

WABCO INDIA LIMITED

9th Annual Report 2013

WABCO INDIA LIMITED

Board of Directors

M LAKSHMINARAYAN
Chairman

D E UDWADIA

NARAYAN K SESHADRI

NIKHIL MADHUKAR VARTY#

LEON LIU

TREVOR LUCAS

VINCENT PICKERING\$

MICHAEL EDWARD THOMPSON@

Whole-time Director

P KANIAPPAN

Chief Financial Officer

T S RAJAGOPALAN

General Manager - Finance and Company Secretary

R MADHAVAN+

N SIVALAI SENTHILNATHAN++

Audit Committee

NARAYAN K SESHADRI
Chairman

D E UDWADIA

TREVOR LUCAS

Investors' Grievance Committee

NARAYAN K SESHADRI
Chairman

P KANIAPPAN

TREVOR LUCAS

Listing of Shares with

Madras Stock Exchange Limited
Chennai

National Stock Exchange of India Limited
Mumbai

Bombay Stock Exchange Limited
Mumbai

\$ from 23rd May 2012

upto 24th July 2012

@ from 24th July 2012

+ upto 15th May 2013

++ from 15th May 2013

Share Transfer Agent

Sundaram-Clayton Limited
"Jayalakshmi Estates",
29 (Old No.8), Haddows Road,
Chennai - 600 006.

Tel. : 044 - 2827 2233
044 - 2828 4959

Fax : 044 - 2825 7121

E-mail : kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in
sivalaisenthilnathan.n@wabco-auto.com

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch
3rd Floor, Sigappi Achi Building
18/3, Rukmanilakshmi pathy Road
Egmore, Chennai 600 008

Auditors

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

Solicitors & Advocates

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

Registered Office

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

Website : www.wabcoindia.com

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, Gamharua,
Seraikella-Kharsawan Dist.
Jharkhand 832 108
Tel. : 0657 661 6800
Fax : 0657 238 7997

Plant - 1

Plot No. AA8, Central Avenue,
Auto Ancillary SEZ,
Mahindra World City,
Natham Sub-Post, Chengalpet,
Kancheepuram District 603 002
Tel. : 044 4744 2000
Fax : 044 4749 0006

Plot No.11, Sector 4, SIDCUL,
IIE Pantnagar,
Rudrapur Udham Singh Nagar,
Uttarakhand - 263 153

KH No. 159-162, 164 Somaiya Nagar
Barabanki Dewa Road, Barabanki
Lucknow, Uttar Pradesh 225 123

Plant - 2

Plot No. AA8, Central Avenue,
Auto Ancillary SEZ,
Mahindra World City,
Natham Sub-Post, Chengalpet,
Kancheepuram District 603 002
Tel. : 044 4744 2000
Fax : 044 4749 0006

Software Design Centres

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

CONTENTS

Page No.

Notice to the shareholders	4
Directors' report to the shareholders	7
Management discussion and analysis report	11
Report on corporate governance	15
Auditors' certificate on corporate governance	24
Auditors' report to the shareholders	25
Balance sheet	28
Statement of Profit & Loss	29
Cash flow statement	30
Notes to financial statements	32

WABCO INDIA LIMITED

FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 st	2008-09	2009-10	2010-11	2011-12	2012-13
Profit and Loss Account					
Sales/Revenue from operations #	42,594	59,126	89,252	104,564	96,592
Other income	2,003	1,828	536	1,206	1,264
Total income	44,597	60,954	89,788	105,770	97,856
Gross profit before interest, depn & tax	7,354	13,574	20,600	23,199	20,668
Depreciation	1,394	1,444	1,442	1,564	2,172
Profit before interest & tax	5,960	12,130	19,158	21,635	18,497
Interest	705	296	20	12	2
Profit before taxation	5,255	11,834	19,138	21,623	18,495
Profit after taxation	3,552	7,819	12,743	15,340	13,079
Balance Sheet					
Net Fixed assets	19,528	18,677	19,031	24,300	28,892
Investments	900	221	1,220	2,320	2,545
Net current assets	5,758	9,178	18,984	26,726	34,479
Long term loans and advances	–	–	1,582	1,827	1,566
Total	26,186	28,076	40,817	55,173	67,482
Share capital	948	948	948	948	948
Reserves & surplus	18,818	26,084	37,724	51,962	63,932
Net worth	19,766	27,032	38,672	52,910	64,880
Loan funds/Non current liabilities ##	6,020	719	1,330	1,169	1,431
Deferred taxation (net)	400	325	815	1,094	1,171
Total	26,186	28,076	40,817	55,173	67,482
EPS (Rs)	18.73	41.22	67.18	80.87	68.95
DPS (Rs)	2.50	2.50	5.00	5.00	5.00
Book value per share (Rs)	104.21	142.51	203.89	278.95	342.04
Return on capital employed (ROCE) %	26.3	44.7	55.6	45.1	30.2
Return on net worth (RONW) %	19.4	33.4	38.8	33.5	22.2
Fixed assets turnover (no of times)	2.3	3.1	4.7	4.8	3.6
Working capital turnover (no of times)	12.9	7.9	6.3	4.6	3.2
Gross profit as % of sales (EBITDA)	17.3	23.0	23.1	22.2	21.4
Gross profit as % of total income	16.5	22.3	22.9	21.9	21.1
Net profit as % of total income	8.0	12.8	14.2	14.5	13.4

Figures for the years 2008-09 and 2009-10 represents "sales" and for 2010-11, 2011-12 and 2012-13 represents "Revenue from operations".

