

# **WABCO INDIA LIMITED**

*12th Annual Report 2016*

## WABCO INDIA LIMITED

### Board of Directors

M LAKSHMINARAYAN  
Chairman

D E UDWADIA <sup>!</sup>

NARAYAN K SESHADRI

DR LAKSHMI VENU <sup>@</sup>

JORGE SOLIS <sup>%</sup>

LISA J BROWN

SEAN DEASON <sup>\$</sup>

SHIVRAM NARAYANASWAMI <sup>\$</sup>

### Managing Director

P KANIAPPAN

### Chief Financial Officer

R S RAJAGOPAL SASTRY

### Company Secretary

M C GOKUL

### Audit Committee

NARAYAN K SESHADRI  
Chairman

M LAKSHMINARAYAN

SEAN DEASON

### Stakeholders Relationship Committee

LISA J BROWN

Chairman

P KANIAPPAN

### Nomination and Remuneration Committee

NARAYAN K SESHADRI  
Chairman

M LAKSHMINARAYAN

JORGE SOLIS

LISA J BROWN

### Corporate Social Responsibility Committee

P KANNIAPPAN

Chairman

M LAKSHMINARAYAN

LISA J. BROWN

<sup>!</sup> Resigned w.e.f. 01.04.2016

<sup>@</sup> Appointed w.e.f. 19.05.2016

<sup>%</sup> Appointed w.e.f. 20.05.2015

<sup>\$</sup> Appointed w.e.f. 09.11.2015

### Listing of Shares with

National Stock Exchange of India Limited  
Mumbai

BSE Limited, Mumbai

### Share Transfer Agent

Sundaram-Clayton Limited  
"Jayalakshmi Estates", 1<sup>st</sup> Floor,  
29 Haddows Road, Chennai - 600 006

Tel. : 044 - 2830 7700

044 - 2828 4959

Fax : 044 - 2825 7121

E-mail : [raman@scl.co.in](mailto:raman@scl.co.in)  
[investorscomplaintssta@scl.co.in](mailto:investorscomplaintssta@scl.co.in)

### Bankers

Citibank N.A.  
3<sup>rd</sup> Floor, 2 Club House Road,  
Chennai 600 002

BNP Paribas  
Prince Towers, 3<sup>rd</sup> Floor, 25/26 College Road,  
Chennai 600 006

State Bank of India  
Corporate Accounts Group Branch  
3<sup>rd</sup> Floor, Sigappi Achi Building  
18/3, Rukmanilakshmi Road  
Egmore, Chennai 600 008

### Auditors

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

### Solicitors & Advocates

UDWADIA & CO.  
Solicitors & Advocates  
Elphinstone House,  
1<sup>st</sup> 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](http://www.wabcoindia.com)  
Email: [info.india@wabco-auto.com](mailto:info.india@wabco-auto.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

Unit - 1 & Unit - 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,  
IIIE Pantnagar,  
Udham 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 Centre & Global Business Centre

"First Software Park", Third Floor,  
110, Mount Ponnammallee Road, Porur,  
Chennai 600 116  
Tel. : 044 6689 8000

	Page No.
Notice to the shareholders	4
Directors' report to the shareholders	13
Management discussion and analysis report	33
Report on corporate governance	38
Auditors' certificate on corporate governance	48
Auditors' report to shareholders	49
Balance sheet	56
Statement of Profit & Loss	57
Cash flow statement	58
Notes to financial statements	60



## WABCO INDIA LIMITED

### FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 <sup>st</sup>	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Profit and Loss Account</b>					
Revenue from operations	1,04,564	96,592	1,11,070	1,34,796	<b>1,83,827</b>
Other income	1,206	1,264	2,721	2,030	<b>3,461</b>
Total income	1,05,770	97,856	1,13,791	1,36,826	<b>1,87,288</b>
Gross profit before interest, depn & tax	23,199	20,668	19,336	22,365	<b>32,755</b>
Depreciation	1,564	2,172	3,215	4,667	<b>5,624</b>
Profit before interest & tax	21,635	18,497	16,121	17,699	<b>27,131</b>
Interest	12	2	14	36	<b>15</b>
Profit before taxation	21,623	18,495	16,107	17,663	<b>27,116</b>
Profit after taxation	15,340	13,079	11,748	12,066	<b>20,462</b>
<b>Balance Sheet</b>					
Net Fixed assets	24,300	28,892	31,756	34,137	<b>37,327</b>
Investments	2,320	2,545	5,020	3,920	<b>22,020</b>
Net current assets	26,726	34,479	39,652	49,407	<b>45,549</b>
Long term loans and advances	1,827	1,566	2,369	2,292	<b>3,421</b>
Total	55,173	67,482	78,797	89,756	<b>1,08,317</b>
Share capital	948	948	948	948	<b>948</b>
Reserves & surplus	51,962	63,932	74,570	85,356	<b>1,04,447</b>
Networth	52,910	64,880	75,518	86,304	<b>1,05,395</b>
Noncurrent liabilities	1,169	1,431	1,665	1,807	<b>1,928</b>
Deferred taxation (net)	1,094	1,171	1,614	1,645	<b>994</b>
Total	55,173	67,482	78,797	89,756	<b>1,08,317</b>
EPS (Rs)	80.87	68.95	61.94	63.61	<b>107.88</b>
DPS (Rs)	5.00	5.00	5.00	5.00	<b>6.00</b>
Book value per share (Rs)	278.95	342.04	398.12	455.01	<b>555.66</b>
Return on capital employed (ROCE)%	45.1	30.2	22.0	20.9	<b>27.36</b>
Return on networth (RONW)%	33.5	22.2	16.7	14.9	<b>21.35</b>
Fixed assets turnover (no. of times)	4.8	3.6	3.7	4.1	<b>5.14</b>
Working capital turnover (no. of times)	4.6	3.2	3.0	3.0	<b>3.87</b>
Gross profit as % of sales (EBITDA)	22.2	21.4	17.4	16.6	<b>17.82</b>
Gross profit as % of total income	21.9	21.1	17.0	16.3	<b>17.49</b>
Net profit as % of total income	14.5	13.4	10.3	8.8	<b>10.93</b>

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

RONW is profit after tax divided by average networth.

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 Twelfth Annual General Meeting of the Company will be held at "The Narada Gana Sabha" (Sathguru Gnananandha Hall), No. 314, T.T.K. Road, Alwarpet, Chennai 600 018 on Friday, the 29<sup>th</sup> day of July 2016 at 10.00 A.M to transact the following business:

**1. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT the audited financial statement of the company for the financial year ended 31<sup>st</sup> March 2016 consisting of the balance sheet as at 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement for the year ended on that date and the explanatory notes annexed to or forming part thereof together with the reports of the Board of Directors and Auditors' thereon, be and are hereby adopted.

**2. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT in terms of Section 123 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendation of the Board of Directors of the Company, a dividend of Rs.6/- per share on 1,89,67,584 equity shares of Rs.5/- each fully paid up, which make up the entire paid-up equity capital of the Company, absorbing a sum of Rs.1138.06/- lakhs, be and is hereby declared for the year ended 31<sup>st</sup> March, 2016, out of the profits of the Company for that year, and the same be paid to the shareholders whose names appear in the register of members / record of the depositories of the Company as at the close of 26<sup>th</sup> July, 2016.

**3. To consider and to give your assent or dissent to the following ordinary resolution:**

Resolved that Lisa Brown (DIN: 07053317), director liable to retire by rotation at this meeting be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

**4. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules made there under, the appointment of Messrs S.R. Batliboi & Associates LLP, Chartered Accountants, Tidel Park, 6<sup>th</sup> & 7<sup>th</sup> 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, as Auditors of the company from the conclusion of this Annual General Meeting upto the conclusion of the Thirteenth Annual General Meeting, being the third consecutive year out of their term of five consecutive years approved at the tenth annual general meeting, on such remuneration as shall be fixed by the Board of Directors of the Company, be and is hereby ratified.

**5. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT in terms of Section 161(4) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Shivram Narayanaswami (DIN: 07327742) who was appointed by the Board of Directors of the Company as a Non-Executive Non-Independent Director of the Company with effect from 9<sup>th</sup> November 2015 in the casual vacancy caused by the resignation of Mr. Trevor Lucas, who would have held office upto the date of this Annual General Meeting had he not resigned and in respect of whom the Company has received a notice in writing along with the prescribed deposit amount of Rs.1,00,000/- (Rupees one lakh only) from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**6. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT in terms of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Sean Ernest Deason (DIN: 07334776) who was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from 9<sup>th</sup> November, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with the prescribed deposit amount of Rs.1,00,000/- (Rupees one lakh only) from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**7. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT the appointment of Dr. Lakshmi Venu (DIN: 02702020), as a Non-Executive and Independent Director for a term of five consecutive years from 19<sup>th</sup> May, 2016 to 18<sup>th</sup> May, 2021, pursuant to the provisions of Sections 149, 150, 152, 160 and

## WABCO INDIA LIMITED

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 along with the prescribed deposit amount of Rs.1,00,000 (Rupees one lakh only) from a member proposing her candidature for the office of director, be and is hereby approved.

**8. To consider and to give your assent or dissent to pass the following ordinary resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.4,00,000/- (Rupees Four lakhs only) plus applicable taxes and out of pocket expenses at actuals, payable to Mr. A. N Raman, Cost Accountant, having registration number M.5359, appointed by the Board of Directors as Cost Auditor to audit the cost records of the Company for the financial year ending on 31<sup>st</sup> March 2017, be and is hereby ratified.

**9. To consider and to give your assent or dissent to the following ordinary resolution:**

RESOLVED THAT in terms of Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval be and is hereby accorded to the related party transactions entered into by the company with WABCO Europe BVBA, a related party, during the Financial year ended 31<sup>st</sup> March 2016, and the related party transactions proposed to be entered into with WABCO Europe BVBA during the financial year ending 31<sup>st</sup> March 2017 as shown in the explanatory statement; which transactions individually or taken together with previous transactions during the financial year, may exceed ten per cent of the annual consolidated turnover of the Company as per its last audited financial statement.

By order of the board

Chennai  
19<sup>th</sup> May 2016

M C GOKUL  
Company Secretary

Registered Office:  
CIN:L34103TN2004PLC054667  
WABCO India Limited  
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 a proxy to attend and vote instead of himself / herself and the proxy so appointed need not be a member 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 notarized certified copy of that power of attorney 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 Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special businesses to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed for 3 days from 27<sup>th</sup> July 2016 to 29<sup>th</sup> July, 2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2015-16.
4. The dividend of Rs. 6/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2016 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 8<sup>th</sup> August, 2016.
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 or their Share Transfer Agent.

## WABCO INDIA LIMITED

6. Under 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 10<sup>th</sup> 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 for the financial years from 2008-09, as on the date of the 11<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> July 2015 on the website of IEPF viz., [www.lepf.gov.in](http://www.lepf.gov.in) and under "investor section" on the website of the Company viz., [www.wabcoindia.com](http://www.wabcoindia.com).

A separate reminder was also sent to those members having unclaimed dividends since 2009. Members who have not encashed their dividend warrants are advised to surrender the unencashed warrants immediately to the Company or the Share Transfer Agent and to claim the dividends.
7. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
8. 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.
9. As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to Proxy Form and hand over the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / Power of attorney authorizing their representatives to attend and vote at the AGM.
11. 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.
12. Details under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declaration for their appointment.
13. Electronic copy of the Annual Report for the financial year ended 31<sup>st</sup> March 2016 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(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 are being sent in the permitted mode.
14. Electronic copy of the Notice of the 12<sup>th</sup> 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 Participant(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 12<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 12<sup>th</sup> Annual General Meeting and the Annual Report for the year 2015-16 will also be available on the Company's [website: www.wabcoindia.com](http://www.wabcoindia.com) for download. 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](mailto:investorcomplaintssta@scl.co.in) / [raman@scl.co.in](mailto:raman@scl.co.in) / [info.india@wabco-auto.com](mailto:info.india@wabco-auto.com).

**16. Voting through electronic means**

- I. In compliance with provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 12<sup>th</sup> 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:
- II. Remote e-Voting means the facility of casting votes by a member using an electronic voting system from a place other than venue of general meeting;
- III. The members holding shares as on the "cut-off date" viz., 22<sup>nd</sup> July, 2016 are eligible for voting either through electronic voting system or ballot.
- IV. The instructions for remote e-Voting by shareholders are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(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. You will not receive the pdf file if you are already registered with NSDL for e-Voting.
    - 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. If you are logging in for the first time, please enter the user ID and Password provided in the attached pdf file as initial PASSWORD / PIN noted in step (i) above. Click Login.
- vi. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- viii. Select "EVEN" of WABCO India Limited.
- ix. Now you are ready for remote e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. 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](mailto:skco.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 Participant(s) or requesting physical copy]:
  - (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM: EVEN (Remote e-Voting Event Number) USER ID PASSWORD / PIN



## WABCO INDIA LIMITED

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- V. Voting at AGM: The members who have not cast their vote by Remote e-Voting can exercise their voting rights at the AGM. The Company will make arrangements for ballot papers in this regard at the AGM Venue.
- VI. 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](http://www.evoting.nsdl.com) or contact NSDL at the following Telephone No.022-24994600.
- VII. 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).
- VIII. The Remote e-Voting period commences on 26<sup>th</sup> July, 2016 (9:00 am) and ends on 28<sup>th</sup> July, 2016 (5:00 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 of 22<sup>nd</sup> July, 2016, may cast their vote electronically. The remote 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.
- IX. 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 of 22<sup>nd</sup> July, 2016.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> July, 2016 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning his Folio No. /DP ID and Client ID No.
- XI. A member may participate in the meeting even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the meeting.
- XII. Mr K Sriram (Membership No. CP No.2215), Practising Company Secretary, Chennai has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- XIII. The Scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three (3) days of the conclusion of the meeting, a consolidated scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- XIV. The Chairman or a person authorized by him in writing shall declare the results forthwith.
- XV. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.wabcoindia.com](http://www.wabcoindia.com) immediately after the result is declared and simultaneously communicated to the stock exchanges where the shares of the Company are listed.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company from 2 P.M. to 4 P.M. on all working days and including the date of the Annual General Meeting of the Company.
18. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a brief profile of director, who is proposed to be re-appointed in this AGM, nature of his expertise in specific functional areas, his / her other directorships and committee memberships in listed entities, his / her shareholding and relationship with other directors of the company are given below:

### Ms. Lisa J. Brown

Ms. Lisa J. Brown (DIN: 07053317), aged 38 years, is a Bachelor of Laws from the University of Derby, holds a Diploma in Legal Practice from Nottingham Law School and is a registered Trade mark Attorney and member of the Institute of Trade Mark Attorneys. She has served as an attorney in law firms in the United Kingdom from 2000-2006. Ms. Lisa J. Brown Joined SSL International Plc. London, United Kingdom in March 2006 and served as Group Head of Intellectual Property until October 2007 and subsequently as Group Head of Legal and Intellectual Property until March 2011. Following this role, Ms. Lisa J. Brown held the position of Legal Director and Company Secretary for Pets at Home Limited, a national

## **WABCO INDIA LIMITED**

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retailer in the United Kingdom, until November 2011. In February 2012, Ms. Lisa J. Brown Joined WABCO Holdings Inc., as Senior Legal Counsel. In May, 2015, she was appointed as Vice-President Legal until June 2016, when she was appointed to her current role of Chief Legal Officer and Company Secretary of WABCO Holdings Inc.

She was appointed as a Director by the Board at their meeting held on 23<sup>rd</sup> January 2015 in casual vacancy caused due to the resignation of Mr. Michel E Thompson and was re-appointed at the annual general meeting held on 30<sup>th</sup> July 2015. She is the member of the Stakeholders Relationship Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the company. She has attended 3 Board Meetings of the Company out of the 4 Board meetings held after her appointment during the year.

She is not director on any Board nor a Member of any committee of any other listed Company. She is a director of WABCO Foundation Brakes Pvt. Ltd. She does not

hold any shares in the Company and she is not related to any other directors of the Company. Ms. Lisa J Brown is interested in the resolution set out as item No.3 of the notice since it relates to her own appointment as Director. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.3. This statement may also be regarded as a disclosure under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

By order of the board

Chennai  
19<sup>th</sup> May 2016

M C GOKUL  
Company Secretary

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

## WABCO INDIA LIMITED

### Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 5

Mr. Shivram Narayanaswami was appointed as a non-executive non independent director by the Board of Directors with effect from 9<sup>th</sup> November 2015 in the casual vacancy caused by the resignation of Mr. Trevor Lucas who would have retired at the forthcoming Annual General Meeting had he not resigned. Mr. Shivram Narayanaswami will hold office upto the date of this Annual General Meeting, in terms of Section 161(4) of the Companies Act, 2013.

Mr. Shivram Narayanaswami, aged 39, Finance Controller, WABCO Europe is a US Certified Public Accountant (CPA) and Chartered Global Management Accountant (CGMA). He holds an MBA in Finance, from the University of Notre Dame, USA and is a Bachelor in Commerce from the Annamalai University, India. He is a proven business leader with experience in working with clients in different industries, cultures, and businesses in different countries and continents. He has led private equity and corporate clients on over many transactions in a broad range of industries including software and technology, manufacturing, retail, consumer products, business services, professional services and financial services companies. He has led numerous cross-border and international engagements, in countries like the United Kingdom, Japan, Germany and Turkey. He has executed the audit of financial statements of public companies such as Hewlett Packard, and Blue Coat as well as large private companies such as Hitachi Data Systems.

He does not hold any shares in the company and he is not related to any other director of the Company. He is not a director on any Board nor a member of any committee of any other Company. He has attended 2 Board meetings of the Company out of the 2 Board meetings held after his appointment during the year. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue his services. Accordingly, the Board recommends the resolution set out as Item No.5 of the notice in relation to his appointment as a director, for the approval by the shareholders of the Company.

Mr. Shivram Narayanaswami is interested in the resolution set out as Item No.5 of the Notice since it relates to his appointment as a Director. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5. The above may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### Item No. 6

Mr. Sean Deason was appointed as an Additional Director with effect from 9<sup>th</sup> November 2015, in terms of Section 161 of the Companies Act, 2013 by the Board of Directors to hold office upto this Annual General Meeting. He is also a member of the Audit Committee.

Mr. Sean Deason aged 45; a Certified Management Accountant is the Vice President, Controller and Assistant Secretary of WABCO Holdings Inc., since June 2015. Prior to joining WABCO, he spent 4 years with Evraz N.A. where he was Vice President, Financial Planning & Analysis. Prior to Evraz, he spent 12 years with Lear Corporation where he had served as a Director, Finance, Corporate Business Planning & Analysis, Director, Finance, Asia Pacific Operations, Assistant Treasurer, and held various other positions of increasing responsibility from August 1999.

He does not hold any shares in the company and he is not related to any other director of the Company. He has attended 2 Board meetings and 2 Audit Committee meetings of the Company out of as many meetings held after his appointment during the year. He is not a director on any Board nor a member of any committee of any other listed Company. He is a director of WABCO Foundation Brakes Pvt. Ltd. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue his services. Accordingly, the Board recommends the resolution set out as Item No.6 of the notice in relation to his appointment as a director, for the approval by the shareholders of the Company.

Mr. Sean Deason is interested in the resolution set out as Item No.6 of the Notice since it relates to his appointment as a Director. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6. The above may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### Item No. 7

Dr. Lakshmi Venu was appointed as a Non-executive Independent Director at the Board Meeting held on 19<sup>th</sup> May 2016 for a term of five consecutive years from 19<sup>th</sup> May 2016 to 18<sup>th</sup> May 2021 subject to the approval of the shareholders at this meeting.

Dr. Lakshmi Venu, aged 33, a graduate of Yale University holds a Doctorate in Engineering Management from the University of Warwick. She underwent her initial training for three years as a Management Trainee in Sundaram Auto Components Limited, a subsidiary of Sundaram

## WABCO INDIA LIMITED

Clayton Ltd. (SCL) beginning from 2003 and when she was deputed to work in SCL, being its holding Company, she underwent an extensive in-depth induction and worked in the areas of business strategy, corporate affairs, product design and sales & marketing of SCL.

Dr. Lakshmi Venu was appointed as Director-Strategy in SCL on 22<sup>nd</sup> March 2010. She was re-designated as joint managing director of SCL effective 11<sup>th</sup> September 2014. Details of her membership / chairmanship of committees are given below:

Sl No.	Name of the Company	Directorships	Name of the Committee	Position held
1	Sundaram-Clayton Limited	Joint Managing Director	Stakeholders Relationship Committee & Corporate Social Responsibility Committee	Member
2	TVS Motor Company Limited	Director	-	-
3	Sundram Non-conventional Energy Systems Ltd.	Director	-	-
4	Sundaram Auto Components Limited	Director	Corporate Social Responsibility Committee	Member
5	TAFE Motors and Tractors Limited	Deputy Managing Director	-	-

In terms of Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. Lakshmi Venu being eligible and offering herself for appointment is proposed to be appointed as an Independent Director of the company not liable to retire by rotation for a term of five consecutive years from 19<sup>th</sup> May 2016 to 18<sup>th</sup> May 2021 in view of her knowledge and experience.

