all details including details of member(s) in above box before submission;
5. Members may note that a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

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