Figures for the years 2008-09 and 2009-10 represents "Loan funds" and for 2010-11, 2011-12 and 2012-13 represents "Non current liabilities".

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

RONW is profit after tax divided by average networkth.

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

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

Notice to the Shareholders

NOTICE is hereby given that the Ninth Annual General Meeting of the Company will be held at "The Music Academy", New No. 168 (Old No. 306), T.T.K Road, Chennai 600 014 on Wednesday, the 24th day of July 2013 at 10.00 a.m. to transact the following business:

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

RESOLVED THAT the audited balance sheet as at 31st March, 2013 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted.

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

RESOLVED THAT pursuant to the recommendation of the board of directors of the Company, a dividend of Rs.5/- per share on 1,89,67,584 equity shares of Rs.5/- each fully paid up absorbing a sum of Rs.948.38 lakhs be and is hereby declared for the year ended 31st March, 2013 and the same be paid to the shareholders whose name appear in the register of members of the Company as at the close of 18th July, 2013.

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

RESOLVED THAT Mr Leon Liu, director who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.

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

RESOLVED THAT Mr Narayan K Seshadri, director who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.

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

RESOLVED THAT Mr Michael Edward Thompson, who was appointed as a director of the Company with effect from 24th July, 2012 to fill in the casual vacancy caused by the resignation of Mr Nikhil Madhukar Varty 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 under Section 257 of

the Companies Act, 1956 along with a deposit of Rs.500/- from a shareholder intimating his intention to propose Mr Michael Edward Thompson for directorship, be and he is hereby appointed as a director of the Company.

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

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

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

By order of the board

Chennai
15th May 2013

R MADHAVAN
General Manager -
Finance and Secretary

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

Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.**
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 as set out in the notice is annexed hereto.
3. The Register of Members and the share transfer register will remain closed for a period of **6 days from 19th July, 2013 to 24th July, 2013** (both days

WABCO INDIA LIMITED

inclusive) for the purpose of dividend to be approved by the shareholders at the ensuing Annual General Meeting of the Company.

4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government on the due dates. 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.

Members who have not encashed their dividend warrants in respect of the above periods are requested to make their claim by surrendering the unencashed warrants immediately to the Company.

5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
6. Members are requested to register their e-mail address with the Company/Share transfer Agents immediately and participate in the "Green initiative" launched by the Ministry of Corporate Affairs.
7. Members holding shares in depository are requested to register their e-mail address with their depository participants and participate in the "Green initiative" launched by the Ministry of Corporate Affairs.
8. Members are requested to notify to the Company/ Share Transfer Agent immediately any change in their address. Members holding shares in depository are requested to advise change of address to their depository participants.
9. As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting. Members are, therefore requested to bring their copies of the annual report to the meeting.
10. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
11. In terms of clause 49 (IV)(G) of the listing agreement with the stock exchanges, a brief resume of directors, who are proposed to be re-appointed in this meeting, nature of their expertise in specific functional areas, their other directorships and committee memberships and their shareholdings in the Company and their

relationships with other directors in the Company are given below:

Brief resume and other information in respect of directors seeking re-appointment at the Annual General Meeting

Mr Leon Liu

Born on 13th November 1961, Mr Leon Liu is WABCO's President for the Asia business units responsible for WABCO's business objectives in Asia and he leads the team that drives regional business, integrates local market needs and requirements and implements strategies aligned with product and after market business units. He has got more than 23 years experience in U.S and Asia Pacific Automobile industry. He has got masters degree in Business Administration in General Management and PhD in Materials Science & Engineering.

He is not a member of any committee of board of directors of any other company or the Company. He does not hold any share in the Company and he is not related to any other directors of the Company. Details of his other directorships are given below:

S. No.	Name of the company	Position held
1.	WABCO Korea Limited	Director
2.	Shandong Weiming Automotive Product Co Ltd	Chairman/Director
3.	WABCO (China) Co Ltd	Chairman/Director
4.	WABCO Automotive Products Ltd	Director
5.	WABCO Asia Pvt Ltd	Director
6.	WABCO Australia Pty Ltd	Chairman/Director
7.	WABCO Hong Kong Ltd	Director
8.	WABCO Logistics (Qingdao) Co., Ltd	Chairman/Director
9.	WABCO (Shanghai) Management Co Ltd	Chairman/Director
10.	WABCO Japan Inc	Director
11.	WABCO Foundation Brakes Pvt Ltd	Director
12.	Guang Dong Wabco Fuwa Vehicle Brakes Co Ltd	Director

Mr Narayan K Seshadri

Born on 13th April 1957, Mr Narayan K Seshadri is a graduate of Science and a Chartered Accountant with over 30 years of professional experience.

He is the founder of Tranzmute Capital & Management Pvt Ltd, an Investment Advisory and Management

WABCO INDIA LIMITED

Services organization. Earlier he founded Halcyon Group that had partnered with a US investment management group and established a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth.