Dr. Lakshmi Venu has given a declaration dated 18<sup>th</sup> May 2016 confirming that she satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of directors at the meeting dated 19<sup>th</sup> May 2016 opined that Dr. Lakshmi Venu fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and also the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as Independent director of the Company. Copy of the draft

letter of appointment of Dr. Lakshmi Venu as an independent director would be available for inspection without any fee by any members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. She does not hold any shares in the company and she is not related to any other director of the Company.

The Board considers that Dr. Lakshmi Venu's experience in the manufacturing sector especially in the automotive industry would be of immense benefit to the Company. Accordingly, the Board recommends the resolution set out as Item No.7 of the notice in relation to her appointment as an independent director, for the approval by the shareholders of the Company. Dr. Lakshmi Venu will be paid sitting fee for the Board and Committee meetings, that she attends and she is also eligible for a commission on profit as may be decided by the Board, not exceeding the limits specified in the Companies Act, 2013.

Except Dr. Lakshmi Venu, being an appointee, none of the directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.7. The explanatory statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### Item No. 8

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of Companies (Cost Records and Audit) Rules, 2014 including amendments and re-enactments and clarifications issued by the Ministry of Corporate Affairs, the Company is required to appoint Cost Auditor to audit the cost records of the applicable products of the Company.

Based on recommendation of the audit committee at its meeting held on 19<sup>th</sup> May, 2016, the Board has, considered and approved the appointment of Mr. A.N Raman, as Cost Auditor for the financial year 2016-17 at a remuneration of Rs.4,00,000/- plus applicable taxes and reimbursement of out of pocket expenses at actuals. The remuneration payable to Mr. Raman requires to be ratified by the Members at the forthcoming Annual general Meeting. Hence, the resolution is being proposed as item no.8 of the Notice. None of the Directors and Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for approval of the Members.

## WABCO INDIA LIMITED

### Item No. 9

WABCO Europe BVBA is a related party as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is a fellow subsidiary of WABCO Europe, headquartered at Brussels, Belgium. WABCO Europe is one of the major overseas customers of the Company. The orders placed by WABCO Europe are progressively growing year after year. This coupled with seamless technology and technical knowhow supplied by them has significantly contributed to the increase in the Company's turnover and profits. During the year ended 31<sup>st</sup> March 2016 the following transactions were entered into with them:

(Rs. In Lakhs)

S.No.	Nature of transaction	Amount
1.	Sale of Automotive Components	19,761.27
2.	Services rendered	3,127.00
3.	Fee for technical knowhow and Royalty	1,996.80
4.	Reimbursement of expenses	71.32
	Total	24,956.39

The annual consolidated turnover of the company as per the last audited financial statement for the year ended 31<sup>st</sup> March 2015 is Rs.1,460.06 Crores. The total transactions as stated above amounts to about 17.09% of the turnover for the financial year 2014-15. Since this is in excess of the threshold limit of 10%, the transactions would be "material transactions" with a related party in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Such material transactions require approval of the Shareholders of the Company through an ordinary resolution. The Company expects further growth in similar transactions with WABCO Europe BVBA during the course of the financial year ending 31<sup>st</sup> March 2017, which are also likely to be "material transactions" i.e. transactions

are likely to exceed Rs.200.54 Crores (10% of 2005.34 Crores - turnover of 2015-16). Hence approval of the members is being sought to the above material related party transactions entered into for the financial year ended 31<sup>st</sup> March 2016 and to the similar transactions proposed to be entered into by the company with WABCO Europe during the course of the financial year ending 31<sup>st</sup> March 2017.

Pursuant to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, such approval of members is to be obtained by an ordinary resolution. Hence, the ordinary resolution at Item No.9 of the notice. Voting by related parties on the ordinary resolution will be governed by the applicable provisions of the Listing Regulation. The material terms for the agreements which have been entered into by the Company with WABCO Europe are: a) Credit terms of 90 days from the date of invoice; b) Warranty for the period of 12 months for the product specifications; c) Mark-up on cost of raw materials, conversion cost and other relevant expenses and d) Fee for technical knowhow upto 31.12.2015 and royalty @4% on total product sales (less) inter-company purchases (less) inter-company sales with effect from 1<sup>st</sup> January 2016.

Mr. Jorge Solis may be deemed to be interested in the above resolution by virtue of him being director of WABCO Europe BVBA. None of the other directors of the Company and key managerial personnel of the company and their relatives is concerned or interested, financially or otherwise in this item of business, All related party transactions are in Preapproved by the audit committee. Board recommends this resolution to the members for their approval.

By order of the board

Chennai  
19<sup>th</sup> May 2016

M C GOKUL  
Company Secretary



## WABCO INDIA LIMITED

### Directors' report to the shareholders

The directors have pleasure in presenting the twelfth annual report and the audited accounts for the financial year ended 31<sup>st</sup> March 2016.

#### 1. FINANCIAL HIGHLIGHTS

Rs. in lakhs		
Details	Year ended 31.03.2016	Year ended 31.03.2015
Sales (net)	1,83,827.08	1,34,796.34
Other Operating income	3,460.96	2,029.89
<b>Total revenue from operations</b>	<b>1,87,288.04</b>	1,36,826.23
Gross profit before interest and depreciation	32,754.96	22,365.32
Finance costs	15.20	36.09
Depreciation	5,623.69	4,666.37
Profit before tax	27,116.07	17,662.86
Provision for taxation (including deferred tax and tax relating to earlier years)	6,654.46	5,596.82
Profit after tax	20,461.61	12,066.04
Surplus brought forward from previous year	60,567.72	49,648.51
<b>Total</b>	<b>81,029.33</b>	61,714.56
<b>Appropriations:</b>		
Proposed dividend	1,138.06	948.38
Dividend tax payable	231.68	198.45
Transfer to general reserve	—	—
<b>Surplus in profit &amp; loss account</b>	<b>79,659.59</b>	60,567.72
	<b>81,029.33</b>	61,714.55

#### 2. DIVIDEND

The board of directors has recommended a dividend of (Rs.6/- per share) for the year ended 31<sup>st</sup> March 2016 absorbing a sum of Rs. 1,138.06/- lakhs for approval of the shareholders at the ensuing annual general meeting.

#### 3. PERFORMANCE

During the year 2015-16, sales of medium and heavy commercial vehicles (M&HCV) grew by 31.9% over the previous year. The Company achieved total revenue from operations and other income of Rs.1,873 crores as against Rs.1,368 crores in the previous year, an increase of 36.9%.

#### 4. CAPITAL EXPENDITURE

Capital expenditure of Rs.89.78 crores was incurred during the year 2015-16 as against the plan of Rs.90 Crores and Capital Expenditure of Rs. 90 Crore is planned for the year 2016-17.

#### 5. DIRECTORS

Mr. Trevor Lucas (DIN: 01627818) resigned from the Board with effect from 29<sup>th</sup> October 2015. Mr. Shivaram Narayanaswami (DIN: 07327742) was appointed as a Director in the resulting casual vacancy, at the board meeting held on 9<sup>th</sup> November, 2015. Mr. Shivaram Narayanaswami, will hold this office upto the ensuing annual general meeting of the Company. A notice has been received from a member along with the prescribed deposit of Rs. 1 lakh proposing his appointment as a non-executive non independent director at the Twelfth annual general meeting of the Company.

Mr. Sean Ernest Deason (DIN: 07334776) has been appointed as an Additional Director by the Board with effect from 9<sup>th</sup> November 2015. Mr. Sean Ernest Deason, will hold this office up to the ensuing annual general meeting of the Company. A notice has been received from a member along with the prescribed deposit of Rs. 1 lakh proposing his appointment as a non-executive non independent director at the Twelfth annual general meeting of the Company.

Ms. Lisa Brown (DIN: 07053317) retires by rotation at the ensuing annual general meeting of the Company, being eligible, offers himself / herself for re-appointment.

In compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation), a brief resume and other required information about the directors who are being appointed / re-appointed are given in the notice convening the annual general meeting of the Company.

Mr. D.E Udwardia (DIN: 00009755), has resigned from the Board with effect from 1<sup>st</sup> April 2016 on account of personal reasons. The Board hereby places its profound appreciation for the services rendered by him during his tenure as an Independent Director. The independent directors continue to fulfill the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(b) of the Listing Regulation requisite declarations have been received.

Dr. Lakshmi Venu (DIN: 02702020) has been appointed as an Independent Director by the Board for a term of 5 consecutive years with effect from 19<sup>th</sup> May 2016 upto 18<sup>th</sup> May 2021 subject to the approval of the shareholders. The board has recommended the appointment for the shareholder's approval at the ensuing annual general meeting of the Company. A notice has been received from a member along with the prescribed deposit of



Rs. 1 lakh proposing her appointment as an independent director at the Twelfth Annual General Meeting of the Company.

## **6. AUDITORS**

Messrs S.R.Batlboi & Associates LLP, Chartered Accountants, Chennai were appointed as Statutory Auditors at the Annual General Meeting held on 22<sup>nd</sup> July 2014 for a period of 5 (five) years from conclusion of tenth annual general meeting until the conclusion of fifteenth annual general meeting, subject to ratification of shareholders at every annual general meeting of the Company. The Board recommends the ratification of their continuation as Auditors. The Company has received a confirmation from the Statutory Auditors to the effect that they would be eligible for such continuation.

## **7. SECRETARIAL AUDITOR**

M/s. S Krishnamurthy & Co., Company Secretaries have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2015-16 and submitted their report, which is annexed to this report in Annexure - 6. The report does not contain any qualification.

## **8. COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors of the Company upon recommendation made by the audit committee has appointed Mr.A.N Raman, Cost Accountant, as Cost Auditor of the Company for the financial year 2016-17 and has recommended his remuneration to the shareholders for ratification at the ensuing Annual General Meeting.

## **9. KEY MANAGERIAL PERSONNEL**

Mr. R S Rajagopal Sastry was appointed as the Chief Financial Officer w.e.f 31<sup>st</sup> August 2015 in place of Mr. T S Rajagopalan who had resigned and since superannuated. Mr. M C Gokul was appointed as the Company Secretary w.e.f 30<sup>th</sup> January 2016 in place of Mr. N Sivalai Senthilnathan who was re-designated as General Manager - Finance

## **10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

As per the provisions of Section 186 of the Companies Act, 2013 the details of loans and the details of investments made are given in the notes to the Financial Statements.

## **11. EVALUATION OF THE BOARD'S PERFORMANCE**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering

various aspects of the functioning of the Board and Committees such as their composition, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of each individual director including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings, independent judgment and other relevant aspects. The Board was satisfied with the evaluation results, which reflected the overall engagement of the Board, Committees and the directors with the Company.

## **12. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established vigil mechanism through "WABCO Whistle Blower Policy" to deal with instance of fraud and mismanagement, if any and the whistle blower shall have direct access to the Chairman of the audit committee / chief ethics officer of the Company as the case may be to report any concerns or unethical activities.

## **13. STATUTORY STATEMENTS**

### **13.1 Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Information regarding conservation of energy, technology absorption, research & development expenses and foreign exchange earnings and outgo are given in Annexure 1 to this report, as per the requirements of Section 134(3)(m) of the Act, 2013.

### **13.2 Corporate Social Responsibility**

The Company focuses on CSR activities as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy. As required under Section 134(3)(o) of the Companies Act, 2013, details about policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year ended 31<sup>st</sup> March, 2016 are given in Annexure 2 to this report.

### **13.3 Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) of the Act, it is hereby confirmed that;

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;

- c. that directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **14. DISCLOSURES UNDER COMPANIES ACT, 2013**

##### **14.1 Extract of the Annual Return**

Details of extracts of the annual return as per Form MGT - 9 is enclosed in Annexure 3 to the Directors report.

##### **14.2 Number of Board Meetings**

The Board of Directors met four times during the year 2015-16. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

##### **14.3 Committees of Board of Directors**

Details of memberships and attendance of various committee meetings are given in Corporate Governance Report.

##### **14.4 Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no related party transactions made by the company with promoters, Directors, Key Managerial Personnel or other designed persons which may have a potential conflict with the interest of the company at large.

Certain related party transactions entered into during the year ended 31<sup>st</sup> March 2016 and transactions proposed to be entered into during the year ending 31<sup>st</sup> March 2017 between the Company and WABCO Europe BVBA, which is fellow subsidiary of the Company, are material in nature and require the approval of members by ordinary resolution

as per the Listing regulation. An ordinary resolution seeking shareholders' approval is included in the notice to shareholders.

All transactions with related parties are placed before the audit committee and prior approval of the audit committee is obtained. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. Details of material Related Party Transactions entered by the Company as required under Section 134(3)(h) of the Act and the Listing regulation are given in annexure 4 to this report.

#### **15. POLICIES**

- 15.1 The following policies approved by the Board of Directors of the Company were uploaded and are available in the Company's website at the web link: [http://www.wabco-auto.com/en/investor\\_relations/wabco\\_india\\_investor\\_relations](http://www.wabco-auto.com/en/investor_relations/wabco_india_investor_relations)

Corporate Social Responsibility Policy

Related Party Transaction Policy

Nomination and Remuneration Policy

Whistle Blower Policy

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Code of Business conduct and Ethics by the Board members and Senior Management.

Policy on Criteria for Determining Materiality of Events

- 15.2 Policy on director appointment and remuneration

Company's policy on directors' appointment and remuneration including criteria determining for qualification, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is provided in the Corporate Governance Report.

#### **16. PARTICULARS OF DISCLOSURES AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013**

- 16.1 The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed are as given below:

Name	Ratio
Mr. P. Kaniappan, Managing Director	24.17:1
Mr. M. Lakshminarayan - Independent Director	2.22:1
Mr. D E Udwadia, Independent Director	2.25:1
Mr. Narayan K. Seshadri, Independent Director	2.25:1

Directors other than those mentioned above have not drawn any remuneration for the financial year 2015-16.

## WABCO INDIA LIMITED

- 16.2 The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer, Company Secretary, in the financial year:

Mr. M Lakshminarayan, Chairman #	0.00%
Mr. D E Udawadia, Director #	0.00%
Mr. Narayan K Seshadri, Director #	0.00%
Mr. P Kaniappan, Managing Director	9.8%
Mr. T S Rajagopalan, Chief Financial Officer *	N.A
Mr. R S Rajagopal Sastry, Chief Financial Officer *	N.A
Mr. N Sivalai Senthilnathan, Company Secretary *	N.A
Mr. M.C Gokul, Company Secretary *	N.A

\* In office for part of the year 2015-16 and hence percentage increase cannot be calculated.

# Excluding sitting fee.

- 16.3 The percentage increase in the median remuneration of employees in the financial year: 16.07%
- 16.4 The number of permanent employees on the rolls of company as on 31<sup>st</sup> March 2016: 1515
- 16.5 The explanation on the relationship between average increase in remuneration and company performance: The Company's total revenue grew by 36.9% against which the average increase in remuneration is 11.63%; and this increase is aligned with the Remuneration Policy of the Company.
- 16.6 Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

During the Financial year 2015-16, the Company's total revenue grew by 36.9% and the percentage of increase in remuneration of the Key Managerial Personal is given below: -

Mr. P Kaniappan, Managing Director	9.8%
Mr. T S Rajagopalan, Chief Financial Officer *	N.A
Mr. R S Rajagopal Sastry, Chief Financial Officer *	N.A
Mr. N Sivalai Senthilnathan, Company Secretary *	N.A
Mr. M C Gokul, Company Secretary *	N.A

\* In office for part of the year 2015-16 and hence percentage increase cannot be calculated.

- 16.7 The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil
- 16.8 Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer / demerger:

Date		Issued Capital No. of shares	Closing Market Price (Rs. per share)	EPS (In Rs.)	PE Ratio	Market Capitalisation (Rs. in Crores)
(A) Price on demerger		1,89,67,584	142.10	36.82	3.86	270
(B) 31.3.2015		1,89,67,584	5,688.90	63.61	89.85	10,790
(C) 31.3.2016		1,89,67,584	6,249.25	107.88	57.93	11,853
(D) Increase (B) to (C) (From last year)	Amount (Rs)	—	560.35	44.27	(31.92)	1,063
	%	—	9.85%	70%	NA	10%
(E) Increase (A) to (C) (From demerger)	Amount (Rs)	—	6,107.15	71.06	54.07	11,584
	%	—	4300%	293%	1501%	4298%

## WABCO INDIA LIMITED

16.9 No employee is in receipt of remuneration over and above the managerial remuneration received by executive director of the Company.

16.10 Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 12%

Percentage increase in the managerial remuneration in the last financial year was 2.2%. Mr. R S Rajagopal Sastry was appointed as the Chief Financial Officer in place of Mr. T S Rajagopalan and Mr. M C Gokul was appointed as the Company Secretary in place of Mr. N Sivalai Senthilnathan during the financial year 2015-16. There are no exceptional circumstances for increase in the managerial remuneration.

16.11 The key parameters for any variable component of remuneration availed by the directors: Independent directors have been paid sitting fees for attending meetings of the Board and Committees and are also paid a profit related commission, but not exceeding 1% of the net profit of the Company for the financial year. No sitting fee and commission is paid to non-executive and non-independent Directors of the Company. However, with respect to Mr. P. Kaniappan, Managing Director of the Company variable component is paid in the form of incentive, as per the Remuneration Policy of the Company and based on the financial and non-financial parameters.

16.12 The remuneration of directors and employees are as per the remuneration policy of the Company.

16.13 Particulars of Employees

The statement of particulars of employees as per 197 of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31<sup>st</sup> March, 2016, is given in annexure 5 and forms part of this Report.

### 17. CORPORATE GOVERNANCE

The Company has complied with the provisions of the Listing Regulation concerning corporate governance and a report to this effect is attached, as required by Under Schedule V of the Listing Regulation. The certificate issued by the auditors of the Company regarding compliance with the corporate governance requirements is also annexed to this report. The Managing 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 Regulation 17(8) of the Listing Regulation

pertaining to CEO / CFO certification for the financial year ended 31<sup>st</sup> March 2016.

The management discussion and analysis report, as required by the Listing Regulation and various disclosures required under the Companies Act, 2013 is also attached and forms part of this report.

### 18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a structured familiarization program for Independent Directors of the Company which also extends to other Non-Executive Directors to ensure that Directors are familiarized with their function, role, rights, responsibilities and the nature of the company Business viz., automotive component industry and WABCO global business model, etc.

The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors and all Committees of the Board on various matters, where Directors get an opportunity to interact with Senior Management. Presentations, inter alia, cover the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual results, human resources, technology, quality and such other areas as may arise from time to time. Further, regulatory updates are periodically placed before the Board.

The Company also issues appointment letter to the Independent Directors which also incorporates their role, duties and responsibilities.

### 19. ACKNOWLEDGEMENT

The directors thank the vehicle manufacturers, distributors, vendors and bankers for their continued support and assistance. The directors gratefully acknowledge the support rendered by WABCO Europe BVBA, Belgium. The directors hereby place on record their profound appreciation for the valuable services rendered by Mr. D E Udwadia during this tenure as director.

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  
19<sup>th</sup> May, 2016

M. Lakshminarayan  
Chairman

## A. CONSERVATION OF ENERGY

### 1. Measures taken

- i) Hydraulic Power packs used for individual machines were utilised for multiple machines thereby reducing energy consumption
- ii) Elimination of oil cooler in Nagel honing machines
- iii) Introduction of Servo Valve to reduce flow and maintain constant pressure of compressed air in the main header
- iv) Introduction of Variable Frequency Drive for air compressor
- v) Provided frequency drive for grinding spindle for reducing power consumption
- vi) 15W LED lights were installed in place of 28W Tube lights in machine shop
- vii) 90W LED lights were installed in place of 400W metal halide lamps in machine shop
- viii) 15 machine panel coolers (A/C) were replaced with Air cooled coolers
- ix) Introduction of zero air leak solenoid valves at end of lines to reduce the leakages

These measures resulted in a saving of about 6.9 lakh units & Rs.55.2 lakhs per annum.

### 2. Measures Proposed

- i) Providing 400KVA roof top solar power grid
- ii) Converting centralized A/C system to independent system in meeting rooms.
- iii) Combination of coolant tank in all grinding machines
- iv) Improving compressor performance in test rigs by reducing cycle time & eliminating heaters
- v) Optimization of hydraulic power pack by providing accumulator & pressure switch
- vi) Introducing coolant valve to minimize motor operations
- vii) Chiller power consumption reduction in SPU by reducing agitation air temperature
- viii) Heater power consumption reduction in impregnation by changing conduction media
- ix) VRF (Variable Refrigerant Fluid) implementation in New assembly cooling system
- x) Installation of LED Lamps instead of CFL Lamps in Office & assembly areas.
- xi) Converting high pressure lines to low pressure lines in all Nut Runners
- xii) Provision of New Compressor for assembly to eliminate Boosters

These measures are expected to result in savings of about 7 lakhs units & Rs.56 lakhs per annum.

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

### 4. Expenditure on R &D

	Rs. in Lakhs
Capital expenditure	294.47
Recurring expenditure (including salaries)	1,191.56
	<u>1,486.03</u>

## B. TECHNOLOGY ABSORPTION

### 1. Efforts made towards technology absorption

- a. Development of weather resistance PP material for palm coupling shutter application
- b. Development of surface protection for car compressor bracket application
- c. Development of Polyethylene coating for (Dual Air Over Hydraulic) DAOH application
- d. Development of surface protection for ProVia Tristop
- e. Development of O-ring for ProVia application
- f. Durability test rig with active functionality on control algorithm.
- g. Development of accelerated durability tests for Aftermarket Product Range

### 2. Benefits derived

- a. Improved sales and market share with localized products
- b. Improved competency for designing products for global market.
- c. Enhanced skillset and knowledge in new technology for safety and fuel saving.
- d. Reduction in lead time for products to reach the market.
- e. Enhanced corrosion resistance & surface protection, leading to better Product life.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Rs. in Lakhs
Foreign exchange inflow	56,307.05
Foreign exchange outflow	21,215.37

Report on CSR activities for the year ended 31<sup>st</sup> March 2016**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company focuses on CSR activities as specified in Schedule VII of the Companies Act, 2013 and accordingly the projects have been identified and recommended by the CSR Committee and approved by the Board. The projects have been implemented through internal executive committee.

The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is: <http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations/>

**2. The Composition of the CSR Committee**

- a. Mr. P Kaniappan - Chairman
- b. Mr. M Lakshminarayan - Member
- c. Ms. Lisa Brown (from 09.11.2015) - Member
- d. Mr. Leon Liu (till 15.4.2015) - Member
- e. Mr. Trevor Lucas (till 29.10.2015) - Member

3. Average net profit of the company for last three financial years: Rs.17,451.06 Lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 349.02 Lakhs.

5. Details of CSR spent during the financial year.

a. Total amount to be spent for the Financial Year 2015-16: Rs.41.92 Lakhs.

b. Amount unspent, if any: Rs.307.10 Lakhs.

c. Manner in which the amount was spent during the financial year is given below:

(Rs. in Lakhs)

1	2	3	4	5	6	7	8
Sl. No	CSR project or activity identified	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken	Sector in which the project is covered	Amount outlay (budget) project or program wise	Amount spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overheads - NIL	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	Reflooring was done at Samathvapuram Village Govt. primary school as the current flooring was severely damaged	Mappedu, Chennai. Near Test Track	Promoting Education	2.00	2.00	2.00	Direct
2	Hand pumped bore well with submergible motor was installed for the Samathvapuram village Govt. primary school	Mappedu, Chennai. Near Test Track	Making available safe drinking water, Promoting Education	2.00	1.48	1.48	Direct
3	Drinking water facility proposed to be installed in front of Somaiya Nagar Chauraha	Lucknow. Near Lucknow plant	Making available safe drinking water	3.00	-	-	-



### WABCO INDIA LIMITED

1	2	3	4	5	6	7	8
4	Renovation of hand pumped bore well for drinking water facility in Salampurvillage	Jamshedpur. Near Jamshedpur plant	Making available safe drinking Water	1.50	0.18	0.18	Direct
5	Borewell with overhead tank was installed for drinking water facilities at Upperbera Govt. School	Jamshedpur. Near Jamshedpur plant	Making available safe drinking Water	1.50	1.31	1.31	Direct
6	Constructed drains and safety infrastructure in the Ayapakkam Village Area, Ambattur	Ambattur, Chennai. Near Ambattur plant	Environmental sustainability and sanitation	10.00	9.65	9.65	Direct
7	Safety related training and awareness programs	Chennai	Promoting Education	2.00	1.92	1.92	Direct
8	Safety related Training and awareness programs, Chennai	Ambattur, Chennai	Promoting Education	8.00	1.20	1.20	Direct
9	Preventive Health Check-up in and around Chennai carried out in the areas affected by flood	Chennai	Promoting preventive healthcare	5.00	3.00	3.00	Direct
10	Flood relief activities carried out at little flower convent for Deaf & Blind	Chennai	Promoting education for differently abled	22.00	21.18	21.18	Direct
	Total			57.00	41.92	41.92	

6. Company is in the preliminary process of exploring the feasibility and establishing a foundation for carrying out its CSR programs. Further, the Company is also in the process of identifying suitable projects and mode for implementing various projects and hence could not spent 2% of the average net profits of last three years.
7. The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

P. KANIAPPAN  
Managing Director & Chairman of CSR Committee

# WABCO INDIA LIMITED

## Annexure - 3

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

1.	CIN	L34103TN2004PLC054667
2.	Registration Date	18/11/2004
3.	Name of the Company	WABCO India Limited
4.	Category / Sub-Category of the Company	Public Company, Listed by Shares
5.	Whether listed company Yes / No	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sundaram-Clayton Limited (Shares) "Jayalakshmi Estates", 1 <sup>st</sup> Floor, No.29, Haddows Road, Chennai - 600 006 Tel. : 044 - 2827 2233 / 044 - 2828 4959 investorscomplaintssta@scl.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name and Description of Main Products / Services	NIC code of the product / service	% to total turnover of the Company
1	Auto components	34300	94.64%

Except sale of auto components no other income contributes more than 10% of the turnover of the Company

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
1.	WABCO Asia Private Limited	NA	Holding Company	75%	Sec.2(46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. BodiesCorp.	-	-	-	-	-	-	-	-	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total-A-(1)	-	-	-	-	-	-	-	-	-
<b>2. Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	1,42,25,684	-	1,42,25,684	75%	1,42,25,684	-	1,42,25,684	75%	Nil
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub Total- A(2)	1,42,25,684	-	1,42,25,684	75%	1,42,25,684	-	1,42,25,684	75%	Nil
<b>Total Share Holder of Promoters(1+2)</b>	<b>1,42,25,684</b>	<b>-</b>	<b>1,42,25,684</b>	<b>75%</b>	<b>1,42,25,684</b>	<b>-</b>	<b>1,42,25,684</b>	<b>75%</b>	<b>Nil</b>

## WABCO INDIA LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	16,43,684	–	16,43,684	8.67%	15,25,648	–	15,25,648	8.04%	-0.63
b. Bank / FI	3,065	–	3,065	0.02%	22,050	–	22,050	0.12%	+0.10
c. Cent. Govt.									–
d. State Govt.									–
e. Venture Capital									–
f. Insurance Co.									
g. FIs	3,87,471	–	3,87,471	2.04%	2,59,996	–	2,59,996	1.37%	-0.67
h. Foreign Portfolio Corporate	69,865	–	69,865	0.37%	1,62,063	–	1,62,063	0.85%	+0.48
i. Foreign Venture Capital Fund									–
j. Others									–
<b>Sub-Total-B(1)</b>	<b>21,04,085</b>	<b>-</b>	<b>21,04,085</b>	<b>11.10%</b>	<b>19,69,757</b>	<b>-</b>	<b>19,69,757</b>	<b>10.38%</b>	<b>-0.72</b>
<b>2. Non-Institution</b>									
a. Body Corporate	7,78,717	1,651	7,80,368	4.12%	9,10,453	1,651	9,12,104	4.81%	+0.69
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	14,62,823	2,31,643	16,94,466	8.92%	15,17,783	2,14,963	17,32,746	9.13%	+0.21
ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1,07,856	–	1,07,856	0.57%	73,170	–	73,170	0.38%	-0.18
Others									
NRI (Repatriable)	24,826	–	24,826	0.13%	33,499	–	33,499	0.18	+0.05
NRI (Non-Repatriable)	30,125	174	30,299	0.16%	20,018	174	20,192	0.11	-0.05
Foreign National	–	–	–	–	82	–	82	–	–
OCB									
Directors	50	–	50	–	50	–	50	–	–
Trust									
In Transit	–	–	–	–	–	–	–	–	–
<b>Sub-Total-B(2)</b>	<b>24,04,347</b>	<b>2,33,468</b>	<b>26,37,815s</b>	<b>13.90%</b>	<b>25,55,355</b>	<b>2,16,788</b>	<b>27,72,143</b>	<b>14.62</b>	<b>+0.72</b>
<b>Net Total (1+2)</b>	<b>45,08,432</b>	<b>2,33,468</b>	<b>47,41,900</b>	<b>25.00%</b>	<b>45,25,112</b>	<b>2,16,788</b>	<b>47,41,900</b>	<b>25.00%</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	–	–	–	–	–	–	–	–	–
Public									–
<b>Grand Total (A+B+C)</b>	<b>1,87,34,116</b>	<b>2,33,468</b>	<b>1,89,67,584</b>	<b>100%</b>	<b>1,87,50,796</b>	<b>2,16,788</b>	<b>1,89,67,584</b>	<b>100%</b>	<b>–</b>

## WABCO INDIA LIMITED

### V. SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the
		No of Shares	% of total shares the Company	% of Shares Pledged / encumbered total shares	No. of Shares	% of total shares the Company	% of Shares Pledged / encumbered total shares	
1	WABCO Asia Private Limited	1,42,25,684	75%	–	1,42,25,684	75%	–	–

Note: There is no change in the shareholding of the Promoter Group.

### VI. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
	Name of the Director / KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. M Lakshminarayan	50	0.0003%	50	0.0003%
2.	Mr. D E Udwadia	–	–	–	–
3.	Mr. Narayan K Seshadri	–	–	–	–
4.	Mr. Jorge Solis	–	–	–	–
5.	Mr. Sean Deason	–	–	–	–
6.	Mr. Shivram Narayanaswami	–	–	–	–
7.	Ms. Lisa J Brown	–	–	–	–
8.	Mr. P Kaniappan	–	–	–	–
9.	Mr. R S Rajagopal Sastry	–	–	–	–
10.	Mr. M C Gokul	–	–	–	–

\* No addition or deletion of shares held by Mr. Lakshminarayan, Chairman of the Company as well as other directors and Key Managerial Personal during the financial year.

## WABCO INDIA LIMITED

### VII. TOP 10 SHAREHOLDERS AS ON 31.03.2016

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance			
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
HDFC STANDARD LIFE INSURANCE COMPANY LIMITED										
15,500	01-04-2015	Opening balance								
	10-04-2015	Transfer - Purchase	25,000	0.13	40,500	0.21				
	17-04-2015	Transfer - Purchase	9,000	0.05	49,500	0.26				
	01-05-2015	Transfer - Purchase	33,871	0.18	83,371	0.44				
	08-05-2015	Transfer - Sale	2,300	0.01	81,071	0.43				
	15-05-2015	Transfer - Purchase	6,380	0.03	87,451	0.46				
	22-05-2015	Transfer - Purchase	15,000	0.08	102,451	0.54				
	29-05-2015	Transfer - Purchase	10,000	0.05	112,451	0.59				
	05-06-2015	Transfer - Purchase	30	0.00	112,481	0.59				
	12-06-2015	Transfer - Purchase	18,842	0.10	131,323	0.69				
	19-06-2015	Transfer - Purchase	19,000	0.10	150,323	0.79				
	03-07-2015	Transfer - Sale	212	0.00	150,111	0.79				
	10-07-2015	Transfer - Purchase	3,132	0.02	153,243	0.81				
	17-07-2015	Transfer - Purchase	5,000	0.03	158,243	0.83				
	14-08-2015	Transfer -Sale	83	0.00	158,160	0.83				
	28-08-2015	Transfer - Purchase	20,545	0.11	178,705	0.94				
	04-09-2015	Transfer - Purchase	882	0.00	179,587	0.95				
	11-09-2015	Transfer - Purchase	1,996	0.01	181,583	0.96				
	18-09-2015	Transfer - Sale	132	0.00	181,451	0.96				
	09-10-2015	Transfer - Purchase	2,257	0.01	183,708	0.97				
	23-10-2015	Transfer - Sale	59	0.00	183,649	0.97				
	30-10-2015	Transfer - Sale	136	0.00	183,513	0.97				
	06-11-2015	Transfer - Purchase	1,650	0.01	185,163	0.98				
	13-11-2015	Transfer - Purchase	2,190	0.01	187,353	0.99				
	04-12-2015	Transfer - Purchase	5,000	0.03	192,353	1.01				
	11-12-2015	Transfer - Purchase	5,000	0.03	197,353	1.04				
	15-01-2016	Transfer - Purchase	393	0.00	197,746	1.04				
	22-01-2016	Transfer - Purchase	6,919	0.04	204,665	1.08				
	18-03-2016	Transfer - Purchase	9,491	0.05	214,156	1.13				
	25-03-2016	Transfer - Purchase	12,000	0.06	226,156	1.19				
	31-03-2016	Closing Balance							226,156	1.19
AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND										
142,470	01-04-2015	Opening balance								
	24-04-2015	Transfer - Purchase	2,000	0.01	144,470	0.76				
	06-05-2015	Transfer - Purchase	4,625	0.02	149,095	0.79				
	26-06-2015	Transfer - Purchase	10,000	0.05	159,095	0.84				
	10-07-2015	Transfer - Purchase	17,000	0.09	176,095	0.93				
	21-08-2015	Transfer - Purchase	3,000	0.02	179,095	0.94				
	28-08-2015	Transfer - Purchase	3,000	0.02	182,095	0.96				
	27-11-2015	Transfer - Purchase	10,000	0.05	192,095	1.01				
	08-01-2016	Transfer - Purchase	8,000	0.04	200,095	1.05				
	15-01-2016	Transfer - Purchase	5,000	0.03	205,095	1.08				
	04-03-2016	Transfer - Purchase	10,000	0.05	215,095	1.13				
	31-03-2016	Closing Balance							215,095	1.13

## WABCO INDIA LIMITED

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP								
253,596	01-04-2015	Opening Balance						
	10-04-2015	Transfer - Sale	3,881	0.02	249,715	1.32		
	08-05-2015	Transfer - Sale	104	0.00	249,611	1.32		
	22-05-2015	Transfer - Sale	12,896	0.07	236,715	1.25		
	29-05-2015	Transfer - Sale	2,000	0.01	234,715	1.24		
	05-06-2015	Transfer - Sale	4,715	0.02	230,000	1.21		
	19-06-2015	Transfer - Sale	746	0.00	229,254	1.21		
	26-06-2015	Transfer - Sale	735	0.00	228,519	1.20		
	30-06-2015	Transfer - Sale	1,061	0.01	227,458	1.20		
	03-07-2015	Transfer - Sale	713	0.00	226,745	1.20		
	10-07-2015	Transfer - Sale	3,054	0.02	223,691	1.18		
	17-07-2015	Transfer - Sale	223	0.00	223,468	1.18		
	31-07-2015	Transfer - Sale	8,468	0.04	215,000	1.13		
	14-08-2015	Transfer - Sale	428	0.00	214,572	1.13		
	21-08-2015	Transfer - Sale	5,000	0.03	209,572	1.10		
	18-09-2015	Transfer - Sale	372	0.00	209,200	1.10		
	25-09-2015	Transfer - Sale	188	0.00	209,012	1.10		
	30-09-2015	Transfer - Sale	732	0.00	208,280	1.10		
	02-10-2015	Transfer - Sale	267	0.00	208,013	1.10		
	09-10-2015	Transfer - Sale	3,013	0.02	205,000	1.08		
	16-10-2015	Transfer - Sale	754	0.00	204,246	1.08		
	23-10-2015	Transfer - Sale	1,246	0.01	203,000	1.07		
	13-11-2015	Transfer - Sale	700	0.00	202,300	1.07		
	27-11-2015	Transfer - Sale	2,028	0.01	200,272	1.06		
	08-01-2016	Transfer - Sale	103	0.00	200,169	1.06		
	29-01-2016	Transfer - Sale	42	0.00	200,127	1.06		
	05-02-2016	Transfer - Sale	7,914	0.04	192,213	1.01		
	12-02-2016	Transfer - Sale	7,815	0.04	184,398	0.97		
	26-02-2016	Transfer - Sale	1,123	0.01	183,275	0.97		
	31-03-2016	Closing Balance						
CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED								
150,712	01-04-2015	Opening balance	–	–	–	–		
	31-03-2016	Closing Balance					150,712	0.79



# WABCO INDIA LIMITED

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
SBI LIFE INSURANCE CO. LTD.								
98,583	01-04-2015	Opening balance						
	10-04-2015	Transfer - Purchase	15,300	0.08	113,883	0.60		
	17-04-2015	Transfer - Sale	43	0.00	113,840	0.60		
	24-04-2015	Transfer - Purchase	153	0.00	113,993	0.60		
	01-05-2015	Transfer - Sale	11	0.00	113,982	0.60		
	29-05-2015	Transfer - Purchase	1,329	0.01	115,311	0.61		
	05-06-2015	Transfer - Purchase	1,000	0.01	116,311	0.61		
	26-06-2015	Transfer - Purchase	20	0.00	116,331	0.61		
	30-06-2015	Transfer - Purchase	1,587	0.01	117,918	0.62		
	03-07-2015	Transfer - Purchase	4,700	0.02	122,618	0.65		
	28-08-2015	Transfer - Purchase	3,701	0.02	126,319	0.67		
	04-09-2015	Transfer - Sale	2,433	0.01	123,886	0.65		
	11-09-2015	Transfer - Sale	1,672	0.01	122,214	0.64		
	09-10-2015	Transfer - Purchase	41	0.00	122,255	0.64		
	23-10-2015	Transfer - Sale	500	0.00	121,755	0.64		
	20-11-2015	Transfer - Sale	1,141	0.01	120,614	0.64		
	11-12-2015	Transfer - Sale	2,000	0.01	118,614	0.63		
	31-12-2015	Transfer - Purchase	8,000	0.04	126,614	0.67		
	08-01-2016	Transfer - Purchase	3,000	0.02	129,614	0.68		
	15-01-2016	Transfer - Sale	858	0.00	128,756	0.68		
	29-01-2016	Transfer - Purchase	250	0.00	129,006	0.68		
	05-02-2016	Transfer - Sale	1,161	0.01	127,845	0.67		
	04-03-2016	Transfer - Sale	8,465	0.04	119,380	0.63		
	11-03-2016	Transfer - Sale	482	0.00	118,898	0.63		
	18-03-2016	Transfer - Sale	2,199	0.01	116,699	0.62		
	25-03-2016	Transfer - Purchase	528	0.00	117,227	0.62		
	31-03-2016	Transfer - Purchase	6,701	0.04	123,928	0.65		
	31-03-2016	Closing Balance					123,928	0.65
TATA AIA LIFE INSURANCE CO LTD - WHOLE LIFE MID CAP EQUITY FUND - ULIF009 04-01-07 WLE 110								
180,000	01-04-2015	Opening Balance						
	10-04-2015	Transfer - Sale	7,816	0.04	172,184	0.91		
	17-04-2015	Transfer - Sale	5,670	0.03	166,514	0.88		
	01-05-2015	Transfer - Sale	2,650	0.01	163,864	0.86		
	15-05-2015	Transfer - Sale	1,763	0.01	162,101	0.85		
	22-05-2015	Transfer - Sale	11,352	0.06	150,749	0.79		
	05-06-2015	Transfer - Sale	5,000	0.03	145,749	0.77		
	04-09-2015	Transfer - Sale	840	0.00	144,909	0.76		
	30-10-2015	Transfer - Sale	36	0.00	144,873	0.76		
	06-11-2015	Transfer - Sale	15,449	0.08	129,424	0.68		
	04-12-2015	Transfer - Sale	2,262	0.01	127,162	0.67		
	11-12-2015	Transfer - Sale	881	0.00	126,281	0.67		
	18-12-2015	Transfer - Sale	2,226	0.01	124,055	0.65		
	25-12-2015	Transfer - Sale	3,901	0.02	120,154	0.63		
	31-12-2015	Transfer - Sale	1,986	0.01	118,168	0.62		
	08-01-2016	Transfer - Sale	2,000	0.01	116,168	0.61		
	31-03-2016	Closing Balance						