He is the Chairman of the Audit committee of directors and Investors' Grievance committee of directors of the Company. He does not hold any share in the Company and he is not related to any other directors of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

S. No.	Name of the company	Position held	Committee membership/ chairmanship
1.	Tranzmute Capital & Management Private Limited	Director	
2.	Magma Fincorp Limited	Director	Chairman- Audit Committee
3.	PI Industries Limited	Director	Member- Audit Committee
4.	A2O Software India Pvt Ltd	Director	
5.	Kalpataru Power Transmission Limited	Director	Member- Audit Committee
6.	SBI Capital Markets Limited	Director	Member- Audit Committee
7.	Radiant Life Care Private Limited	Director	
8.	Halcyon Enterprises Private Limited	Director	

S. No.	Name of the company	Position held	Committee membership/ chairmanship
9.	IRIS Business Services Limited	Director	Member- Audit Committee
10.	TVS Investments Limited	Director	Chairman- Audit Committee
11.	AstraZeneca Pharma India Limited	Director	
12.	Arthveda Fund Management Pvt Ltd	Director	
13.	Halcyon Resources & Management Pvt Ltd	Director	

Mr Michael Edward Thompson

Born on 29th October 1968, Michael Edward Thompson has Bachelor of Science (BS) degrees and a Doctor of Philosophy (PhD) degree in Materials Science.

Mr Thompson is the vice president, Compression & Braking business in WABCO since February 2012. He had vast experience in global marketing and strategy and business development in his previous assignments.

He is not a member of any committee of board of directors of any other company or the Company. He does not hold any share in the Company and he is not related to any other directors of the Company. Details of his other directorship is given below:

S. No.	Name of the company	Nature of Interest
1.	WABCO Europe BVBA	Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

Mr Michael Edward Thompson was appointed as a director at the board meeting held on 24th July, 2012 in the casual vacancy caused by the resignation of Mr Nikhil Madhukar Varty on 24th July, 2012. Mr Nikhil Madhukar Varty would have held office as a director upto the date of this Annual General Meeting had he not resigned. Pursuant to Section 262 of the Companies Act, 1956, Mr Michael Edward Thompson holds office upto the date of this Annual General Meeting.

Notice has been received from a shareholder of the Company under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- signifying his intention to propose the candidature of Mr Michael Edward Thompson for the office of director.

The directors recommend for approval the resolution at item no.5 of the Notice.

Mr Michael Edward Thompson is interested in the resolution, since it relates to his appointment.

By order of the board

Chennai
15th May 2013

R MADHAVAN
General Manager -
Finance and Secretary

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

Directors' report to the shareholders

The directors have pleasure in presenting the ninth annual report and the audited accounts for the financial year ended 31st March 2013.

2. FINANCIAL HIGHLIGHTS

Details	Year ended 31.03.2013	Rs. in lakhs Year ended 31.03.2012
Sales (net)	91,735.78	1,00,497.08
Other Operating income	4,856.60	4,067.16
Other income	1,263.50	1,205.90
Total revenue from operations and other income	97,855.88	1,05,770.14
Gross profit before interest and depreciation	20,668.37	23,198.63
Finance costs	1.76	11.88
Depreciation	2,171.78	1,563.72
Profit before tax	18,494.83	21,623.03
Provision for taxation (including deferred tax and tax relating to earlier years)	5,416.00	6,283.07
Profit after tax	13,078.83	15,339.96
Surplus brought forward from previous year	33,241.02	22,003.29
Total	46,319.85	37,343.25
Appropriations:		
Proposed dividend	948.38	948.38
Dividend tax payable	161.18	153.85
Transfer to general reserve	5,000.00	3,000.00
Surplus in profit & loss account	40,210.29	33,241.02
	46,319.85	37,343.25

3. DIVIDEND

The board of directors have recommended a dividend of Rs.5 per share for the year ended 31st March 2013 absorbing a sum of Rs.948.38 lakhs for approval of the shareholders at the ensuing annual general meeting.

4. PERFORMANCE

During the year 2012-13, sales of medium and heavy commercial vehicles (MHCV), dropped by 24% over the previous year. The Company achieved a total revenue from operations and other income of Rs.978 crores as against turnover of Rs.1,057 crores in the previous year, a reduction of 7.5%.

However, after market sales segment registered a growth of 16.5% over the previous year and exports segment registered a growth of 34.2% over the previous year.

5. CAPITAL EXPENDITURE

Capital expenditure of Rs.63 crores is planned for the year 2013-14 considering the industry growth in this year.

6. DIRECTORS

Mr Leon Liu, Mr Narayan K Seshadri, and Mr Michael Edward Thompson, retire at the ensuing Annual General Meeting of the Company. Being eligible, they offer themselves for re-appointment.

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

Mr Nikhil Madhukar Varty resigned as a director with effect from 24th July 2012. The Board of Directors at its meeting on 24th July 2012 placed on record its appreciation of the valuable services rendered by him during his tenure as a director. Mr Michael Edward Thompson was appointed as a director in the casual vacancy caused by the resignation of Mr Nikhil Madhukar Varty at the board meeting on 24th July 2012.

7. AUDITORS

Messrs S.R.Batliboi & Associates LLP, Chartered Accountants have informed that that the name of their firm Viz S.R.Batliboi & Associates, Chartered Accountants has been changed to S.R.Batliboi & Associates LLP on the conversion of the firm to limited liability partnership effective 1st April 2013. They retire at the ensuing Annual General Meeting and are eligible for re-appointment and the re-appointment will be made in the new firm name.

8. COST AUDITOR

Mr A N Raman was appointed as Cost auditor of the Company for 2012-13 by the board of directors at their meeting held on 23rd May 2012. The board at their meeting held on 15th May 2013 have re-appointed Mr A N Raman as Cost auditor for 2013-14.