# WABCO INDIA LIMITED

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
MOTILAL OSWAL MOST FOCUSED MIDCAP 30 FUND								
NIL	01-04-2015	Opening balance						
	07-08-2015	Transfer - Purchase	36,457	0.19	36,457	0.19		
	14-08-2015	Transfer - Purchase	301	0.00	36,758	0.19		
	21-08-2015	Transfer - Purchase	6,301	0.03	43,059	0.23		
	28-08-2015	Transfer - Purchase	10,624	0.06	53,683	0.28		
	04-09-2015	Transfer - Purchase	7,411	0.04	61,094	0.32		
	18-09-2015	Transfer - Purchase	2,523	0.01	63,617	0.34		
	25-09-2015	Transfer - Purchase	2,000	0.01	65,617	0.35		
	30-09-2015	Transfer - Purchase	5,000	0.03	70,617	0.37		
	09-10-2015	Transfer - Purchase	5,209	0.03	75,826	0.40		
	30-10-2015	Transfer - Purchase	256	0.00	76,082	0.40		
	06-11-2015	Transfer - Purchase	1,225	0.01	77,307	0.41		
	20-11-2015	Transfer - Purchase	1,500	0.01	78,807	0.42		
	27-11-2015	Transfer - Purchase	3,203	0.02	82,010	0.43		
	04-12-2015	Transfer - Purchase	1,246	0.01	83,256	0.44		
	11-12-2015	Transfer - Purchase	1,640	0.01	84,896	0.45		
	18-12-2015	Transfer - Purchase	2,500	0.01	87,396	0.46		
	25-12-2015	Transfer - Purchase	3,843	0.02	91,239	0.48		
	31-12-2015	Transfer - Purchase	2,270	0.01	93,509	0.49		
	08-01-2016	Transfer - Purchase	6,767	0.04	100,276	0.53		
	15-01-2016	Transfer - Purchase	3,398	0.02	103,674	0.55		
	22-01-2016	Transfer - Purchase	834	0.00	104,508	0.55		
	29-01-2016	Transfer - Purchase	700	0.00	105,208	0.55		
	12-02-2016	Transfer - Purchase	1,200	0.01	106,408	0.56		
	19-02-2016	Transfer - Purchase	327	0.00	106,735	0.56		
	26-02-2016	Transfer - Purchase	2,913	0.02	109,648	0.58		
	04-03-2016	Transfer - Purchase	1,193	0.01	110,841	0.58		
	18-03-2016	Transfer - Purchase	75	0.00	110,916	0.58		
	31-03-2016	Transfer - Purchase	697	0.00	111,613	0.59		
	31-03-2016	Closing Balance						
U T I - EQUITY FUND								
80,447	01-04-2015	Opening balance						
	01-05-2015	Transfer - Sale	212	0.00	80,235	0.42		
	26-06-2015	Transfer - Sale	724	0.00	79,511	0.42		
	21-08-2015	Transfer - Sale	548	0.00	78,963	0.42		
	31-03-2016	Closing Balance						
TATA BALANCED FUND								
40,000	01-04-2015	Opening balance						
	01-05-2015	Transfer - Purchase	10,000	0.05	50,000	0.26		
	26-06-2015	Transfer - Purchase	10,000	0.05	60,000	0.32		
	16-10-2015	Transfer - Purchase	2,000	0.01	62,000	0.33		
	23-10-2015	Transfer - Purchase	5,000	0.03	67,000	0.35		
	06-11-2015	Transfer - Purchase	8,000	0.04	75,000	0.40		
	31-03-2016	Closing Balance						
RADHA MADHAV INVESTMENTS LTD								
78,770	01-04-2015	Opening balance	-	-	-	-		
	01-08-2016	Transfer - Sale	8000	0.04	70,770	0.37		
	31-03-2016	Closing Balance					70,770	0.37

## WABCO INDIA LIMITED

### VIII. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In Lakhs)

Particulars	Secured Loan Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 1.4.2015</b>	NIL	NIL	NIL	NIL
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
<b>Total of (1 + 2 + 3)</b>				
<b>Change in Indebtedness during the financial year</b>				
+Addition				
-Reduction				
Net change				
<b>Indebtedness at the end of the financial year - 31.3.2016</b>				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
<b>Total of (1 + 2 + 3)</b>				

### IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and or Manager

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Mr. P. Kaniappan, Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	95.60
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	4.70
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- As % of Profit	
	- Others, specify	
5.	Others, please specify Provident Fund & other Funds	7.26
	Performance Bonus	33.72
	Total	141.28
	Ceiling as per the Act	1,357.65

B. Remuneration of other directors:

Independent Directors

Particulars of Remuneration	Name of Independent Directors			Total Amount (Rs. in Lakhs)
	M Lakshminarayan	D E Udwadia	Narayan K Seshadri	
Fee for attending board and committee meetings and Independent Directors meeting	2.2	2.4	2.4	7.0
Commission *	10.00	10.00	10.00	30.00
Others	–	–	–	–
Total (1)	12.2	12.4	12.4	37.0

## WABCO INDIA LIMITED

Other Non-Executive Directors:

Other Non-Executive Directors							Total Amount (Rs. in Lakhs)
Fee for attending board and committee meetings	NIL						
Commission							
Others							
Total (2)	-	-	-	-	-	-	-
Total B = (1+2)							37.00
Ceiling as per the Act							271.53

No sitting fee and commission paid to Non-executive and non-independent directors of the Company.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the KMP				Total Amount
		Mr. R S Rajagopal Sastry, Chief Financial Officer (w.e.f.31.08.2015)	Mr. M C Gokul, Company Secretary (w.e.f.30.01.2016)	Mr. T S Rajagopalan, Chief Financial Officer (upto 31.08.2015)	Mr. N Sivalai Senthilnathan, Company Secretary (upto 29.01.2016)	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.62	2.99	29.41	39.47	103.49
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - As % of Profit - Others, specify					
5.	Others, please specify Contribution to Provident Fund and gratuity fund	1.85	0.22	0.60	2.37	5.04
	Performance Bonus	4.40	0.11	-	4.72	9.23
	Total (C)	37.87	3.32	30.01	46.56	117.76

### X. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

## WABCO INDIA LIMITED

### Form No. AOC - 2

### Annexure - 4

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis.

(Rs. in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount
WABCO Europe BVBA, a fellow subsidiary	Sale of Automotive Components	01.04.2015 to 31.03.2016	Mark-up on cost of raw materials, conversion cost and other relevant expenses	20.05.2015	19,761.27
	Rendering of services	01.04.2015 to 31.03.2016	Mark-up on cost of salary, rent and other relevant expenses	20.05.2015	3,127.00
	Fee for Intellectual property, Technical knowhow and availing Technical services	01.04.2015 to 31.03.2016	Fee for technical upto 31.12.2015 and Royalty @ 4% p.a. on net sales with effect from 1 <sup>st</sup> January 2016	20.05.2015 & 31.03.2016	1,996.80
	Reimbursement of expenses	01.04.2015 to 31.03.2016	Actuals	20.05.2015	71.32

Note: There is no advance amount paid.

Net sales: Total product sales less inter-company sales and inter-company purchases.

M. Lakshminarayan  
Chairman

### Annexure - 5

Statement under Section 197 (12) of the Companies Act, 2013, read with the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015.

1. Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 6,000,000/- per annum

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	P Kaniappan	20/02/2008	Managing Director	B. Tech, M.Sc, Engg., (Warwick), Executive MBA	56	34	1,41,28,293	Sundaram-Clayton Ltd.
2.	Dinesh Shyamsundar	02/09/2011	Leader, Software Development Centre	B.E.	53	30	73,57,013	Varroc Engineering Pvt. Ltd.
3.	P Jeganathan	02/07/2007	Vice-President, Manufacturing & Logistics	B.Tech, Executive MBA	52	31	62,97,597	Maruti Udyog Ltd.
4.	A P Justin	08/09/2011	Vice President - Human Resources	MSW, BGL, Dip. in T&D	47	24	60,74,454	Tube Investments of India Ltd.

2. Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 500,000/- per month.

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	Rajagopalan T S (upto 30.10.2015)	25-12-2008	Chief Financial Officer (upto 31-8-2015)	B.Com, ACA, AICWA ACS, CFA, CMA & Executive MBA	58	33	81,72,883	Sundaram-Clayton Ltd.
2.	Narayanamurthy G (upto 12.09.2015)	20-02-2008	Sr. Vice President, Marketing	B.E.	60	38	76,23,514	Sundaram-Clayton Ltd
3.	R S Rajagopal Sastry	31-08-2015	Chief Financial Officer	B.Com, AICWA, ACS.	46	28	37,31,768	R Stahl (I) Private Ltd

#### Notes:

- Remuneration shown above includes Salary, Allowance, Medical, Leave Travel Assistance, Leave Encashment, Arrears of Salary, Bonus, contribution towards Provident Fund, Gratuity and value of perquisites as per income tax rule.
- Nature of employment is contractual.
- None of the above employee is related to any director of the Company.
- No employee holds more than 2% of shares in the Company.

**Form No. MR-3**

**Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**WABCO India Limited**, CIN: L34103TN2004PLC054667  
Plot No.3, Third Main Road, Ambattur Industrial Estate,  
Chennai - 600058

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. WABCO INDIA LIMITED (hereinafter called "the Company") during the financial year from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 (the year / audit period / period under review). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of books, papers, minute books and other records maintained, forms / returns filed, compliance related action taken during the year as well as after 31<sup>st</sup> March 2016 but before the issue of this report, and the information provided by the Company, its officers, agents and authorized representatives during our conduct of the Secretarial Audit.

**A. We hereby report that:**

1. In our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016, the Company has complied with the statutory provisions listed hereunder, and also has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.
2. We have examined the books, papers, minute books and other records maintained by the Company and forms / returns / reports / disclosures / information filed during the year according to the applicable provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Companies Act, 1956 and the rules made thereunder.
  - (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FEMA).
  - (vi) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
    - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (upto 14<sup>th</sup> May 2015)
    - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding with Companies Act and dealing with client;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable with effect from 15<sup>th</sup> May 2015); and
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1<sup>st</sup> December 2015)
- (vii) The following laws that are specifically applicable to the Company (specific laws):
  - (a) The Special Economic Zones Act, 2005 and The Special Economic Zones Rules, 2006 (for the unit located in a Special Economic Zone); and
  - (b) The Software Technology Parks Scheme (for the unit located in an STPI).
- (viii) The listing agreements (old agreements upto 30<sup>th</sup> November 2015 and new agreements from 1<sup>st</sup> December 2015) entered by the Company with:
  - (a) BSE Limited; and
  - (b) National Stock Exchange of India Limited.
- (ix) Secretarial Standards on Meetings of Board of Directors and General meetings, issued by the Institute of Company Secretaries of India ("Secretarial Standards") under Section 118(10) of the Act (applicable from 1<sup>st</sup> July 2015).
3. We are informed that during / in respect of the year:
  - (i) The Company was not required to comply with the following laws / regulations / agreement / guidelines and consequently not required to maintain any books, papers, minute books or other records or file any forms / returns under:
    - (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; and
    - (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (FEMA).
  - (ii) There was no law other than those specific laws set out in paragraph A-2(vii) above, that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law did not arise.



## WABCO INDIA LIMITED

4. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2016 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the information and explanations provided to us, complied with the applicable provisions of the Act, Rules, SEBI Regulations, FEMA, specific laws, Listing Regulation and Secretarial Standards specified under paragraph A-2 above.

### B. We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice was given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance.
4. Agenda and detailed notes on agenda were sent less seven days before the Board meeting held on or before 30<sup>th</sup> June 2015, since there was statutory requirement during the said period to send them seven days in advance of the meeting.
5. In respect Board meetings convened after 1<sup>st</sup> July 2015 (the date on which the Secretarial Standards became applicable), agenda and detailed notes on agenda were sent not less than seven days before the respective meetings except for the following, in respect of which consent of the Board was duly obtained as required under

the Secretarial Standards for sending them at a shorter notice or circulating them at the meeting:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as unaudited financial results; and
  - (ii) Additional subjects/ information and supplementary notes.
6. A system exists for seeking and obtaining further information and clarifications on the agenda items before the Board meeting and for meaningful participation at the meetings.
  7. Majority decision is carried through. We are informed that there were no dissenting views from any Board member that were required to be captured and recorded as part of the minutes.

### C. We further report that:

1. There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. During the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

**For S Krishnamurthy & Co.,**  
Company Secretaries,

K. Sriram  
Partner  
Membership No: F6312  
Certificate of Practice No:2215

Date : 19<sup>th</sup> May 2016  
Place : Chennai

## Annexure – A to Secretarial Audit Report of even date

To,

The Members,

**WABCO India Limited**, CIN: L34103TN2004PLC054667  
Plot No.3, Third Main Road, Ambattur Industrial Estate,  
Chennai - 600058

### Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March 2016 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Company's management. Our responsibility is to express an opinion on the secretarial records produced for audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31<sup>st</sup> March 2016 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S Krishnamurthy & Co.,**  
Company Secretaries,

K. Sriram  
Partner  
Membership No: F6312  
Certificate of Practice No:2215

Date : 19<sup>th</sup> May 2016  
Place : Chennai

## Management discussion and analysis report

### I. Industry Structure and Development:

#### i. Gross Domestic Product (GDP) Growth:

India's GDP growth for 2015-16 at 7.6% was higher than the GDP of 2014-15. Table -1 shows India's real GDP growth rates (at factor cost) for various sectors broadly from 2012-13 to 2015-16.

Sector	2012-13	2013-14	2014-15	2015-16
Agriculture	1.9	3.7	0.2	1.2
Industry	1.2	5.3	6.6	8.8
Services	6.8	8.1	9.4	8.2
GDP (constantprices)	5.6	6.6	7.2	7.6

Source: Reserve Bank of India - Publications, Government of India.

The GDP growth in 2015-16 is driven by a significant growth in industrial production.

#### Industrial Growth:

On a cumulative basis in April'15 - March'16, IIP registered a growth of 2.66% as compared to previous year growth of 2.88%.

#### ii. Indian Commercial Vehicle Industry:

The outlook on the CV industry has improved gradually since the second half of the financial year 2014-15 driven by improving viability for fleet operators, replacement-led demand (following two years of capacity deferral by fleet operators) and pre-buying ahead of implementation of BS-IV emission norms and Anti-Lock Braking Systems (ABS). As a result, the M&HCV (Truck) segment has registered a growth of 31.9% during the financial year 2015-16 and would continue to benefit from these factors in the near-term.

The growth prospects could improve further if the impact of ongoing reforms in the infrastructure and mining sectors percolates down to ground level. Although demand for road logistics hasn't improved meaningfully over the past few quarters, the reduction in diesel prices has come as a relief for the industry, which was reeling under pressure of steadily rising operating costs and weak pricing power (amidst surplus capacity in the trucking system). The improvement in cash flows of fleet operators has also started showing up in improved collection efficiency for CV financiers, who expect that further deterioration in asset quality indicators is unlikely. Accordingly, we expect M&HCV (Truck) sales to register a growth of 13-15% during the financial year 2016-17.

Replacement of buses under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) phase II will drive demand for buses during the year. Sales of M&HCVs are expected to be higher by 19.9 per cent in the whole year. Table 2 shows the growth in production and sales of M&HCV from 2014-15 to 2015-16.

Table - 2 M&HCV Production and Sales numbers.

Figures in units			
Category	2014-15	2015-16	Growth
M&HCV Production	2,68,558	3,41,181	27%
M&HCV Sales	2,63,407	3,37,565	28%

Source: SIAM

### II. Business outlook and overview

The macroeconomic situation in India has improved significantly during the past couple of years. In addition, government's policy to boost the manufacturing and service sector and commitment to resolve mining and infrastructure projects provides a positive outlook for the year 2016-17. But the slowdown in advanced economies, including US, lower commodity prices and weaker currencies in some major trading partners, vis-à-vis the Indian rupee, are likely to hit merchandise exports and financial, telecom, business and other tradable services.

**Growth:** The economic growth outlook for the year 2016-17 is approximately at 7.4% as estimated by various rating agencies and Government and international bodies. India is one of the fastest growing large economies in the world and would likely remain so in the near term. The potential growth of the country can be raised further if it could successfully implement necessary reforms including unifying the tax regime, improving labor market regulations and opening further to foreign direct investment and trade.

**Inflation & Monetary Context:** Consumer price inflation, measured by the Consumer Price Index (CPI), on average is expected to be 4.9 per cent in 2016-17. This will be the second consecutive year when retail price inflation will remain below five per cent. A likely improvement in agricultural output is going to play a large role in keeping inflation under check. Food grains production is expected to rise year on year, by 4.8 per cent, as monsoon rains are likely to be above average this year following 2 years of drought.

The Indian Meteorological Department (IMD) and private Indian weather forecaster Skymet, both are expecting an above average

monsoon, with the former projecting rainfall to be 106% and the latter estimating it to be 105% of the Long Period Average.

A few other factors are also expected to prevent consumer inflation from falling below the 2015-16 level. These include rise in international crude oil prices and likely depreciation of the Indian rupee. Since a large chunk of India's foreign trade is in US dollars, the depreciation of the domestic currency is likely to feed into inflation.

### **III. Opportunities & Threats**

The Company provides safety and vehicle control solutions to the commercial vehicle segment of the automotive industry. In connection to this, the Anti-Lock Brake Systems (ABS) legislation for M3 and N3 vehicles got implemented from the third quarter of 2015-16, which resulted in increased business. Local market growth opportunities were through increase in content per vehicle in the form of introducing new systems / technologies like wiring harness, pole wheels and Lift axle control system. The company has also expanded into new segments like off-highway, defense, luxury bus, car and trailers

In the Aftermarket side, further potential in retro fitment of advanced products like Air Disc Brakes, Electronically Controlled Air Suspension is being explored. Our focused efforts in Trailer segment have boosted the sales growth considerably and Trailer Anti-Lock Brake Systems (TABS) and Trailer Electronic Brake Systems (TEBS) are also continued to be explored in this segment. Focused initiatives are also being taken to venture in the space of telematics through the indigenously developed vehicle tracking systems.

The company has also commenced supplies of slack adjusters and double diaphragm spring brake actuators to global markets through the other WABCO sites.

As a measure of improving the safety in passengers transport, zero leak programs at public transports, school and college buses are being carried out. Distributor branches are increasing their presence in B & C towns and that is resulting in availability of genuine parts in remote locations. Our authorized service center network is expanding and currently we have 200 service centers with Pan India presence to cater to the customer requirements. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the Company.

Given the growth opportunities that are available in the commercial vehicle industry, we expect the activity levels of the competitors to be on the rise.

### **IV. Risks and concerns**

The cyclical nature of the Indian commercial vehicle industry presents its own risk to the business. The operating expenses are likely to rise with the expected increase in prices of key raw materials.

### **STEEL**

In the first half of financial year 2015-16, Indian domestic prices have registered steep decline due to impact of lower priced steel imports especially from China, Japan, Korea and Common Wealth of Independent States (CIS) countries amid a not-so-strong demand scenario. Besides, slowdown of economic growth in China dampened demand for steel in the country, causing it to export surplus steel at cheaper prices to countries such as India, hurting revenues of local steel manufacturers. This has resulted in significant price drop in the domestic market. The procurement prices came down by about 8% by the end of 2015 compared to 2014 and the Company had tapped this benefit fully by reducing the component prices in line with the material content

To rescue steel industry, Government of India has hiked the import duty on key steel products in July 2015 & August 2015 resulting in a net increase of 5%. As it did not have the desired effect, during September 2015 the government imposed another 20 per cent provisional safeguard duty for 200 days on the import of hot-rolled flat products in coils wider than 600 mm. Again in December 2015 the government imposed anti-dumping duty ranging from 5 to 57 per cent on cold-rolled flat products of stainless steel for a period of five years. On top of this government announced MIP (minimum import price) of 173 steel products in February 2016 to curb dumping of cheap steel by countries like China, Russia, Japan and South Korea.

Following various interventions from the Government, leading domestic primary steel producers have raised product prices by 4 to 5% effective February 2016. We estimate that there could be a gradual but marginal price hike going forward.

### **Risk Management:**

The Company has laid down procedures for risk assessment and mitigation actions. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. Risks identified and mitigation measures are periodically communicated to the board of directors.

### **V. Internal control system and their adequacy**

The Company has a proper and adequate systems of internal control 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**

"WIN 2.0" was a transformation initiative intended towards changing the mindset of employees at all levels, all functions

and across locations and achieve global standards of performance. This initiative was widely imbibed in all employees and has already started yielding visible results in all areas of operations. Our key customers have also acknowledged our transformation and have recognized us with awards.

The Company had bagged prestigious supplier awards simultaneously from the top OEM Customers i.e. "Supplier of the year" award from TATA Motors, "Gold Award for Quality" from Ashok Leyland, Outstanding contribution to "New Product Development" from Volvo Eicher, "Best Supplier for Innovation" from Daimler India, and "Product up-gradation through Innovation" Award from Swaraj Mazda Isuzu.

During 2013-14, construction of the plant near Lucknow in the State of Uttar Pradesh was completed. Activities have since increased and this plant has become a manufacturing hub for the customers located in the northern and central part of India. Further, a warehouse was established in Indore during the year to cater to the needs of customers located in central India. During the year the Company has initiated "Lean Equipment Development center" for frugal, high quality, low cost capital investments in new projects. This centre also conceptualizes designs and builds manufacturing lines to be shipped to various WABCO global locations.

The Company's manufacturing facilities, building on its strong fundamentals of Total Quality Management (TQM), Total Productive Maintenance (TPM) and Lean Manufacturing 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.

Focused lean initiatives were executed throughout all manufacturing locations, challenging site layouts for more compact & efficient floor space utilization. This initiative has helped in increased sales within the current floor space which is now fully utilized.

The Company received "Silver Trophy for Star Performer in Exports" from EEPC INDIA, "Award of Honor" for Ambattur plant and "Safety Appreciation" award for Mahindra World City plant from National Safety Council and NABL accreditation of materials & metrology lab for Ambattur Plant, during the year.

## **B. Quality**

The quality systems in the Company 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. Deploying global best practices like "8 steps of Quality Fundamental", "VDA 6.3" standards, helped us to reduce the defects significantly. 60% of our assembly lines are certified for 8 steps of Quality fundamentals, 24 assembly lines were upgraded for making them robust enough to prevent generation of defects. Also new warranty process to do level zero inspection at customer end helped in speedy analysis and resolution of failures.

The same rigor was introduced in supplier process to improve the child part quality. Front loading of quality deliverables in new projects to improve the new product quality. Standardization of the quality procedures is aligned with QS9000 / TS16949 requirements. The Company is certified for TS16949.

TQM is a way of life at the Company. 100% participation in employee involvement has been successful for the past 16 consecutive years. Employees have completed 240 Quality Control Circle projects and 88 Supervisory Improvement Team and Cross Functional team projects by applying statistical tools and Quick Response Six Sigma (QR6S) methodology during 2015-16. The average number of suggestions implemented per employee was 41 in 2015-16 which is close to international benchmark.

Quality Control circle, Cross functional teams of employees participated in external competitions conducted by industry bodies, Automotive Component Manufacturers Association (ACMA), Confederation of Indian Industry (CII), National Institution for Quality and Reliability (NIQR), Indian Machine Tool Manufacturers Association (IMTMA), Quality Circle Forum of India (QCFI) and had won various prizes. Significant among them is the National level first prize in IMTMA productivity Championship competition and winning first prize in "Single Minute Exchange of Die" competition conducted by ACMA third time in a row.

## **C. Cost management**

The Company continues its rigorous focus on its costs through an effective cost deployment system. Value engineering and continuous change in design for easy application are the major cost reduction factors. 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 helps in managing the cost effectively and efficiently.

Other significant cost reduction projects include:

- Usage of new generation cutting tools, thereby improving the productivity levels.
- Undertaking energy saving projects like introducing Adiabatic cooling systems for chillers & utilizing third party power to reduce energy cost.



- Replacing cartons with 100% returnable packing for delivery of materials to key customers.
- Truck load optimization, production optimization for voluminous parts at Pant Nagar, Lucknow.
- Low cost automation to improve the productivity.

**D. Information Technology**

Achievement of company goals and objectives is enabled with robust IT Infrastructure, data security, network connectivity and availability of applications at all time 24/7 and 365 days. All business processes and transactions of the Company are supported by company's ERP system which is now hosted on more advanced servers with enhanced security features. To comply with the regulatory requirements regarding Information Technology Act and Sox audits, the team conducts periodic review and evaluates all IT processes and is being presented to the Board regularly. During the year, to strengthen the existing customer care system, the Company has set up a new online application that will capture all complaints & suggestions from customers which then gets addressed by respective regional heads with lesser turnaround time.

**VII. Human Resource Development**

The Company focuses on attracting and retaining 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 4.69%, while similar Industry attrition rates are at an average of 11.6%.

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.

As of 31<sup>st</sup> March 2016, the Company had 1515 employees on its rolls.

**VIII. Environment & Safety**

Safety and management is integrated with the overall safety and Environment (SHE) management system. The SHE management system which is already certified under ISO14001 & OHSAS18001 was re-certified with DNV covering 5 manufacturing sites and the test track. The first three months of the financial year were taken as safety months which was utilized to enhance safety systems and in the process creating safety awareness among the employees. The Director of Industrial Safety and health from the Government of Tamilnadu was gracious enough to visit the plant during the culmination of the safety months program and share his experience. He also motivated the employees by distributing prizes to the safety competition winners.

The Company has taken many initiatives on improving ergonomics in the shop floor. High and medium fatigue stations were identified and the ergonomics were improved upto 80%, thereby improving productivity and operator morale. During the year the Jamshedpur plant won 1<sup>st</sup> Prize in "Energy Efficiency In Supply Chain" organized By Tata Motors Jamshedpur.

**IX. Community development and social responsibility**

As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities were conducted through internal engagement of employees and resources, driving activities which would help the needy sections of the society as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy with specific focus towards areas surrounding the company's plant locations. The activities during the year were largely directed towards, promoting education, preventive healthcare, making available safe drinking water, environment protection, sanitation etc.

Chennai was hit by floods during December 2015. The community at large came together in solidarity towards the effected underprivileged and displayed tremendous compassion. The little flower convent for Deaf & Blind in Chennai was devastated during the flood which caused damage to property as well as basic support systems which acted as lifeline for the deaf and blind students. The students and the management were in a state of tremendous distress. Employees of your company contributed their one day salary to which an equal amount was contributed by the Company. The total amount which came to Rs.47 Lakhs was contributed towards the flood relief activities at the little flower convent so that they could normalize their activities. It was a rejoicing moment for the Company when it was informed that a student from the school secured second rank among the visually challenged candidates in the state of Tamilnadu for the year 2016 and that certain others have scored very high marks.

Your Company has taken various initiatives for community development during the year which are dealt in the CSR Report annexed to Directors Report.

## WABCO INDIA LIMITED

### X. Financial statement

Particulars	Year ended 31 <sup>st</sup> March 2016		Year ended 31 <sup>st</sup> March 2015	
	Rs. in lakhs	%	Rs. in lakhs	%
Sales (net)	1,83,827.08	98.15	1,34,796.34	98.52
Other Operating income	3,460.96	1.85	2,029.89	1.48
<b>Total income</b>	<b>1,87,288.04</b>	<b>100</b>	<b>1,36,826.23</b>	<b>100</b>
Raw materials consumed	1,12,109.99	59.86	79,003.25	57.74
Changes in inventories of Finished goods and WIP	(2,135.97)	(1.14)	290.68	0.21
Staff cost	17,378.38	9.28	14,344.87	10.48
Stores & tools consumed	5,809.42	3.10	5,101.63	3.73
Power & fuel	2,090.51	1.12	1,991.88	1.46
Repairs & maintenance	1,727.67	0.92	1,261.29	0.92
Other expenses	17,553.08	9.37	12,467.31	9.12
Finance costs	15.20	0.01	36.09	0.03
Depreciation	5,623.69	3.00	4,666.37	3.41
<b>Total expenditure</b>	<b>1,60,171.97</b>	<b>85.52</b>	<b>1,19,163.37</b>	<b>87.09</b>
<b>Profit before tax</b>	<b>27,116.07</b>	<b>14.48</b>	<b>17,662.86</b>	<b>12.91</b>
Provision for taxation	6,654.46	3.55	5,596.82	4.09
<b>Profit after tax</b>	<b>20,461.61</b>	<b>10.93</b>	<b>12,066.04</b>	<b>8.82</b>

### 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 endeavor to improve on these aspects.

### 2. Board of directors

#### 2.1 Composition and category of directors:

As of 31<sup>st</sup> March 2016, the total strength of the Board of Directors (the board) was eight directors. All the directors except the Managing 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 not related to any promoter of the Company as defined under Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulation). The number of

Independent Directors is more than one third of Board's total strength. Thus, the Company meets with the requirements of composition of the board as per Listing Regulation. Mr. D E Udawadia, Independent Director has resigned from the Board with effect from 1<sup>st</sup> April 2016. Dr. Lakshmi Venu has been appointed as a Independent Director for a term of 5 consecutive years from 19<sup>th</sup> May 2016 to 18<sup>th</sup> May 2021. Subject to the approval of shareholders.

#### 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 2015-16, the Board met 4 times on 20<sup>th</sup> May 2015, 29<sup>th</sup> July 2015, 9<sup>th</sup> November 2015 and 29<sup>th</sup> January 2016 and the gap between two meetings did not exceed 120 days.

#### 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 30<sup>th</sup> July 2015 and also the number of other directorships and committee memberships chairmanships as on 31<sup>st</sup> March 2016 are 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	4	Yes	8	3	1
P Kaniappan	MD-NI	4	Yes	1	-	-
Narayan K Seshadri \$	NE-I	4	Yes	18	6	3
D E Udawadia	NE-I	3	No	14	10	1
Jorge Solis \$	NE-NI	2	Yes	1	-	-
Trevor Lucas (Upto 28/10/2015)	NE-NI	1	No	-	-	-
Lisa Brown \$	NE-NI	3	Yes	37	1	1
Shivram Narayanaswami (from 9/11/2015)	NE-NI	2	NA	-	-	-
Sean Deason (from 9/11/2015)	NE-NI	2	NA	1	1	-
Vincent Pickering (Upto 22/05/2015)	NE-NI	1	NA	34	-	-

\* includes private companies.

\*\* includes committees where the director is also chairman.

\$ includes directorship in foreign companies.

! Memberships and chairmanship of Audit Committee and Stakeholders relationship committee

C-I : Chairman Independent

MD-NI : Managing 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 of listed companies, as specified under Regulation 26 of the Listing Regulation.

**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 Listing Regulation. 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 Managing Director 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](http://www.wabcoindia.com). All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March 2016. The annual report contains a declaration to this effect signed by the Managing Director and Company Secretary of the Company as compliance officer for the Code.

**2.6 Appointment of directors:**

In terms of Regulation 36(3) of the Listing Regulation, 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 transactions of the company with related parties and modifications thereof;
- 6) To scrutinise intercorporate 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.
- 11) 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;
- 12) To seek information from any employee;
- 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 from time to time. The auditors of the 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 (upto 31.03.2016)	Non-executive, Independent director
Trevor Lucas (upto 28.10.2015)	Non-executive, Non-Independent director
Sean Deason (from 09.11.2015)	Non-executive, Non-Independent director
M Lakshminarayan (from 04.04.2016)	Non-executive, Independent director

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Audit Committee. Mr. M Lakshminarayan was appointed as a member of the Audit Committee for the meeting dated 29<sup>th</sup> January 2016 and with effect from 4<sup>th</sup> April 2016. Mr. M C Gokul 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 30<sup>th</sup> July 2016. The composition of the committee is in accordance with the requirements of Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013. The particulars of meetings and attendance by the members of

## WABCO INDIA LIMITED

the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
20 <sup>th</sup> May 2015	Narayan K Seshadri, D E Udwadia and Trevor Lucas
29 <sup>th</sup> July 2015	Narayan K Seshadri, D E Udwadia
9 <sup>th</sup> November 2015	Narayan K Seshadri, D E Udwadia and Sean Deason
29 <sup>th</sup> January 2016	Narayan K Seshadri, M Lakshminarayan and Sean Deason

### 4. Disclosures

- 4.1 The materially significant related party transactions entered into during the year as disclosed elsewhere in the report did not have potential conflict with the interests of company at large.
- 4.2 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.
- 4.3 The Company has a Whistle Blower Policy and no personnel is denied the access to the audit committee.
- 4.4 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.
- 4.5 The Managing Director (CEO) and Chief Financial Officer (CFO) of the company have certified to the board on financial and other matters in accordance with the Regulation 17(8) of the Listing Regulation pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March 2016.
- 4.6 Compliance with mandatory / non-mandatory requirements: The Company has complied with all applicable mandatory requirements in terms of Listing Regulation. 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.

### 5. Nomination and Remuneration Committee

The Board constituted a Nomination and Remuneration Committee in terms of Section 178 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 Udwadia (upto 9.11.2015)	Non-executive, Independent director
Lisa Brown (from 9.11.2015)	Non-executive, Non-Independent director
Vincent Pickering (upto 22.05.2015)	Non-executive, Non-Independent director
Jorge Solis (From 9.11.2015)	Non-executive, Non-Independent director

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Nomination and Remuneration Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. 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
20 <sup>th</sup> May 2015	Narayan K Seshadri, M Lakshminarayan, D E Udwadia and Vincent Pickering
29 <sup>th</sup> July 2015	Narayan K Seshadri, M Lakshminarayan, D E Udwadia
9 <sup>th</sup> November 2015	Narayan K Seshadri, M Lakshminarayan and D.E Udwadia
29 <sup>th</sup> January 2016	Narayan K Seshadri, M. Lakshminarayan and Lisa Brown and Jorge Solis

#### 5.1 Nomination and Remuneration Policy

As required under Section 178(3) of the Companies Act, 2013 and the Company's Nomination and Remuneration Policy is hosted in the website: <http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations>.

#### 5.2 Remuneration to Non-Executive Directors

Remuneration by way of sitting fee for attending the meeting of Board and committees and commission on profit not exceeding the limit specified in the Companies Act, 2013 is paid to independent directors of the Company. No remuneration including sitting fee and commission on profit is paid to non-executive and non-independent directors of the Company.

## WABCO INDIA LIMITED

### 5.3 Particulars of remuneration paid to the Managing Director during the financial year 2015-16:

(Rs. in lakhs)

Name of the director Mr	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Total
P Kaniappan	95.60	7.26	4.70	33.72	141.28

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

### 5.4 Particulars of sitting fees and commission paid / payable to non-executive directors / non-executive independent directors and directors during the financial year 2015-16.

Name of the directors - Messrs	Sitting fee (Rs.)	Commission (Rs.)	Total (Rs.)
M Lakshminarayan	2,20,000	10,00,000	12,20,000
D E Udwardia	2,40,000	10,00,000	12,40,000
Narayan K Seshadri	2,40,000	10,00,000	12,40,000
<b>Total</b>	<b>7,00,000</b>	<b>30,00,000</b>	<b>37,00,000</b>

As approved by the shareholders by passing special resolution at the Annual General Meeting held on 22<sup>nd</sup> July 2014, non-executive independent directors are being paid commission not exceeding 1% of the net profits of the Company. Other non-executive directors, Messrs Trevor Lucas, Vincent Pickering, Lisa Brown, Jorge Solis, Sean Deason and Shivram Narayanaswami have waived the sitting fees payable to them.

During the year, the Company paid Rs.74,000 to M/s. Udwardia & Co, 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 Udwardia is a partner of M/s. Udwardia & Co. 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 Udwardia as a Director of the Company.

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.

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

Name of the directors - Messrs	Status
DE Udwardia (upto 31.03.2016)	Non-Executive Independent Director
P Kaniappan	Executive-Non-Independent Director
Trevor Lucas (upto 28.10.2015)	Non-Executive, Non-Independent Director
Lisa Brown (from 09.11.2015)	Non-Executive, Non-Independent Director

Ms. Lisa Brown, is the Chairman of the Stakeholders Relationship Committee. As required by Securities and Exchange Board of India (SEBI), Mr M C Gokul has been appointed as Compliance Officer. For any clarification / complaint, the shareholders may contact Mr M C Gokul, Company Secretary of the Company at [gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com). 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
20 <sup>th</sup> May 2015	D E Udwardia, P Kaniappan and Trevor Lucas
29 <sup>th</sup> July 2015	D.E Udwardia, P Kaniappan
9 <sup>th</sup> November 2015	D E Udwardia, P Kaniappan and Lisa Brown
29 <sup>th</sup> January 2016	P Kaniappan, Lisa Brown

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. Complaints received and redressed during the year 2015-16:

No. of complaints received during the year	5
No. of complaints resolved during the year	5
No. of complaints pending unresolved as on 31.3.2016	—

6.2. All the complaints were resolved and, as on 31<sup>st</sup> March 2016, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

## 6. Stakeholders Relationship Committee:

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

## 7. Secretarial Audit

A qualified practicing company secretary has carried out secretarial audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central



## WABCO INDIA LIMITED

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.

### 8. 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
P Kaniappan	Executive, Non-Independent director
M Lakshminarayan	Non-Executive, Independent director
Leon Liu (upto 15.04.2015)	Non-executive, Non-Independent director
Trevor Lucas (upto 28.10.2015)	Non-executive, Non-Independent director
Lisa Brown (from 09.11.2015)	Non-executive, Non-Independent director

Mr P Kaniappan, Managing Director, is the Chairman of the CSR Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the CSR Committee. 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
20 <sup>th</sup> May 2015	M Lakshminarayan, P Kaniappan and Trevor Lucas
29 <sup>th</sup> January 2016	M Lakshminarayan, P Kaniappan and Lisa Brown

Details of CSR report and activities carried out by the Company as required under Section 135 of the Companies Act, 2013 are given in annexure to the Directors report.

### 9. General body meeting:

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

Year	Location	Date	Time
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.
2013-14		22.07.2014	10.45 A.M.
2014-15		30.07.2015	10.45 A.M.

9.2 Special resolutions passed in the previous three annual general meetings:

- A. Approval of Shareholders by way of Special Resolution was obtained at the Annual General Meeting held on 22.7.2014 pursuant to Section 197 of the Companies Act, 2013 for payment of commission to Non-executive and Independent Directors of the Company for a sum not exceeding 1% of the net profit of the Company computed in accordance with Section 198 of the Act, for a period of five years viz., from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2019
- B. Approval of Shareholders by way of Special Resolution was obtained at the Annual General Meeting held on 30.7.2015 pursuant to Clause 49(VII) of the erstwhile Listing Agreement for material related party transactions with M/s WABCO Europe BVBA during the financial year ended 31<sup>st</sup> March 2015 and the related party transactions proposed to be entered with M/s WABCO Europe BVBA during the financial year ending 31<sup>st</sup> March 2016.

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

### 10. Unclaimed Shares

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 26,391 of Rs.5/- each held by 411 equity shareholders were laying unclaimed (hereinafter referred to as "unclaimed shares"). The aforesaid unclaimed shares were dematerialized and transferred to "WABCO India Limited-Unclaimed Suspense Account" (hereinafter referred to as "Unclaimed suspense account") on behalf of the shareholders after providing three remainders and a public announcement in newspapers before transferring in May 2015.

Those shareholders who do not possess original share certificate with them, are requested to contact the Share Transfer Agent, M/s Sundaram-Clayton Limited to obtain their shares either by dematerialized form or physical form as desired by the shareholder. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of Unclaimed suspense account as on 31.3.2016

Particulars	No. of Shareholders	No. of Shares
No. of shares in Unclaimed Suspense Account at the beginning of the year as on 01.04.2015	410	26,375
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	2	73



## WABCO INDIA LIMITED

Particulars	No. of Shareholders	No. of Shares
No. of shareholders to whom shares were transferred from suspense account during the year ended 31.03.2016	2	73
Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2016	408	26,302

### 11. Complaints received under Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

Your company has a robust system of prevention of sexual harassment of women in the Company. No. of complaint received and the status as on 31.3.2016 is given below:

No. of Complaints at the beginning of the year	Nil
No. of Complaints received during the year ended 31.03.2016	Nil
No. of Complaints pending at the end of the year	Nil

### 12. Means of communication

#### 12.1 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.

#### 12.2 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".

#### 12.3 Website:

The Company has in place a web site addressed as [www.wabcoindia.com](http://www.wabcoindia.com). The unaudited results, quarterly compliance report on corporate governance and the quarterly shareholding pattern 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.

### 13. General shareholder information

#### 13.1 Annual general meeting:

Date and time : 29<sup>th</sup> July 2016 at 10.00 a.m.

Venue : "The Narada Gana Sabha",  
(Sathguru Gnananandha Hall)  
No. 314, T.T.K. Road,  
Alwarpet, Chennai 600 014.

13.2 Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial calendar  
2016-17 (Tentative) :

Financial reporting for  
the quarter ending : Financial calendar

30<sup>th</sup> June 2016 : between 15<sup>th</sup> and 31<sup>st</sup> July 2016

30<sup>th</sup> September 2016 : between 15<sup>th</sup> and 31<sup>st</sup> October 2016

31<sup>st</sup> December 2016 : between 15<sup>th</sup> and 31<sup>st</sup> January 2017

31<sup>st</sup> March 2017 : between 15<sup>th</sup> and 30<sup>th</sup> May 2017

Annual General Meeting  
(next year) : July / August 2017

13.3 Date of book closure : 27<sup>th</sup> July 2016 to 29<sup>th</sup> July 2016  
(both days inclusive)

#### 13.4 Particulars of dividend payment

The board of directors had recommended a dividend of Rs. 6/- per share for the year 2015-16, absorbing a sum of Rs. 1,138.06 lakhs and subject to the approval of the shareholders in the ensuing annual general meeting. This dividend will be paid on or before 8<sup>th</sup> August 2016.