9. STATUTORY STATEMENTS

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

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

Particulars of employees

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

Directors' Responsibility Statement

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

- (i) that in the preparation of annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors have prepared the accounts for the financial year ended 31st March 2013 on a going concern basis.

10. CORPORATE GOVERNANCE

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

The whole-time director (CEO) and the chief financial officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013.

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

Para (xxi) of the Annexure to the Auditors' Report dated May 15, 2013 is self-explanatory. The investigation referred therein is entrusted to an external agency and the Company is wholly co-operating therewith. Also, the Company has further strengthened its internal controls to prevent such an occurrence.

11. ACKNOWLEDGEMENT

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

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

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

For and on behalf of the board

Chennai
15th May 2013

M LAKSHMINARAYAN
Chairman

Annexure I to the Directors' report

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

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Modification of anodising chiller design to reduce the capacity from 90TR to 10TR to reduce power consumption
- ii) Introduction of auto switching off the fans & lights in shop floor during lunch time through Programmable Logic Controller (PLC);
- iii) Introduction of energy efficient Air Blower instead of compressed air for agitation process in anodising plant for 2 nos;
- iv) Introduction of solar lights for street lights instead of Compact Fluorescent Light (CFL) - 6 nos;
- v) Replace the coolants with energy efficient coolant to reduce power consumption;
- vi) Introduction of Induction lamps instead of Doom lights in shop floor - 20 nos to reduce power consumption;
- vii) Provided electronic timers in all Computer Numerical Control (CNC) machines to switch off the same during idle time;

This will result in a saving of about 6.24 lakhs units and Rs.31.20 lakhs per annum.

2. Measures Proposed

- i) Implementing of Adiabatic cooling system for reducing energy in air conditioning systems;
- ii) Replacing 400W metal halide lamp to 80W Compact Fluorescent Light (CFL) to reduce power consumption;
- iii) Recover the waste heat from air compressor to surface protection unit for reducing air compressor power consumption;
- iv) Use of solar power for lighting in office areas covering 100% of all lighting load in marketing and Research & Development department;
- v) Replacing of Del Star Convertors to Air Compressors to reduce the power consumption;
- vi) Introduction of air blowers in washing machines to reduce the energy consumption;
- vii) Providing Air Solenoid in machines to reduce compressed air consumption in idle stage of machines;
- viii) Replacement of Induction motor to servo motor in performance test rig to reduce power consumption;

- ix) Introduction of inverter drive for grinding machine to reduce power consumption.

This will result in a saving of about 6.40 lakhs units and Rs.38.40 lakhs per annum.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

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

- (a) Products launched
 - i. Compressor 230 CC capacity
 - ii. Compressor 318 CC capacity
 - iii. Integral pedal unit
 - iv. Automatic slack adjuster
 - v. Exhaust brake assembly
 - vi. Hand brake valve with self return
 - vii. Adjusting valve
- (b) Long Stroke Brake chamber-75 mm stroke - design and product validation completed;
- (c) New range of brake chambers and actuators for VOLVO in advanced stage of validation;
- (d) Development of lift axle control system for truck application for domestic customers. Product validated and ready for launch;
- (e) Launch of Value Engineered Type 24/24 Spring Brake Actuators for cost reduction;
- (f) Conversion of aluminum to plastic in magnetic valves to optimize material cost;
- (g) New range of relay valves and quick release valves under concept development.

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

- (a) Market expansion and improved competitive position through significantly improved products for new markets.
- (b) New opportunity in global market by introducing new range of actuators and brake chambers.
- (c) Improved competency for designing products for global market.
- (d) Acquiring competency in new areas like Hydraulic Brake Boosters.

WABCO INDIA LIMITED

3. Future plan of action:

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

4. Expenditure on R & D:

Rs. in Lakhs

Capital expenditure	279.27
Recurring expenditure (including salaries)	745.78
	<u>1,025.05</u>
Total expenditure as percentage of sales turnover	1.05%

Technology absorption, adaptation and innovation:

(a) Efforts in brief:

1. Creation of coefficient of discharge data base and library for standardized features with theoretical simulation.
2. Enhance corrosion resistance of reservoirs, modulator valves, actuators and other aggregates.
3. Wear and friction study of brake parts.
4. Three international patents filed.

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

1. Development of products with best in class performance and reliability to retain market leadership.
2. Continued expansion of simulation capabilities to reduce product development lead time and quality of design.
3. Improved corrosion resistance of the products helped to obtain new business opportunities with global customers.

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

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

EXPORT ACTIVITIES:

Exports during the year ended 31st March 2013 amounted to Rs.19,882.04 lakhs.

Total foreign exchange used and earned:

- | | |
|----------------------------|---------------------|
| a) Foreign exchange used | Rs. 13,492.94 lakhs |
| b) Foreign exchange earned | Rs. 23,604.17 lakhs |

For and on behalf of the board

Chennai
15th May 2013

M LAKSHMINARAYAN
Chairman

Management discussion and analysis report

I. Industry Structure and Development:

India's Gross Domestic Product (GDP) at factor cost (constant prices) started showing a declining trend from 5.5% in the first quarter to 4.5% in the third quarter of financial year 2012-13 and the financial year 2012-13 is likely to end at 5.0%. The slowdown in manufacturing and ban in mining sectors in Goa, Karnataka and Odisha coupled with supply side constraints contributed to low industrial growth. The agriculture sector was hugely affected owing to poor monsoon, recording a deficit of 13% throughout the country. Overall moderation in the economy is due to weak external demand, structural bottlenecks, increasing interest rates & twin deficits, high inflation and declining business confidence. Broad sector wise growth for 2009-10 to 2012-13 is given below:-

Growth rate of GDP (%) at factor cost (constant prices)

Sector	2009-10	2010-11	2011-12	2012-13 (Forecast)
Agriculture	0.8	7.9	3.6	1.8
Industry	9.2	9.2	3.5	3.1
Services	10.5	9.8	8.2	6.6
GDP (constant prices)	8.6	9.3	6.2	5.0

Source :- Central Statistical Organization

The commercial vehicle (CV) industry is considered to be the key barometer of economic activity. The industry entered a cyclical phase in 2012-13, after witnessing volume growth of over 30% in 2009-10 and 2010-11. The industrial growth measured by Index of industrial production witnessed a flat growth of 0.9% during the period April 2012 to February 2013. The mining output dropped by (2.5%), manufacturing output which contributes to 75% of total industrial production witnessed only a growth of 1.0% and electricity generation expanded by 4.0% during the period April 2012 to February 2013. Weak industrial growth has resulted in lower utilization rates of trucks. Low freight availability has affected transporters' profitability and the delinquencies in CV loans is also showing an increasing trend to as high as 95% owing to limited credit availability.

The development of road infrastructure is a key factor that influences the growth of the Indian commercial vehicle industry. The newly set up Cabinet Committee on Investment (CCI) in January 2013 to provide faster clearance and approval of major infrastructure projects, has cleared Rs.74,000 Crores worth projects during January and February 2013. However, the government's action of speeding up the reforms in terms of land acquisition, regulatory clearance, power distribution and fuel linkage will result in increased investments and participation from the private players.

Owing to the above growth enablers and constraints, the commercial vehicle industry registered a declining performance in 2012-13 with 24% drop in Medium & Heavy Commercial Vehicles (M&HCV) sales volume to 287,282 units in 2012-13 from 377,711 units in 2011-12. The production of M&HCV in 2012-13 declined by 28% compared to 2011-12.

Figures in units

Category	2011-12	2012-13	Growth
M&HCV production	384,801	278,560	(28%)
M&HCV Sales	377,711	287,282	(24%)

Source: SIAM

II. Business outlook and overview

The economic growth outlook for the year 2013-14 to be in the range of 6 - 6.5% as estimated by various rating agencies and Government bodies. Prime Minister's Economic Advisory Council (PMEAC) has also indicated the economy to have bottomed out end of March 2013 and is likely to recover in 2013-14 on the back of external demand and recent policy measures by government. The growth for 2013-14 is likely to be driven by gradual recovery in industrial production, normal monsoon for the agricultural activity and steady growth in services sector. The government has started addressing the supply-side constraints that would activate the flow of shelved investments into the economic cycle. The industry is expected to perform better than last year as the leading industry indicators suggest a turnaround in IIP (Index for Industrial Production) growth owing to low base effects. Overall the domestic growth outlook for 2013-14 looks a little better than in 2012-13. The Society of Indian Automobile Manufacturers (SIAM) has projected a marginal recovery of 1 - 3% in the M&HCV goods category for the period 2013-14. With the increasing acceptance of hub-and-spoke model of transportation, the Light Commercial Vehicle (LCV) goods carrier sales is expected to increase in the range of 10 - 12% in FY '14.

III. Opportunities & Threats

WABCO INDIA provides solutions to the commercial vehicle segment of the automotive industry. The recent announcement in the 2013-14 Union budget of allocating Rs.14,873 Crores towards the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is likely to boost the CV sector as the large part of this allocation will be used towards the purchase of 10,000 buses across the country under the city modernization scheme. With improved road infrastructure, the demand for faster vehicles that carry higher payloads is increasing.

Local market growth opportunities through increase in content per vehicle in the form of introducing new systems / technologies like Automated Manual Transmission (AMT), Automatic Slack Adjusters, Adjusting valve, Clutch actuation systems, higher

capacity compressors etc., will result in increased business opportunities for WABCO INDIA.

In the aftermarket side, further potential in retro fitment of Anti Lock Braking System (ABS) in tanker trucks operated for major oil companies is being explored. In addition, the aftermarket is also planning to introduce new products like Adjusting Valve and Lift Axle Valves to market for increasing the sales.

So far, the company has commissioned 161 authorized service centers at strategic locations across the country, to provide quicker and better service on air brake aggregates. Further, to improve availability of quality service in rural areas, the company also commissioned 152 certified workshops. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the Company. As part of increasing export business, further expansion has been done at Mahindra World City near Chennai which caters to the needs of WABCO plants globally. With the revival of global economy expected in the near future, business opportunities for this unit will increase.

The Company's competitors are active and continue to supply to key customers.

IV. Risks and concerns

The cyclical nature of the Indian commercial vehicle industry (Company's major customer segment) might affect the demand. In 2013-14, operating expenses are likely to rise with the expected increase in prices of key raw materials, energy cost & scarcity of power in state.