#### 13.5 Listing on Stock Exchanges:

<b>Name of the stock exchange</b>	<b>Stock code</b>
BSE Ltd. (BSE)	<b>533023</b>
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
National Stock Exchange of India Ltd. (NSE)	<b>WABCOINDIA</b>
Exchange Plaza, C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	

**ISIN allotted by depositories** INE342J01019  
(Company ID Number)

(Note: Annual listing fees for the year 2016-17 have been duly paid to the above stock exchanges).

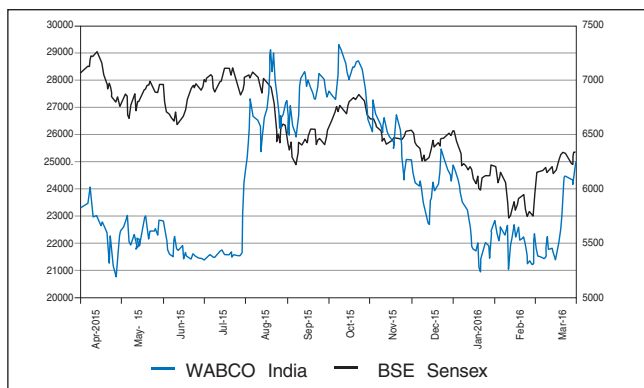
#### 13.6 Market Price Data: (Amount in Rupees)

Month	National Stock Exchange		Bombay Stock Exchange	
	Share Price		Share Price	
	High	Low	High	Low
April-15	6039	4971	6039	4982
May-15	5847	5221	5873	5230
June-15	5769	5231	5760	5247
July-15	6342	5327	6344	5330
August-15	7450	6044	7449	6059
September-15	7185	6295	7183	6335
October-15	7399	6582	7400	6601
November-15	6900	6040	6890	6052
December-15	6450	5625	6415	5647
January-16	6244	5185	6225	5172
February-16	5838	5166	5820	5200
March-16	6318	5252	6300	5310

## WABCO INDIA LIMITED

### 13.7 Performance of WABCO India shares against the Performance of BSE Sensex and NSE CNX Nifty

WABCO India Vs BSE Sensex performance



WABCO India Vs NSE CNX Nifty performance



Share Transfer Agents (STA) and share transfer system:

- a) 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.
- b) 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.
- c) Shares lodged for transfer are within 15 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 are given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc., are processed by the STA within 7 days.
- d) Pursuant to Regulation 40(9) of the Listing Regulation, certificates, on half-yearly basis, is issued by a Company

Secretary in practice for due compliance of share transfer formalities by the Company.

- 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 is obtained.
- f) The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely [investorscomplaintssta@scl.co.in](mailto:investorscomplaintssta@scl.co.in) (share transfer agent)/ [gokul.mc@wabco-auto.com](mailto:gokul.mc@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.

### 13.8 Shareholding pattern as on 31<sup>st</sup> March 2016:

Particulars	No. of shares held	% to total
<b>(a) Shareholding of Promoter and Promoter Group</b>		
(1) Indian - Bodies Corporate	—	—
(2) Foreign- Bodies Corporate	1,42,25,684	75.00
<b>Total Shareholding of Promoter and promoter Group (A)</b>	1,42,25,684	75.00
<b>(b) Public Shareholding</b>		
1. Institutions		
(a) Mutual Funds	15,25,648	8.04
(b) Banks, Financial Institutions, Insurance Companies (Central, State Government Institutions, Non-Government Institutions)	22,050	0.12
(c) Foreign Institutional Investors	2,59,996	1.37
(d) Any Other - Foreign Portfolio Investor	1,62,063	0.85
<b>Sub Total Institutions</b>	19,69,757	10.38
2. Non - Institutions		
a) Bodies Corporate	9,12,104	4.81
b) Individuals <2 lakhs	17,62,706	9.29
c) Individuals >2 lakhs	43,510	0.23
d) Directors & Relatives	50	—
e) Foreign National	82	—
f) NRI - Repatriable	33,499	0.18
g) NRI - Non - Repatriable	20,192	0.11
<b>Sub Total Non - Institutions</b>	27,72,143	14.62
<b>Total (B)</b>	47,41,900	
<b>Grand Total (A) +(B)</b>	1,89,67,584	100.00

## WABCO INDIA LIMITED

### 13.9 Distribution of Shareholding as on 31<sup>st</sup> March 2016:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	19,84,433	10.46	24,889	99.66
5,001 - 10,000	1,99,434	1.05	27	0.11
10,001 - 20,000	3,57,069	1.88	24	0.10
20,001 - 50,000	6,70,476	3.53	21	0.08
50,001 - 1,00,000	4,03,541	2.13	6	0.02
1,00,001 & above	1,53,52,631	80.95	8	0.03
Total	1,89,67,584	100.00	24,975	100.00

### 13.10 Dematerialization of shares and liquidity:

Out of 47,41,900 shares held by persons other than promoters, 45,25,112 of shares have been dematerialised as on 31<sup>st</sup> March 2016 accounting for 95.43%.

### 13.11 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.

### 13.12 Plant locations:

- Factories:
- I. Plot No. 3 (SP), III Main Road, Ambattur Industrial Estate, Chennai 600 058.  
Tel : 044 4224 2000  
Fax : 044 4224 2009
  - II. Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832 108.  
Tel : 0657 661 6800  
Fax : 0657 238 7997
  - III. Unit - 1 & Unit - 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
  - IV. Plot No.11, Sector 4, SIDCUL, IIIE Panthnagar, Udham Singh Nagar, Uttarakhand - 263 153  
Tel. : 05944 250885
  - V. KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki Lucknow, Uttar Pradesh 225 123  
Tel. : 05248 230065

### VI. Software Design Centre & Global Business Centre:

"First Software Park", 3<sup>rd</sup> Floor,  
110, Mount, Poonamallee Road,  
Porur, Chennai 600 116.  
Tel : 044-6689 8000

### 13.13 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 & general correspondence Email : [raman@scl.co.in](mailto:raman@scl.co.in)  
[investorscomplaintssta@scl.co.in](mailto:investorscomplaintssta@scl.co.in)  
[info.india@wabco-auto.com](mailto:info.india@wabco-auto.com)  
[gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com)

## 14. Non-mandatory disclosure

### 14.1 Shareholder rights:

The half-yearly results of the Company are published in English and vernacular newspapers and are also displayed on the Company's website, namely [www.wabcoindia.com](http://www.wabcoindia.com). The results are not sent to the shareholders individually.

### 14.2 Audit Qualifications:

The statutory financial statements of the Company are unqualified.

## 15. Request to shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder 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) / National Electronic Clearing Service (NECS):

Mandate: NECS / 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 NECS / 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, it is mandatory for 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](http://www.nsdl.co.in) and [www.cdslindia.com](http://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 31<sup>st</sup> March, 2009 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 3<sup>rd</sup> 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 directions from the National Stock Exchange of India Ltd. (NSE) and BSE Ltd., (BSE) the Company now uploads its quarterly shareholding pattern, corporate governance report, financial results, corporate announcements through a web based applications designed for corporates by NSE and BSE.

## WABCO INDIA LIMITED

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
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
2013-14	22.07.2014	25.08.2014	25.08.2021
2014-15	30.07.2015	30.08.2015	30.08.2022

### Declaration pursuant to Clause D of Schedule V and Regulation 17(5)(a) and 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 clause D of Schedule V and Regulation 17(5)(a) and 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31<sup>st</sup> March 2016.

Chennai  
19<sup>th</sup> May, 2016.

P KANIAPPAN  
Managing Director

M C GOKUL  
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, 2016, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the 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 provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, pursuant to Listing Agreement of the Company with Stock Exchanges.

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 / E300004

Per S BALASUBRAHMANYAM  
Partner  
Membership No. 053315

Chennai  
May 19, 2016  
48



**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, 2016, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books;



## WABCO INDIA LIMITED

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- (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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

Place: Chennai  
Date : May 19, 2016

Per S. BALASUBRAHMANYAM  
Partner  
Membership No. 053315

## WABCO INDIA LIMITED

### ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" 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 in accordance with its plan of verifying in a phased manner and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans and advances given, investments made and, guarantees and securities given as per provisions of Section 186 of the Companies Act, 2013 have been complied with by the Company. There are no loans granted in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable and hence reporting under Clause 3(iii) insofar as it relates to Section 185 is not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) 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 148(1) of the Companies Act, 2013 relating to certain products of the Company to which such rules apply, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. In respect of service tax, there have been significant delays in certain cases and slight delays in a case relating to remittance of income-tax, and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess 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, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Gross dues (Rs. in lakhs)	Tax paid under protest (Rs. in lakhs)	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	32.79	32.79	—	2009-10	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	8.57	8.57	—	2010-11	Commissioner of Income tax (Appeals), Chennai

## WABCO INDIA LIMITED

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

Re: WABCO INDIA LIMITED ('the Company')

Name of the statute	Nature of dues	Gross dues (Rs. in lakhs)	Tax paid under protest	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.89	8.89	–	2011-12	Commissioner of Income tax (Appeals), Chennai
Central Excise Act, 1944	Excise duty - CENVAT credit availment on inputs and capital goods in case of transfer from Ambattur to Mahindra City	0.16	–	0.16	2009-10	The Deputy Commissioner, Chennai
Central Excise Act, 1944	Excise duty - CENVAT credit availment on inputs and capital goods pertaining to R&D unit	67.74	67.74	–	2008-09 2009-10 2010-11 2011-12 2012-13	Additional Commissioner of Central Excise, Chennai
Service Tax	Service tax- Credit reversal on certain inputs.	1.33	0.13	1.20	2011-12	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax- Credit reversal on certain inputs.	1.08	0.11	0.97	2012	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax- Credit reversal on certain inputs.	1.56	–	1.56	2010-11	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax- Credit reversal on certain inputs.	30.73	30.73	–	2010-11 2011-12	Commissioner of Central Excise, Chennai
Service Tax	Service tax- Non-distribution of common services input credit	1.09	–	1.09	2012-13	Commissioner of Central Excise (Appeals), Chennai
Sales Tax	Input tax Credit reversal for CST sales without C Forms	114.04	–	114.04	2008-09 2009-10	Assistant Commissioner, (Commercial Taxes)

## WABCO INDIA LIMITED

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

Re: WABCO INDIA LIMITED ('the Company')

- (viii) In our opinion and according to the information and explanations given by the management, the Company did not have any dues to in respect of loans and borrowings payable to debenture holders, financial institutions or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

Per S. BALASUBRAHMANYAM

Place : Chennai

Partner

Date : May 19, 2016

Membership No. 053315

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WABCO INDIA LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To

The Members of **WABCO INDIA LIMITED**

We have audited the internal financial controls over financial reporting of WABCO INDIA LIMITED ("the Company") as of March 31, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

## WABCO INDIA LIMITED

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### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WABCO INDIA LIMITED - (continued)

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

Per S. BALASUBRAHMANYAM  
Place : Chennai  
Date : May 19, 2016  
Partner  
Membership No. 053315



## WABCO INDIA LIMITED

### Balance Sheet as at 31<sup>st</sup> March 2016

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

	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Corporate information	1		
Basis of preparation	2		
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	948.38	948.38
Reserves and surplus	4	104,447.23	85,355.36
	(A)	105,395.61	86,303.74
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	993.79	1,645.24
Other long-term liabilities	6	3.00	3.00
Long-term provisions	7	1,924.64	1,871.90
	(B)	2,921.43	3,520.14
<b>Current liabilities</b>			
Trade payables	8.1		
• Total outstanding dues of micro enterprises and small enterprises		1,325.53	1,563.56
• Total outstanding dues of creditors other than micro enterprises and small enterprises		33,310.30	16,226.49
Other current liabilities	8.2	7,606.11	2,331.50
Short-term provisions	7	1,846.84	1,402.50
	(C)	44,088.78	21,524.05
TOTAL	(A+B+C)	152,405.82	111,347.93
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	33,116.64	31,993.32
Intangible assets	9	465.04	380.43
Capital work-in-progress	10	3,745.11	1,763.28
Non-current investments	11	220.24	220.24
Long-term loans and advances	16	3,421.01	2,291.83
	(A)	40,968.04	36,649.10
<b>Current assets</b>			
Current investments	12	21,800.00	3,700.00
Inventories	13	17,563.65	11,797.03
Trade receivables	14	43,572.68	29,915.05
Cash and bank balances	15	21,303.62	22,305.12
Short-term loans and advances	16	7,058.20	6,812.57
Other current assets	17	139.63	169.06
	(B)	111,437.78	74,698.83
TOTAL	(A + B)	152,405.82	111,347.93
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

As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

M LAKSHMINARAYAN  
Chairman

P KANIAPPAN  
Managing Director

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Per S BALASUBRAHMANYAM  
Partner

Chennai, 19<sup>th</sup> May, 2016

Membership No. 053315

## WABCO INDIA LIMITED

### Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2016

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

	Notes	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>			
Revenue from operations (gross)	18	200,535.09	146,005.84
Less: excise duty		(16,708.01)	(11,209.50)
Revenue from operations (net)		183,827.08	134,796.34
Other income	19	3,460.96	2,029.89
<b>Total revenue (I)</b>		<b>187,288.04</b>	<b>136,826.23</b>
<b>Expenses</b>			
Cost of raw material and components consumed	20	112,109.99	79,003.25
Changes in inventories of finished goods and work-in-process	21	(2,135.97)	290.68
Employee benefits expense	22	17,378.38	14,344.87
Other expenses	23	27,180.68	20,822.11
Depreciation and amortization expense	9	5,623.69	4,666.37
Finance costs	24	15.20	36.09
<b>Total expenses (II)</b>		<b>160,171.97</b>	<b>119,163.37</b>
<b>Profit before tax (I - II)</b>		<b>27,116.07</b>	<b>17,662.86</b>
<b>Tax expenses</b>			
Current tax		6,572.75	5,520.00
Deferred tax		(651.42)	102.76
Tax expense / reversal pertaining to earlier years		733.13	(25.94)
<b>Total tax expense</b>		<b>6,654.46</b>	<b>5,596.82</b>
<b>Profit for the year</b>		<b>20,461.61</b>	<b>12,066.04</b>
Summary of significant accounting policies	2.1		
<b>Earnings per share information</b>			
Basic and diluted earnings per share (in Rupees)		107.88	63.61
Weighted average number of shares (Numbers)		18,967,584	18,967,584
Nominal value per equity share (in Rupees)		5.00	5.00

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  
Managing Director

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Chennai, 19<sup>th</sup> May, 2016

As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

Per S BALASUBRAHMANYAM  
Partner  
Membership No. 053315

## WABCO INDIA LIMITED

### Cash Flow Statement for the year ended 31<sup>st</sup> March 2016

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

	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	27,116.07	17,662.86
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortization	5,623.69	4,666.37
Provision for doubtful debts and advances	1,637.01	387.06
Bad debts written off	716.23	–
Net foreign exchange loss / (Gain) (not realised)	(59.40)	27.33
(Profit) on sale of investments	(966.99)	(324.77)
Loss / (Profit) on sale of fixed assets (net)	–	(4.94)
Interest expense	15.20	36.09
Interest income	(1,395.61)	(1,425.63)
	<u>5,570.13</u>	<u>3,361.51</u>
<b>Operating profit before working capital changes</b>	<b>32,686.20</b>	<b>21,024.37</b>
Adjustments for:		
(Increase) / decrease in inventories	(5,766.62)	(552.62)
(Increase) / decrease in trade receivable	(15,267.53)	(6,836.72)
(Increase) / decrease loans and advances	(1,301.87)	(537.97)
Increase / (decrease) in long term liabilities	–	(1.00)
Increase / (decrease) in trade payable and current liabilities	21,883.80	4,487.03
Increase / (decrease) in provisions	274.17	295.62
	<u>178.05</u>	<u>(3,145.66)</u>
	<b>32,508.15</b>	<b>17,878.71</b>
Direct taxes paid (net of refunds)	(7,853.83)	(5,468.47)
<b>Net cash from operating activities (A)</b>	<b>24,654.32</b>	<b>12,410.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets including capital work-in-progress	(8,813.45)	(7,268.28)
Sale of fixed assets during the year	–	13.86
Purchase of investments	(187,315.00)	(51,600.00)
Redemption of investments	170,181.99	53,024.77
Interest received	1,425.04	1,323.39
<b>Net cash from / (used in) investing activities (B)</b>	<b>(24,521.42)</b>	<b>(4,506.26)</b>

## WABCO INDIA LIMITED

### Cash Flow Statement for the year ended 31<sup>st</sup> March 2016

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

	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and dividend tax paid	(1,148.76)	(1,109.56)
Grant received from the Govt. of Uttarakhand	–	6.26
Interest paid	(15.20)	(36.09)
<b>Net cash from financing activities (C)</b>	<b>(1,163.96)</b>	<b>(1,139.39)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		
	(1,031.06)	6,764.59
Effect of exchange differences on cash & cash equivalents held in foreign currency	29.56	–
Opening cash and cash equivalents	22,305.12	15,540.53
Closing cash and cash equivalents	21,303.62	22,305.12
Components of cash and cash equivalents		
Cash on hand	11.47	9.20
Balances with banks:		
On current accounts	2,915.14	1,195.68
Deposits with original maturity of less than three months	18,355.56	21,076.86
On unpaid dividend account*	21.45	23.38
Total of cash and cash equivalents (refer note 15)	21,303.62	22,305.12

Notes :

1 The above statement has been prepared in indirect method as per Accounting Standard 3.

\* The Company can utilize these balances only towards settlement of the unpaid dividend liability (Also refer note 8.2).

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  
Managing Director

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Chennai, 19<sup>th</sup> May, 2016

As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

Per S BALASUBRAHMANYAM  
Partner  
Membership No. 053315

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

#### 1. CORPORATE INFORMATION

WABCO INDIA LIMITED ("the Company") was incorporated originally as Auto (India) Engineering Limited on November 18, 2004. The name of the Company was changed to WABCO INDIA LIMITED on August 02, 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 and other services to its 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 notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. 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.

The Company has evaluated the useful lives of its fixed assets consequent to the requirements of Schedule II of the Companies Act, 2013. The Company identifies and determines useful lives separately for each major component of its fixed assets if they have a useful life that is materially different from that of the remaining asset. The Company has, based on a technical review and assessment by the management, have concluded that there are no significant components with useful life that is materially different from that of the main asset.

###### (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 II of the Companies Act, 2013.

Asset block	Useful life of the asset (years)
Buildings	10-30
Plant and machinery	10-21
Tooling	3
Computers	3
Office & other equipments	5
Furniture, fixtures and equipments	10
Vehicles*	6

**Notes to financial statements for the year ended 31<sup>st</sup> March 2016**

In respect of the assets falling under the Plant and machinery block, the useful life of the asset has been determined based on a technical assessment carried out by an expert during the year. In respect of other blocks, i.e., Tooling, Computers, and Vehicles, the Company believes that the existing useful life adopted by the Company is more representative of the useful life of the asset as compared to useful life prescribed in Schedule II and continues to depreciate these assets over the existing useful life which is shorter than the Schedule II useful life.

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

**(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****As lessor**

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.

**As lessee**

Where the Company is the lessee, substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

**(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.



**Notes to financial statements for the year ended 31<sup>st</sup> March 2016**

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. Claims on the Company for price revision are accounted when facts and circumstances indicate that a price reduction is probable and the amount are reasonable esteemable. The claims by the are recorded when it is accepted and it is reasonably certain that the amounts will be collected.

**Sale of tools**

Sale of tooling is recognised on completion of tooling program and its satisfactory performance and when the substantial risk and rewards of ownership in the tool is transferred to the buyer as per the terms of the contract.

**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.

**Export incentive**

Income from export incentives such as duty drawback and served from India scheme (SFIS) are recognised on accrual basis based on eligibility under the terms of the scheme.

**(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.

**Notes to financial statements for the year ended 31<sup>st</sup> March 2016****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****i. Provident fund**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year in which it is incurred.

**ii. Employee state insurance**

The Company has no obligation other than the contribution payable to the fund. The company recognises the contribution payable to the above schemes as 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.

**iii. Gratuity and Pension**

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.

**iv. Compensated absence**

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.

**v. Voluntary retirement**

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.