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

- Steel prices have remained fairly constant throughout the year in 2012-13 and have reduced by 1.6% compared to 2011-12. This is primarily due to the fact that the weakening of the Indian Rupee has supported prices by making imports expensive; however reduced demand exerted downward pressure. Thus despite weak demand, steel prices remained stable on account of a weakened rupee. Fall in Indian rupee against US Dollar by 13.1% in 2012-13 has impacted on the key raw materials imports - Iron ore and coal but there has been some respite on the domestic steel prices. The increase in Iron ore price by 12.6% in October 2012 and the continuous deficit of coal in India will lead to increase the steel price in quarter 1 and quarter 2 of 2013 as the import levels of coal will also not increase significantly as the removal of the current import tax is insufficient for any major change.
- Domestic aluminum prices increased by 12% in 2012-13 compared to 2011-12. The impact of drop in LME index did not have any effect on aluminum price due to weaker rupee against dollar. The steep rise in price of furnace oil during 2012-13 by 24% compared to 2011-12 has impacted in the aluminum price. Average aluminum prices are expected to be 8 - 10% higher in 2013-14, as compared to 2012-13 levels.

- Average rubber prices are expected to be 12 - 15% higher in 2013-14, as compared to 2012-13 levels due to continuous increase in synthetic rubber prices.
- Significant increase in the energy cost in India by more than 37% during the year 2012-2013 as against 2011-2012 in tandem with the energy deficit of about 25% in the southern region of the country continues to extend an upward pressure on the conversion cost.

Commercial Vehicles manufacturers are likely to pass on these additional costs to customers. However, the sensitivity of transporters' profitability to the increase in vehicle cost would determine the extent of the cost actually passed on to the end customer.

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

V. Internal control system and their adequacy

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

Para (xxi) of the Annexure to the Auditors' Report dated May 15, 2013 is self-explanatory. The investigation referred therein is entrusted to an external agency and the Company is wholly co-operating therewith. Also, the Company has further strengthened its internal controls to prevent such an occurrence.

VI. Operations review

A. Manufacturing

During the year under review, as part of expansion and to set up a plant near the major customers, the company completed the construction of its plant near Lucknow in the State of Uttar Pradesh. The company commenced trial production during March 2013 and the commercial production is expected to be started in June 2013.

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

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

During the year under review, the company obtained the national award for excellence in cost management from the Institute of Cost Accountants of India for the second time in a row. Other awards won by the company include "Best efforts in value engineering and cost reduction in 2011-12" award from MAN, "Long association award" from AMW, "Outstanding contribution to new product development award" from VECV, "Best kaizen" award from Ashok Leyland. The company also received certificate of appreciation for "Best Poka Yoke" from Mahindra & Mahindra and for safety practices from Government of Tamil Nadu.

B. Quality

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

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

TQM is a way of life at WABCO INDIA LIMITED. 100% participation in employee involvement has been successful for the past 13 consecutive years.

Employees have completed more than 222 projects by applying statistical tools through QC Circles in 2012-13. The average number of suggestions implemented per employee is 61 in 2012-13 which is close to international benchmark.

C. Cost management

The Company continues its rigorous focus on its costs through an effective cost deployment system. Value engineering and global sourcing projects are being pursued for cost reduction and also to insulate from cost escalation. Cost reduction workshops are conducted periodically to identify cost reduction opportunities on various product groups. Some of the strategies for cost reduction include material change, process change, source change etc. Commodity sourcing from prime producers and price negotiation with customers 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.
- Utilizing third party power to reduce energy cost.
- Low cost automation to improve the productivity.

D. Information Technology

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

VII. Human Resource Development

The Company focuses on attracting the best talent and enjoys a good brand image across leading educational institutions and talent pool. The current average hiring speed of the lateral talent is within 80 days. The Company blends successfully mid career recruitment with internally grown talent through a robust globally managed talent management process. Rewards and recognition system is in place to retain and provide fast track growth for high potential employees. Talent Retreat workshops are under taken every year by the Leadership to identify such high potential employees and facilitate career moves within India and Global sites. Our Voluntary retention rate is at 8.7%, that is benchmark while similar Industry attrition rates are at 11% and above.

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.

The Company continues to maintain its impeccable record on industrial relations.

As of 31st March 2013, the Company had 1,211 employees on its rolls.

VIII. Environment & Safety

Safety management is integrated with the overall Safety Health and Environment (SHE) management system. During the year under review, the unit at Mahindra world City has been certified for Integrated Management System viz., ISO 14001 and OHSAS 18001. The Company has also obtained "Best Safety Drive" award from ACMA.

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

- Replacement of High bay lights to CFL/LED lamp wherever suitable to maintain the luminous level.
- Introducing efficient coolant in new grinding machines thereby resulting of reduced power consumption.
- Removal of chip conveyor from machinery where minimum chips is generated from machine. This results in reduced power consumption.

WABCO INDIA LIMITED

IX. Community development and social responsibility

As a corporate citizen, the Company believes in its social responsibility and community development activities. This year the team planned to contribute to the society through internal engagement of employees, resources & driving activities which would help the needy. Employees at WABCO India made donations and contributed financially to bring cheer to destitute at "Little Drops"- a home for the destitute, based in Chennai, India. And also WABCO India invited about 100 students from Chennai corporation school to the Ambattur factory to teach them the manufacturing work environment, TQM practices, skill sets to be developed by the students to equip themselves to the corporate world and the lessons on practical applicability of engineering concepts they learn in their textbooks.

X. Financial statement

Particulars	Year ended 31 st March 2013		Year ended 31 st March 2012	
	Rs. in lakhs	%	Rs. in lakhs	%
Sales (net)	91,735.78	93.8	1,00,497.08	95.0
Other Operating income	4,856.60	4.9	4,067.16	3.8
Other income	1,263.50	1.3	1205.90	1.2
Total income	97,855.88	100.0	1,05,770.14	100.0
Raw materials consumed	51,080.88	52.2	57,926.44	54.7
Changes in inventories of Finished goods and WIP	638.07	0.7	(692.74)	(0.6)
Staff cost	10,701.04	10.9	9,428.80	8.9
Stores & tools consumed	2,943.92	3.0	5,091.37	4.8
Power & fuel	1,756.13	1.8	1,435.17	1.4
Repairs & maintenance	1,016.72	1.0	902.39	0.8
Other expenses	9,050.75	9.2	8,480.08	8.0
Finance costs	1.76	0.0	11.88	0.0
Depreciation	2,171.78	2.2	1,563.72	1.5
Total expenditure	79,361.05	81.0	84,147.11	79.5
Profit before tax	18,494.83	19.0	21,623.03	20.5
Provision for taxation	5,416.00	5.6	6,283.07	5.9
Profit after tax	13,078.83	13.4	15,339.96	14.6

XI. Cautionary statement

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on corporate Governance

1. Company's philosophy on code of governance

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

2. Board of directors

2.1 Composition and category of directors:

As of 31st March 2013, the total strength of the Board of Directors (the board) was eight directors. All the directors except the whole-time director are non-executive directors.

During 2012-13, Mr Vincent Pickering was appointed as a Director on 23rd May 2012 and Mr Michael Edward Thompson was appointed as a Director on 24th July 2012. The total strength of the Board of Directors as on 15th May 2013 is eight directors.

Out of the seven Non-Executive Directors, three Directors viz., Messrs. M Lakshminarayan (Chairman), D E Udawadia and Narayan K Seshadri are Independent Directors. Chairman is a Director and not related to any promoter

of the Company as defined under clause 49 of the Listing Agreement.

The number of Independent Directors is one third of its total strength. Thus, the Company meets with the requirements of composition of the board as per the Listing Agreement.

2.2 Board Meetings:

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

During the year 2012-13, the Board met 4 times on 23rd May 2012, 24th July 2012, 24th October 2012 and 18th January 2013 and the gap between two meetings did not exceed four months.

2.3 Attendance and other directorships:

The details of attendance of the Directors at the board meetings, during the year, and at the last Annual General Meeting held on 25th July 2012 and also the number of other directorships and committee memberships / chairmanships as on 31st March 2013 is as follows:

Name of the director Messrs	Category	Attendance particulars		Number of directorships and committee member / chairmanships		
		Board meeting	Last AGM	Other directorships*	Committee memberships**	Committee chairmanships
M Lakshminarayan	C-I	4	Yes	8	2	-
P Kaniappan	WTD-NI	4	Yes	1	-	-
Narayan K Seshadri	NE-I	4	Yes	13	6	2
D E Udawadia	NE-I	3	Yes	17	7	1
Nikhil Madhukar Varty [#]	NE-NI	-	-	-	-	-
Leon Liu	NE-NI	1	No	12	-	-
Trevor Lucas	NE-NI	4	Yes	1	-	-
Vincent Pickering ^{\$}	NE-NI	2	Yes	12	-	-
Michael Edward Thompson [@]	NE-NI	2	Yes	1	-	-

^{\$} appointed on 23rd May 2012 [#] Resigned on 24th July 2012

[@] appointed on 24th July 2012

* includes private companies.

** includes committees where the director is also chairman.

C-I : Chairman Independent

WTD-NI: Whole-time Director - Non Independent

NE-I : Non executive - Independent director

NE-NI : Non executive - Non-independent director

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

2.4 Access to information and Updation to directors:

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

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

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

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

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

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

All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2013. The annual report contains a declaration to this effect signed by the Whole-time Director and General Manager-Finance and Secretary of the Company as compliance officer for the Code.

2.6 Appointment of directors:

In terms of clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of directors, proposed to be 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 responsibility to supervise the Company's internal control and financial reporting process and inter-alia performs the following functions:

- a. Overseeing the Company's financial reporting process and the disclosure of financial information.
- b. Reviewing with the management quarterly and annual financial statements before submission to the board for approval with particular reference to the matters specified in the Listing Agreement.
- c. Reviewing the related party transactions.
- d. Reviewing the reports of internal auditors and ensuring that adequate follow-up action is taken by the management on observations and recommendations made by the internal auditors.
- e. Recommending to the board the appointment / re-appointment / replacement of the statutory auditors and the fees payable for audit and for other services rendered by the statutory auditors.
- f. Reviewing with the management, the performance of statutory and internal auditors.
- g. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- i. Discussion with external auditors regarding audit plan as well as post-audit discussion to ascertain any area of concern.
- j. Ascertainment of reasons for substantial defaults in the payment to creditors and in case of payment of declared dividends to the shareholders.
- k. Review of management discussion analysis of financial conditions and results of operations and other matters specified under clause 49 of the Listing Agreement.
- l. Review of financial statements, in particular the investments made by the unlisted subsidiary.
- m. In addition, review of such other functions as envisaged under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

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

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

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

[@] appointed as a member of audit committee only for the meeting held on 18th January 2013.

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Audit Committee. Mr R Madhavan, General Manager -Finance and Secretary of the Company acted as the Secretary of the Audit Committee.