**(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

**Notes to financial statements for the year ended 31<sup>st</sup> March 2016**

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) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**(q) 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 31<sup>st</sup> March 2016

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

#### 3. SHARE CAPITAL

##### Authorised shares (in numbers)

2,00,00,000 (31<sup>st</sup> March 2015: 2,00,00,000) Equity shares of Rs 5/- each

31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
₹ lakhs	₹ lakhs

1,000.00                      1,000.00

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

1,89,67,584 (31<sup>st</sup> March 2015: 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. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	18,967,584	948.38	18,967,584	948.38
Issued during the period	—	—	—	—
Outstanding at the end of the period	18,967,584	948.38	18,967,584	948.38

#### 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. The dividend proposed as distributions to equity shareholders 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 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
WABCO Asia Private Limited, Singapore 1,42,25,684 (31 <sup>st</sup> March 2015 - 1,42,25,684) 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. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	In numbers	% holding in the class	In numbers	% holding in the class
<b>Equity shares of Rs 5 each fully paid</b>				
WABCO Asia Private Limited, Singapore	1,42,25,684	75%	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 31<sup>st</sup> March 2016

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

	Notes	31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
<b>4. RESERVES AND SURPLUS</b>			
(a) Capital reorganisation reserve			
Balance as per last financial statements	(A)	5.00	5.00
(b) General reserve			
Balance as per last financial statements		24,776.38	24,916.18
Less: Depreciation on fully depreciated assets on adoption of Sch II		—	139.80
Closing Balance	(B)	24,776.38	24,776.38
(c) Capital Investment reserve			
Grant received during the year from the Govt. of Uttarkhand [refer note 2.1(p)]	(C)	6.26	6.26
(d) Surplus in the statement of Profit and Loss			
Balance as per last financial statements		60,567.72	49,648.51
Profit for the year		20,461.61	12,066.04
		81,029.33	61,714.55
Less: Appropriations			
Proposed final equity dividend (amount per share Rs.6/- (31 <sup>st</sup> March 2015 Rs. 5/-)		1,138.06	948.38
Tax on proposed equity dividend		231.68	198.45
Total appropriations		1,369.74	1,146.83
Net surplus in the statement of Profit and Loss	(D)	79,659.59	60,567.72
(e) Total reserves and surplus	(A+B+C+D)	104,447.23	85,355.36
<b>5. DEFERRED TAX LIABILITIES (NET)</b>			
(a) Deferred tax liability			
(i) Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		2,637.25	2,667.69
Gross deferred tax liability	(A)	2,637.25	2,667.69
(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		701.65	680.36
(ii) Provision for warranty		207.46	153.90
(iii) Provision for doubtful debts and other losses		662.37	116.21
(iv) On initial adoption of Sch II depreciation rates		71.98	71.98
Gross deferred tax assets	(B)	1,643.46	1,022.45
Net deferred tax liabilities	(A-B)	993.79	1,645.24
The deferred tax computation has been prepared considering the extended tax benefit of 5 years for Plants I and II situated in Special Economic Zone (SEZ) as prescribed under Section 10AA(2) of the Income tax Act, 1961.			
<b>6. OTHER LONG-TERM LIABILITIES</b>			
Others			
Deposits from customers		3.00	3.00
		3.00	3.00

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 7. PROVISIONS

	Long-term		Short-term	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>(a) Provision for employee benefits</b>				
(i) Provision for leave benefits	384.06	306.22	29.07	44.65
(ii) Provision for pension - refer note 25	1,300.80	1294.00	88.36	29.90
	<b>1,684.86</b>	<b>1,600.22</b>	<b>117.43</b>	<b>74.55</b>
<b>(b) Other provisions</b>				
(i) Provision for warranties	239.78	271.68	359.67	181.12
(ii) Proposed dividend	—	—	1,138.06	948.38
(iii) Provision for tax on proposed dividend	—	—	231.68	198.45
	<b>239.78</b>	<b>271.68</b>	<b>1,729.41</b>	<b>1,327.95</b>
	<b>1,924.64</b>	<b>1,871.90</b>	<b>1,846.84</b>	<b>1,402.50</b>

#### Provision for warranties

The table below gives information about movement in warranty provisions:

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
	₹ lakhs	₹ lakhs
Opening balance	452.80	384.16
Add: Provision made during the year	481.77	317.85
<b>Total</b>	<b>934.57</b>	<b>702.01</b>
Less: Utilised / withdrawn during the year	335.12	249.20
<b>At the end of the year</b>	<b>599.45</b>	<b>452.80</b>
Current portion	359.67	181.12
Non-current portion	239.78	271.68

#### 8. OTHER CURRENT LIABILITIES

##### 8.1 Trade payables (also refer note 29)

• Total outstanding dues of micro enterprises and small enterprises	1,325.53	1,563.56
• Total outstanding dues of creditors other than micro enterprises and small enterprises	33,310.30	16,226.49
	<b>34,635.83</b>	<b>17,790.05</b>

##### 8.2 Other current liabilities

Advance from customers	240.17	140.64
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	21.45	23.38
Statutory dues payable		
- Income tax deducted at source payable	295.43	194.22
- Employees' Provident Fund payable	67.03	59.48
- Employees' State Insurance payable	12.53	13.98
- Employees' Family Pension Fund deductions payable	30.96	51.68
- Sales Tax payable	690.54	279.74
Others	6,248.00	1568.38
	<b>7,606.11</b>	<b>2,331.50</b>
	<b>42,241.94</b>	<b>20,121.55</b>



## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 9. TANGIBLE AND INTANGIBLE ASSETS

(Rupees in lakhs)

Description	Tangible Assets							Intangible Assets		
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery, Dies & Jigs	Furniture & Fixtures	Office & other equipments	Vehicles	Total	Computer Software and licences	Total
<b>Cost of assets</b>										
As at 1 <sup>st</sup> April 2014	1,829.06	565.65	8,796.56	32,749.71	547.60	1,687.20	207.19	<b>46,382.97</b>	897.96	<b>897.96</b>
Add : Additions during the year	–	–	273.97	5,446.62	27.07	407.79	107.96	<b>6,263.41</b>	351.75	<b>351.75</b>
Less : Disposed during the year	–	–	–	88.30	–	–	27.29	<b>115.59</b>	–	–
<b>As at 31<sup>st</sup> March 2015</b>	<b>1,829.06</b>	<b>565.65</b>	<b>9,070.53</b>	<b>38,108.03</b>	<b>574.67</b>	<b>2,094.99</b>	<b>287.86</b>	<b>52,530.79</b>	<b>1,249.71</b>	<b>1,249.71</b>
<b>Add : Additions during the year</b>										
	–	–	776.03	5,070.70	46.68	468.29	29.38	6,391.08	440.54	440.54
<b>Less : Disposed during the year</b>										
	–	–	–	–	–	–	–	–	–	–
<b>As at 31<sup>st</sup> March 2016</b>	<b>1,829.06</b>	<b>565.65</b>	<b>9,846.56</b>	<b>43,178.73</b>	<b>621.35</b>	<b>2,563.28</b>	<b>317.24</b>	<b>58,921.87</b>	<b>1,690.25</b>	<b>1,690.25</b>
<b>Depreciation</b>										
As at 1 <sup>st</sup> April 2014	–	54.66	1,557.13	12,968.74	245.32	1,084.90	127.45	<b>16,038.20</b>	597.07	<b>597.07</b>
Add : Charge for the year	–	8.41	380.37	3,609.58	144.45	229.38	21.97	<b>4,394.16</b>	272.21	<b>272.21</b>
<b>Add : Impact on adoption of Schedule II</b>	–	–	<b>157.90</b>	–	<b>3.40</b>	<b>50.48</b>	–	<b>211.78</b>	–	–
Less : On assets disposed during the year	–	–	–	80.88	–	–	25.79	<b>106.67</b>	–	–
<b>As at 31<sup>st</sup> March 2015</b>	–	<b>63.07</b>	<b>2,095.40</b>	<b>16,497.44</b>	<b>393.17</b>	<b>1,364.76</b>	<b>123.63</b>	<b>20,537.47</b>	<b>869.28</b>	<b>869.28</b>
<b>Add : Charge for the year</b>	–	<b>7.71</b>	<b>438.71</b>	<b>4,418.09</b>	<b>35.71</b>	<b>334.55</b>	<b>32.99</b>	<b>5,267.76</b>	<b>355.93</b>	<b>355.93</b>
<b>Less : On assets disposed during the year</b>	–	–	–	–	–	–	–	–	–	–
<b>As at 31<sup>st</sup> March 2016</b>	–	<b>70.78</b>	<b>2,534.11</b>	<b>20,915.53</b>	<b>428.88</b>	<b>1,699.31</b>	<b>156.62</b>	<b>25,805.23</b>	<b>1,225.21</b>	<b>1,225.21</b>
<b>Written down value</b>										
As at 31 March 2015	1,829.06	502.58	6,975.13	21,610.59	181.50	730.23	164.23	31,993.32	380.43	380.43
<b>As at 31 March 2016</b>	<b>1,829.06</b>	<b>494.87</b>	<b>7,312.45</b>	<b>22,263.20</b>	<b>192.47</b>	<b>863.97</b>	<b>160.62</b>	<b>33,116.64</b>	<b>465.04</b>	<b>465.04</b>

#### 10. CAPITAL WORK-IN-PROGRESS

	31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
Building under construction	–	177.34
Machinery under installation	<b>3,702.64</b>	1,545.54
Furniture and fixtures	–	2.33
Office and other equipments	–	35.56
Intangibles (software under installation)	<b>42.47</b>	2.51
	<b>3,745.11</b>	<b>1,763.28</b>

#### 11. NON-CURRENT INVESTMENTS

##### Non-trade investments (at cost)

Investment towards Pension obligation with ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai (unquoted)	<b>220.24</b>	220.24
	<b>220.24</b>	<b>220.24</b>

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 12. CURRENT INVESTMENTS

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

Quoted mutual funds

**Market value of quoted investments**

**Details of current investments**

Current investments in mutual funds at the year end comprise:

**Name of mutual fund**

SBI Premier Liquid Funds - Regular Plan - Growth

UTI Money Market - Institutional Plan - Growth

**Name of mutual fund**

SBI Premier Liquid Funds - Regular Plan - Growth

UTI Money Market - Institutional Plan - Growth

31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
21,800.00	3,700.00
<b>21,800.00</b>	<b>3,700.00</b>
<b>21,835.21</b>	<b>3,702.91</b>

Number of units	March 31, 2016
497,570.36	11,800.00
591,189.12	10,000.00
Number of units	March 31, 2015
103,626.16	3,200.00
21,855.01	500.00

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

Raw materials and components (Refer note 20)

Work-in-process (Refer note 21)

Finished goods (Refer note 21)

Stores and spares

Goods in transit - raw materials and components

Contract work-in-process

31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
8,993.18	7,526.47
388.74	402.24
3,858.64	1,709.17
725.40	1,203.63
3,489.86	955.52
107.83	—
<b>17,563.65</b>	<b>11,797.03</b>

#### 14. TRADE RECEIVABLES (UNSECURED)

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

Considered good

Doubtful

Provision for doubtful receivables

(A)

**Other receivables**

Considered good

(B)

Total

(A+B)

Current	
31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
—	0.00
1,113.66	16.67
<b>1,113.66</b>	<b>16.67</b>
(1,113.66)	(16.67)
—	0.00
43,572.68	29,915.05
<b>43,572.68</b>	<b>29,915.05</b>
<b>43,572.68</b>	<b>29,915.05</b>

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 15. CASH AND BANK BALANCES

	Current	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
	₹ lakhs	₹ lakhs
Cash and cash equivalents		
(a) Cash on hand	11.47	9.20
(b) Balances with banks:		
(i) On current accounts	2,915.14	1,195.68
(ii) Deposits with original maturity of less than 3 months	18,355.56	21,076.86
(iii) On unpaid dividend account *	21.45	23.38
	<u>21,303.62</u>	<u>22,305.12</u>

\* The balance with banks on unpaid dividend accounts amounting to Rs. 21.45 lakhs (March 31, 2015: Rs. 23.38 lakhs) are not available for use by the Company as they represent unpaid dividend liabilities (Also refer note 8.2)

#### 16. LOANS AND ADVANCES (UNSECURED)

	Non-Current		Current	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Capital advances</b>				
Considered good	623.15	167.33	–	–
	<u>623.15</u>	<u>167.33</u>	<u>–</u>	<u>–</u>
<b>Security deposit</b>				
Considered good	594.01	560.80	–	–
	<u>594.01</u>	<u>560.80</u>	<u>–</u>	<u>–</u>
Loans to others (Refer note 30)	–	–	83.45	–
<b>Advances recoverable in cash or kind</b>				
Considered good	–	–	5,225.12	6,062.78
Doubtful – Provision for doubtful Advances	–	–	800.26	325.25
	<u>–</u>	<u>–</u>	<u>6,025.38</u>	<u>6,388.03</u>
Less: Provision for doubtful advances	–	–	(800.26)	(325.25)
	<u>–</u>	<u>–</u>	<u>5,225.12</u>	<u>6,062.78</u>
<b>Other loans and advances (Considered good)</b>				
Advance income–tax (net of provision for taxation)	2,093.91	1,545.96	–	–
Accrued income	–	–	385.40	–
Prepaid expenses	–	–	98.13	95.94
Loans to employees	10.97	17.74	88.18	22.85
Balances with government authorities	98.97	–	1,177.92	631.00
	<u>2,203.85</u>	<u>1,563.70</u>	<u>1,749.63</u>	<u>749.79</u>
<b>Total</b>	<u>3,421.01</u>	<u>2,291.83</u>	<u>7,058.20</u>	<u>6,812.57</u>
<b>Loans and advances due by officers, etc.</b>				
<b>Loans to employees include</b>				
Dues from officers	–	3.26	–	0.21

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 17. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Interest accrued on fixed deposits

Current	
31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
139.63	169.06

#### 18. REVENUE FROM OPERATIONS

Sale of products:

Finished goods

Rendering of services

Other operating revenue - Scrap sales

- Others

**Revenue from operations (gross)**

Less: Excise duty

**Revenue from operations (net)**

**Details of products sold (Finished goods sold net of excise duty)**

Air assist and full air actuation system for automotive and non-automotive applications and elements thereof

Spares

Exports of automotive components

Anti lock braking system

**Details of services rendered**

Software services

Research and development services

Global business services

Test track usage and other service income

31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
190,693.96	138,362.94
8,591.91	6,784.67
742.75	858.23
506.47	—
200,535.09	146,005.84
(16,708.01)	(11,209.50)
183,827.08	134,796.34
67,130.10	58,347.04
21,703.88	19,902.54
55,683.01	43,167.98
29,468.96	5,735.88
173,985.95	127,153.44
4,241.42	3,275.12
1,195.43	1,602.27
1,931.57	1,128.60
1,223.49	778.68
8,591.91	6,784.67

#### 19. OTHER INCOME

**Interest income on**

- Bank deposits

- Income tax refund

- Others

Profit on sale of fixed assets

Net gain on sale of current investments

Tool development income (net of expenses of Rs.29.47 lakhs (March 31, 2015: Nil))

Export incentive

Exchange differences (net)

Others

1,161.63	1,403.49
182.30	—
51.68	22.14
—	8.18
966.99	324.77
101.99	—
157.95	257.96
838.42	—
—	13.35
3,460.96	2,029.89

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
Inventory at the beginning of the year	7,526.47	6,296.55
Add: Purchases	113,576.70	80,233.17
Less: Inventory at the end of the year	8,993.18	7,526.47
<b>Cost of raw material and components consumed</b>	<b>112,109.99</b>	<b>79,003.25</b>
<b>Details of raw material and components consumed</b>		
Castings and forgings	29,711.68	25,522.45
Intermediates and components (which individually do not account for 10% or more of the total value of consumption)	82,398.31	53,480.80
	<b>112,109.99</b>	<b>79,003.25</b>

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

<b>(a) Work-in-process</b>		
(i) Inventories at the end of the year	388.74	402.24
(ii) Inventories at the beginning of the year	402.24	400.01
	<b>13.50</b>	<b>(2.23)</b>
<b>(b) Finished goods</b>		
(i) Inventories at the end of the year	3,858.64	1,709.17
(ii) Inventories at the beginning of the year	1,709.17	2,002.08
	<b>(2,149.47)</b>	<b>292.91</b>
<b>(Increase) / decrease in inventories</b>	<b>(2,135.97)</b>	<b>290.68</b>

##### Details of inventory

<b>(a) Work-in-process</b>		
Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	388.74	402.24
<b>(b) Finished goods</b>		
Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	3,272.66	1,204.91
Spares	585.98	504.26
	<b>3,858.64</b>	<b>1,709.17</b>

#### 22. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	14,655.68	11,902.13
Contribution to provident and other funds	1,115.24	1,153.58
Workmen and staff welfare expenses	1,607.46	1,289.16
	<b>17,378.38</b>	<b>14,344.87</b>
<b>Contribution to provident and other funds include:</b>		
Gratuity as per scheme framed by Life Insurance Corporation of India (refer note 25)	189.21	208.95
Others (refer note no. 25)	126.72	224.64
	<b>315.93</b>	<b>433.59</b>

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2015

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

#### 23. OTHER EXPENSES

	31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
Consumption of stores and spares (net of tool development income of Rs. 51.11 lakhs (March 31 <sup>st</sup> , 2015: Rs. Nil)	5,809.42	5,101.63
Power and fuel	2,090.51	1,991.88
Rent	881.91	631.88
Rates and taxes	404.42	191.80
Repairs and maintenance		
- Building	626.46	474.34
- Plant & machinery	1,027.88	732.26
- Others	31.41	49.96
Insurance expenses	105.78	87.83
Commission	118.59	74.45
Payment to auditor (Refer note below)	35.65	34.02
Cash discount	74.78	60.48
Travel and conveyance	1,354.30	1,315.96
Packing and forwarding	5,248.61	4,731.38
Data processing	427.65	371.79
Sitting fees to directors	7.00	6.75
Royalty	2,554.97	845.93
Research and development	379.85	275.04
Miscellaneous expenses (includes Rs.30.00 lakhs commission payable to non-executive independent directors (March 31, 2015: Rs.30.00 lakhs))	3,606.33	2,701.00
CSR expenditure (Refer note below)	41.92	4.73
Loss on sale / scrapping of assets	-	3.24
Bad debts written off	716.23	-
Provision for doubtful debts and advances	1,637.01	-
Exchange differences (net)	-	1,135.76
	<u>27,180.68</u>	<u>20,822.11</u>
<b>Payment to Auditor</b>		
(a) <b>As auditor:</b>		
Audit fee	14.00	14.00
Limited review fee	6.00	6.00
Tax audit fee	4.00	4.00
(b) <b>In other capacity - Certification fees</b>	2.00	2.00
(c) <b>Reimbursement of expenses</b>	9.65	8.02
	<u>35.65</u>	<u>34.02</u>



## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2015

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

		31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs
<b>Details of CSR Expenditure:</b>			
(a)	Gross amount required to be spent by the Company during the year	542.32	353.26
(b)	<b>Amount spent during the year ended March 31, 2016</b>		
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i)	Construction / acquisition of any asset	13.55	1.07
ii)	On purpose other than (i) above	26.62	0.68
		40.17	1.75
	<b>Amount spent during the year ended March 31, 2015</b>		
i)	Construction / acquisition of any asset	–	–
ii)	On purpose other than (i) above	4.73	–

#### 24. FINANCE COSTS

Interest	15.20	36.09
	<b>15.20</b>	<b>36.09</b>

#### 25. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees one million. The scheme is funded in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for gratuity and pension.

(Rupees in lakhs)

Particulars	As at / year ended 31 <sup>st</sup> March 2016	As at / year ended 31 <sup>st</sup> March 2015	As at / year ended 31 <sup>st</sup> March 2016	As at / year ended 31 <sup>st</sup> March 2015
	Pension		Gratuity	
(a) Expenses recognised in the statement of Profit and Loss				
(i) Current service cost and interest cost	109.92	94.23	167.02	143.26
(ii) Expected return on plan assets	–	–	(73.88)	(64.29)
(iii) Net actuarial loss / (gain) recognised in the year	16.80	130.41	78.32	30.45
(iv) Expense recognised in the statement of Profit and loss	126.72	224.64	171.46	109.42
(b) Change in defined benefit obligation during the year				
(i) Present value of obligation as at beginning of the year	1,323.90	1,118.02	861.13	751.13
(ii) Current service cost and interest cost	109.92	94.23	167.02	143.26
(iii) Benefits paid	(61.46)	(18.76)	(217.57)	(63.71)
(iv) Actuarial gain / (loss) on obligation	16.80	130.41	78.32	30.45
(v) Present value of obligation as at the end of the year	1,389.16	1,323.90	888.90	861.13

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 25. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS - (continued)

(Rupees in lakhs)

Particulars	As at / year ended 31 <sup>st</sup> March 2016	As at / year ended 31 <sup>st</sup> March 2015	As at / year ended 31 <sup>st</sup> March 2016	As at / year ended 31 <sup>st</sup> March 2015
	Pension		Gratuity	
<b>(c) Change in fair value of plan assets during the year</b>				
(i) Fair value of plan assets at the beginning of the year	–	–	965.10	763.13
(ii) Expected return on plan assets	–	–	73.88	64.29
(iii) Contributions made during the year	–	–	189.21	201.39
(iv) Benefits paid	–	–	(217.57)	(63.71)
<b>(v) Fair value of plan assets as at the end of the year</b>	–	–	1,010.62	965.10
<b>(d) Balance Sheet movements</b>				
(i) Value of benefit obligations / (net assets) at the beginning of the year	1,323.90	1,118.02	965.10	763.13
(ii) Actual return on plan assets	–	–	73.88	64.29
(iii) Contributions made during the year	–	–	189.21	201.39
(iv) Expenses	126.72	224.64	–	–
(v) Benefits paid	(61.46)	(18.76)	(217.57)	(63.71)
<b>(vi) Fair value of plan assets as at the end of the year</b>	–	–	1,010.62	965.10
<b>(viii) Value of benefit obligations / (net assets) at the end of the year</b>	1,389.16	1,323.90	(121.72)	(103.97)
<b>Funded status</b>	1,389.16	1,323.90	–	–
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.				
<b>(e) Actuarial assumptions</b>				
(i) Discount rate used	8.00%	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.189.21 lakhs to gratuity fund in the next year.

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

	31 <sup>st</sup> March 2016 ₹ lakhs	31 <sup>st</sup> March 2015 ₹ lakhs	31 <sup>st</sup> March 2014 ₹ lakhs	31 <sup>st</sup> March 2013 ₹ lakhs	31 <sup>st</sup> March 2012 ₹ lakhs
<b>Gratuity</b>					
Defined benefit obligation	888.90	861.13	741.20	653.48	606.84
Plan assets	1,010.62	965.10	739.81	655.54	609.07
Surplus / (deficit)	121.72	103.97	(1.39)	2.06	2.23
Experience adjustments on plan liabilities	78.32	30.45	28.83	14.03	9.64
Experience adjustments on plan assets	–	–	–	–	–

#### The major categories of plan assets as a percentage of the fair value of total plan asset are as follows:

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Investments with insurer	100%	100%

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 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 <sup>st</sup> March 2016 ₹ lakhs	Year ended 31 <sup>st</sup> March 2015 ₹ lakhs
<b>a) Revenue from operation</b>		
<b>(i) Sales of products (net of excise duty)</b>		
India	117,796.47	83,985.46
Others	56,189.48	43,167.98
<b>Total</b>	<b>173,985.95</b>	<b>127,153.44</b>
<b>(ii) Rendering of services</b>		
India	1,117.78	778.68
Others	7,474.13	6,005.99
<b>Total</b>	<b>8,591.91</b>	<b>6,784.67</b>
<b>b) Total assets</b>		
India	136,110.02	98,426.16
Others	16,295.80	12,921.77
<b>Total</b>	<b>152,405.82</b>	<b>111,347.93</b>
<b>c) Capital expenditure</b>		
India	7,828.92	7,008.44
Others	984.53	259.84
<b>Total</b>	<b>8,813.45</b>	<b>7,268.28</b>

#### 27. CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

##### (A) Contingent liabilities not provided for

##### a) Claims against the company not acknowledged as debts primarily towards:

i) In respect of CENVAT and Service tax matters	103.69	138.75
ii) In respect of Income tax matters	—	292.90
iii) In respect of Infrastructure and amenities charges	49.25	49.25
iv) In respect of Property tax matters	91.65	22.18
v) In respect of Customs duty matters	4.53	—
vi) In respect of Sales tax matters	159.60	—
vii) In respect of Labour law disputes	9.05	—

In respect of all the above outstanding matters, 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. Hence, no provision has been made in the financial statements.

The Company has not recognized and recorded entries in respect of materials supplied by a related party amounting to Rs.245 lakhs, for want of underlying evidences. In the opinion of the management, pending comprehensive reconciliation of the vendor balances with the appropriate evidences, these amounts need not be recorded in the books.

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

	Year ended 31 <sup>st</sup> March 2016 ₹ lakhs	Year ended 31 <sup>st</sup> March 2015 ₹ lakhs
<b>(B) Other matters</b>		
a) Bills discounted of customers	9,529.17	8,468.92
b) Counter guarantee given to bankers	216.05	188.09
<b>(C) Commitments not provided for *</b>		
Capital	3,131.91	1,424.35
* As certified by management		

### 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 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
1	Trade payables	USD	69.16	9.27	4,577.97	580.97
		JPY	6.15	1.94	3.63	1.01
		CHF	0.07	-	4.69	-
		EUR	138.12	17.32	10,396.25	1,176.13
		GBP	0.16	-	15.38	-
2	Trade receivables	USD	73.33	128.38	4,852.28	7,923.80
		EUR	113.86	67.49	8,569.44	4,711.97
3	Loans and advances	USD	13.64	14.26	902.84	893.64
		JPY	46.47	51.44	27.43	26.80
		CHF	0.27	0.18	18.82	11.95
		EUR	15.62	8.65	1,175.96	587.52
		GBP	0.23	0.04	22.06	3.57

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

	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Total outstanding dues to Micro and Small enterprises	1,325.53	1,563.56

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.

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

#### 30 LOANS TO OTHERS - DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

Included in loans and advances (refer note 16) are certain Intercompany deposits the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013 (Rupees in lakhs)

Name of loanee	Rate of interest	Due date	Secured / unsecured	March 31, 2016	March 31, 2015
FI Auto Components Pvt Ltd	13.75%	26-Aug-16	Unsecured	83.45	–
				83.45	–

#### 31. RELATED PARTY DISCLOSURE

##### A. LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIP

- a) Holding company WABCO Asia Private Limited, Singapore
- b) Ultimate holding company WABCO Holdings Inc., USA

Related parties under AS 18 with whom transactions have taken place during the year

- c) Fellow Subsidiary companies
  - 1 WABCO Vertriebs, GmbH & Co., Germany (formerly WABCO Fahrzeugsysteme, GmbH, Germany)
  - 2 WABCO China Co Ltd, China
  - 3 WABCO France SAS, France
  - 4 Meritor WABCO Vehicle Control Systems, US
  - 5 Shandong WABCO Automotive Products Co. Ltd, China
  - 6 WABCO (Shanghai) Management Co Limited, China
  - 7 WABCO Automotive South Africa
  - 8 WABCO Automotive UK Ltd, United Kingdom
  - 9 WABCO Compressor Manufacturing Co. US
  - 10 WABCO Hong Kong Limited, Hong Kong
  - 11 WABCO Japan Inc, Japan
  - 12 WABCO Korea Ltd, Korea
  - 13 WABCO Polska Sp. z o.o. Poland
  - 14 WABCO Polska Sprzedaz Sp. z o.o. Poland
  - 15 WABCO Development GmbH, Germany
  - 16 WABCO Logistik GmbH, Germany
  - 17 WABCO Australia Pty Limited, Australia
  - 18 WABCO Europe BVBA, Belgium
  - 19 WABCO Austria GesmbH, Austria
  - 20 WABCO Belgium BVBA, Belgium
  - 21 WABCO Financial Services SPRL; Belgium
  - 22 Tavares BVBA, Belgium
  - 23 Transics BVBA, Belgium
  - 24 FLC NV
  - 25 Transics Belux BVBA, Belgium
  - 26 Transics Deutschland GmbH, Germany
  - 27 Transics Italia S.R.L
  - 28 Delta Industrie Service SARL, France
  - 29 Transics France SARL, France
  - 30 Transics Ireland Limited, Ireland
  - 31 Carrierweb B.V, Netherlands

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

#### f) Fellow Subsidiary companies (Contd.)

- 32 Transics Netherland B.V
- 33 Transics Telemática España
- 34 WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil
- 35 WABCO Brzdy K Vozidlum spol S.R.O, Czech Republic
- 36 WABCO Gmbh, Germany
- 37 WABCO Radbremsen Gmbh, Germany
- 38 WABCO Automotive Italia SRL, Italy
- 39 WABCO BV, Netherlands
- 40 WABCO Europe Holdings BV, Netherlands
- 41 WABCO Espana SLU, Spain
- 42 WABCO Automotive AB, Sweden
- 43 WABCO (Schweiz) Gmbh, Switzerland
- 44 WABCO Automotive B.V, Netherlands
- 45 WABCO ARAC Kontrols Sistemleri Destek VE Pazarlama Limited Sirketi, Turkey
- 46 WABCO Middle East and Africa FZCO, Dubai
- 47 WABCO IP Holdings LLC, US
- 48 WABCO Automotive Products Ltd, Cayman
- 49 WABCO Air Compressor Holdings Inc.,US
- 50 WABCO Automotive Control Systems Inc.,US
- 51 WABCO Group Inc.,US
- 52 WABCO Group International Inc.,US
- 53 WABCO Logistics (Qingdao) Co. Ltd, China
- 54 WABCO North America LLC, US
- 55 WABCO Expats Inc.
- 56 WABCO (Thailand) Limited
- 57 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
- 58 Ephicas BV, Netherlands
- 59 WABCO Foundation Brakes Private Limited, Chennai
- 60 WABCO International LLC, US
- 61 WABCO Europe Holdings LLC, US
- 62 Ephicas Patents BVBA;
- 63 WABCO France S.A.S.
- 64 WABCO Services S.A.S, France
- 65 WABCOWURTH Workshop Services GmbH
- 66 WABCO Testbahn GmbH, Germany
- 67 WABCO Holding GmbH, Germany
- 68 WABCO Systeme GmbH, Germany
- 69 WABCO Holdings B.V., Netherlands
- 70 WABCO Sandown B.V., Netherlands
- 71 WABCO CV, Netherlands
- 72 WABCO RUS LLC.
- 73 WABCO Vostok LLC, Russia
- 74 WABCO Centro de Distribuicao de pecas Automotives Ltda, Brazil
- 75 Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands
- 76 WABCO Automotive Pensions Trustees Limited, UK
- 77 WABCO Automotive U.K. Limited, UK
- 78 WABCO Reman Solutions



## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

g) **Key management personnel**      1   Mr. P Kaniappan - Managing Director

**Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**

- 1   Mr. T S Rajagopalan - Chief Financial Officer (till August 31, 2015)
- 2   Mr. R S Raja Gopal Sastry - Chief Financial Officer (w.e.f August 31, 2015)
- 3   Mr. Sivalai Senthilnathan - General Manager (Finance) and Company Secretary (till January 29, 2016)
- 4   Mr. M C Gokul - Company Secretary (w.e.f January 30, 2016)

### 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 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
1	Purchase of goods	Shandong Weiming Automotive Product Co. Ltd, China	116.13	87.39	–	–
		WABCO Vertriebs, GmbH & Co., Germany	4,409.97	2,573.00	–	–
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	9.27	–	–	–
		WABCO GmbH, Germany	–	7.58	–	–
		WABCO Radbremsen GmbH, Germany	1.32	1.13	–	–
		WABCO Vehicle Control Systems, US	255.26	384.28	–	–
		WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil	20.41	46.28	–	–
		WABCO BV, Netherlands	79.77	43.64	–	–
		WABCO Polska sp.z.o.o, Poland	–	–	–	–
		WABCO France S.A.S, France	28.33	47.94	–	–
		WABCO China Co Ltd, China	2,068.75	1,005.43	–	–
		WABCO Foundation Brakes Private Limited, Chennai	–	1.56	–	–
		WABCO Compressor Manufacturing Co, USA	39.38	23.49	–	–
		WABCO North America LLC, US	1.28	16.33	–	–
		WABCO (Thailand) Limited, Thailand	–	1.26	–	–
			7,029.87	4,239.31	–	–
2	Receiving of services Royalty Technical services	WABCO IP Holdings LLC, USA	995.02	845.93	–	–
		WABCO Europe BVBA, Belgium	1,559.95	–	–	–
		WABCO Europe BVBA, Belgium	436.85	552.98	–	–
		WABCO (Shanghai) Management Company Limited	–	29.87	–	–
			2,991.82	1,428.78	–	–
3	Sale of products	Meritor WABCO Vehicle Control Systems, USA	6,757.32	7,143.46	–	–
		WABCO Logistics GmbH, Germany	511.99	1,390.49	–	–
		WABCO China Co Ltd, China	934.25	920.31	–	–
		WABCO Automotive, South Africa	9.14	5.40	–	–
		WABCO Compressor Mfg. Co, USA	7,970.30	6,984.93	–	–
		WABCO Polska sp.z.o.o, Poland	1,087.53	1,666.10	–	–
		WABCO Korea Ltd, Korea	21.70	91.87	–	–
		WABCO France S.A.S, France	249.81	1,450.74	–	–
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	456.20	481.84	–	–
		Shandong Weiming Automotive Product Co. Ltd, China	90.71	543.30	–	–
		WABCO GmbH, Germany	138.56	159.04	–	–

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

#### 31. RELATED PARTY TRANSACTIONS - (continued)

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended	
			31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
		WABCO Asia Private Ltd., Singapore	103.31	113.89	–	–
		WABCO Middle-East & Africa FZCO, Dubai	99.32	29.93	–	–
		WABCO Europe BVBA, Belgium	19,761.27	12,414.80	–	–
		WABCO Japan Inc. Japan	1,091.65	1,142.52	–	–
		WABCO North America L.L.C	8,062.34	5,962.93	–	–
		WABCO (Thailand) Limited, Thailand	425.70	436.12	–	–
		WABCO Radbrensen GmbH, Germany	8.76	0.08	–	–
		WABCO Reman Solutions	13.11	–	–	–
		WABCO Automotive B.V, Netherlands	1,903.87	1,067.86	–	–
			49,696.84	42,005.61	–	–
4	Rendering of Services					
	Software services	WABCO Development GmbH, Germany	4,241.42	3,494.73	–	–
	Research and development services	WABCO Europe BVBA, Belgium	1,195.43	1,489.24	–	–
	Research and development services	Shandong Weiming Automotive Product Co. Ltd, China	–	113.03	–	–
	Other service income	Meritor WABCO Vehicle Control Systems, USA	105.71	–	–	–
	Tool development	Meritor WABCO Vehicle Control Systems, USA	17.38	–	–	–
	Tool development	WABCO Japan Inc	1.09	–	–	–
	Tool development	WABCO France S.A.S, France	–	51.10	–	–
	Test Rig Income	WABCO Asia Private Ltd., Singapore	–	1.88	–	–
	Test Rig Income	WABCO (Thailand) Limited, Thailand	–	4.10	–	–
	Test Rig Income	WABCO Compressor Mfg. Co, USA	–	7.37	–	–
	Global business services	WABCO Europe BVBA, Belgium	1,931.57	908.99	–	–
	Travel expenses	WABCO (Thailand) Limited, Thailand	–	2.87	–	–
			7,492.60	6,073.31	–	–
5	Receivables					
		WABCO Logistics GmbH, Germany	338.84	321.20	–	–
		WABCO China Co Ltd, China	133.76	260.14	–	–
		Meritor WABCO Vehicle Control Systems, USA	332.46	2,647.12	–	–
		WABCO Compressor Mfg. Co, USA	1,541.23	2,497.34	–	–
		Shandong Weiming Automotive Product Co. Ltd, China	122.92	261.41	–	–
		WABCO Polska sp.z.o.o, Poland	330.87	467.34	–	–
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	262.74	209.71	–	–
		WABCO Asia Private Ltd., Singapore	1.93	13.79	–	–
		WABCO Europe BVBA, Belgium	6,497.58	2,962.72	–	–
		WABCO Japan Inc. Japan	210.34	206.85	–	–
		WABCO GmbH, Germany	124.29	58.88	–	–
		WABCO Automotive South Africa	1.23	1.27	–	–
		WABCO France S.A.S, France	212.01	278.26	–	–
		WABCO North America L.L.C	2,243.97	1,567.24	–	–

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 31. RELATED PARTY TRANSACTIONS - (continued)

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended	
			31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
		WABCO Middle-East & Africa FZCO, Dubai	87.66	25.32	–	–
		WABCO Korea Ltd, Korea	1.44	7.52	–	–
		WABCO (Thailand) Limited, Thailand	114.56	306.48	–	–
		WABCO Radbrensen Gmbh	4.06	0.18	–	–
		WABCO Reman Solutions	18.55	5.00	–	–
		WABCO Automotive B.V, Netherlands	549.53	349.27	–	–
		WABCO Group Inc.,US	–	29.53	–	–
			13,129.97	12,476.57	–	–
6	Payables / (Advances)	WABCO China Co Ltd, China	2,828.22	178.67	–	–
		WABCO BV, Netherlands	121.54	36.74	–	–
		WABCO Foundation Brakes Private Limited, Chennai	–	1.56	–	–
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	31.62	7.76	–	–
		WABCO Compressor Mfg. Co, USA	6.02	6.54	–	–
		WABCO France S.A.S, France	18.69	10.01	–	–
		Shandong Weiming Automotive Product Co. Ltd, China	72.18	9.68	–	–
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	7.65	–	–	–
		WABCO IP Holdings LLC, USA	445.99	212.00	–	–
		WABCO Europe BVBA, Belgium	1,848.27	138.81	–	–
		WABCO Vertriebs, GmbH & Co., Germany	3,326.67	809.95	–	–
		WABCO Vehicle Control systems (POLAND)	–	177.89	–	–
		WABCO Westinghouse	–	(75.38)	–	–
		WABCO Automotive U.K. Limited, UK	–	(3.59)	–	–
		WABCO Radbrensen Gmbh	7.95	7.69	–	–
		WABCO North America L.L.C	(1.28)	1.08	–	–
		WABCO Gmbh, Germany	(1.44)	3.10	–	–
		Meritor WABCO	3.15	–	–	–
		WABCO (Thailand) Limited, Thailand	–	1.11	–	–
			8,715.23	1,523.62	–	–
7	Remuneration to Key managerial personnel	Mr. P Kaniappan	–	–	139.16	121.15
		Mr. T S Rajagopalan	–	–	30.01	80.11
		Mr. R S Raja Gopal Sastry	–	–	37.32	–
		Mr. N Sivalai Senthilnathan	–	–	45.75	49.25
		Mr. M C Gokul	–	–	3.17	–
			–	–	255.41	250.51
8	Reimbursement of expenses	WABCO Europe BVBA	71.32	–	–	–
		WABCO (Thailand) Limited	37.29	–	–	–

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

## WABCO INDIA LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

(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 <sup>st</sup> March 2016		Year ended 31 <sup>st</sup> March 2015	
	% of total consumption	Value	% of total consumption	Value
<b>I. CONSUMPTION OF RAW MATERIALS AND COMPONENTS</b>				
a) Imported	23.5	26,320.64	18.4	14,552.22
b) Indigeneous	76.5	85,789.35	81.6	64,451.03
	<b>100.0</b>	<b>112,109.99</b>	<b>100.0</b>	<b>79,003.25</b>
<b>II. CONSUMPTION OF MACHINERY SPARES</b>				
a) Imported	5.9	15.99	4.3	8.43
b) Indigeneous	94.1	256.28	95.7	189.32
	<b>100.0</b>	<b>272.27</b>	<b>100.0</b>	<b>197.75</b>
<b>33. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>				
a) Raw materials and components		28,466.77		13,429.20
b) Stores and tools		209.83		472.52
c) Capital goods		1,048.21		619.06
<b>34. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>				
a) Commission on export sales		58.34		28.91
b) Travel and conveyance		333.07		269.16
c) Legal and professional		75.00		78.89
d) Royalty		2,554.97		845.93
e) Fees for technical services		436.85		582.85
f) Research and development services		24.10		—
g) Others		64.45		80.81
<b>35. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE</b>				
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 <sup>st</sup> March 2016 (lakhs)		853.54		—
- relating to 31 <sup>st</sup> March 2015 (lakhs)		—		711.28
<b>36. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>				
a) Exports of automotive components		55,683.01		43,167.79
b) Freight and insurance recovery		—		0.19
c) Software service		4,241.42		3,494.73
d) Global business services		1,931.57		908.99
e) Research and development services		1,195.43		1,602.27
f) Test track usage and other service income		105.71		—
g) Test rig income		—		13.35
h) Other operating revenue		506.47		—
i) Tool development income		18.47		51.10

## WABCO INDIA LIMITED

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### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

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

#### 37. TRANSFER PRICING

The Company has entered into transactions with related parties. For the year ended March 31, 2015, the Company had obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961. For the year ended March 31, 2016, management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length, however the study / audit has not yet been completed. The management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for period upto March 31, 2016.

#### 38. PREVIOUS YEAR FIGURES

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

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

M LAKSHMINARAYAN  
*Chairman*

P KANIAPPAN  
*Managing Director*

M C GOKUL  
*Company Secretary*

R S RAJAGOPAL SASTRY  
*Chief Financial Officer*

Chennai, 19<sup>th</sup> May, 2016

As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
*Chartered Accountants*  
ICAI Firm Registration No. 101049W / E300004

Per S BALASUBRAHMANYAM  
*Partner*  
Membership No. 053315