Chairman of the Audit Committee was present at the annual general meeting held on 25th July 2012. The composition of the committee is in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

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

Date of the meeting	Members present Messrs
23 rd May 2012	Narayan K Seshadri, D E Udwadia and Trevor Lucas
24 th July 2012	Narayan K Seshadri, D E Udwadia and Trevor Lucas
24 th October 2012	Narayan K Seshadri, D E Udwadia and Trevor Lucas
18 th January 2013	Narayan K Seshadri, Trevor Lucas and M Lakshminarayan

4. Disclosures

4.1 Materially significant related party transactions:

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

The transactions with the related parties, namely its promoters, its subsidiary and associate companies etc.,

are of routine nature have been reported elsewhere in the annual report as per Accounting Standard 18 (AS 18) issued by The Institute of Chartered Accountants of India.

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

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

4.2 Disclosure of accounting treatment:

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

4.3 Risk Management:

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

4.4 Instances of non-compliances, if any:

There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.

4.5 Disclosure by senior management personnel:

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

4.6 CEO and CFO Certification:

The Whole-time Director (CEO) and Chief Financial Officer (CFO) of the Company have certified to the board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013.

4.7 Compliance with mandatory / non-mandatory requirements:

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

4.8 Management discussion and Analysis Report:

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

5. Remuneration Committee

The board has not constituted a remuneration committee, as the need for forming such committee has not arisen. The remuneration to the Whole-time Director was decided by the Board of Directors subject to the approval of the shareholders.

5.1 Remuneration to directors:

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

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

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

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

5.2 Particulars of sitting fees paid to non executive directors and commission payable to non-executive independent directors during the financial year 2012-13.

Name of the Messrs	Sitting fee (Rs.)	Commission (Rs.)	Total (Rs.)
M Lakshminarayan	75,000	7,50,000	8,25,000
D E Udawadia	1,05,000	7,50,000	8,55,000
Narayan K Seshadri	1,80,000	7,50,000	9,30,000
Total	3,60,000	22,50,000	26,10,000

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

5.3 Details of shareholdings of non-executive directors in the Company as on 31st March 2013:

Mr M Lakshminarayan holds 50 shares and all other directors do not hold any share in the Company. There are no other material pecuniary relationships or transactions

of the non-executive directors' vis-à-vis of the Company. None of the directors is related to each other.

5.4 Particulars of remuneration paid to the whole-time director during the financial year 2012-13:

(Rs. in lakhs)

Name of the director Messrs	Salary	Contribution to PF and other funds	Perquisites & Allowances	Total
P Kaniappan	71.29	6.02	27.00	104.31

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

6. Investors' grievance committee:

6.1 As on 31st March 2013, the investors' grievance committee consisted of three members, viz., Mr Narayan K Seshadri, Director, Mr Trevor Lucas, Director and Mr P Kaniappan, Whole-time director of the Company. The Committee met four times during the year on 23rd May 2012, 24th July 2012, 24th October 2012 and 18th January 2013.

6.2 Mr R Madhavan General Manager - Finance and Secretary was the Compliance office till his retirement from the Company on 15th May 2013. As required by Securities and Exchange Board of India (SEBI), Mr N Sivalai Senthilnathan, General Manager - Finance and Company Secretary of the Company has been appointed as the compliance officer w.e.f. 15th May 2013. For any clarification/complaint, the shareholders may contact Mr N Sivalai Senthilnathan, General Manager - Finance and Company Secretary of the Company (email: sivalaisenthilnathan.n@wabco-auto.com)

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

6.4 Complaints received and redressed during the year 2012-13:

S.No.	Nature of complaint	No. of complaints
1	Non receipt of share certificates	1
2	Non receipt of dividend warrants	5
3	Non receipt of annual reports	4
	Total	10

6.5. All the complaints were resolved and, as on 31st March 2013, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

6.6 Secretarial Audit

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

7. General body meeting:

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

Year	Location	Date	Time
2009-10	Sathgurugnananda Hall, Narada Gana Sabha Trust, No. 314, (Old No. 254), T.T.K. Road, Chennai 600 018	26.08.2010	10.00 A.M.
2010-11	The Music Academy, No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	27.07.2011	10.00 A.M.
2011-12	The Music Academy, No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	25.07.2012	10.00 A.M.

7.2 Special resolutions passed in the previous three Annual General Meetings:

- (a) Approval of shareholders by way of Special Resolution was obtained pursuant to Section 309 of the Companies Act 1956 for payment of commission to Non-executive Independent Directors effective 1st April 2011 by way of Postal Ballot process. The result was announced on 21st December 2010.
- (b) At the annual general meeting of the Shareholders of the Company held on 27th July 2011, consent/ approval of the shareholders was obtained for change of name of the Company pursuant to Section 21 of the Companies Act, 1956. Approval of Central Government was obtained on 2nd August 2011 and fresh certificate of incorporation was issued by the Registrar of Companies Chennai on 2nd August 2011 consequent upon change of name of the Company.

(c) Approval of shareholders by way of Special Resolution was obtained pursuant to Section 163 of the Companies Act, 1956 for keeping the register of members, the index of members, the register and index of debenture holders if any and copies of all returns prepared under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act, at the new office of the Share Transfer Agent viz., Sundaram-Clayton Limited at "Jayalakshmi Estates", No 29 Haddows Road, Chennai 600 006. The result was announced on 16th April 2013.

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

8. Means of communication

8.1 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.

8.2 Newspapers wherein results normally published:

The results are normally being published in the English newspapers, namely "Times of India" and "The Hindu" and the Tamil version in a Tamil daily viz., "Dinamani".

8.3 Website:

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

9. General shareholder information

9.1 Annual general meeting:

Date and time : 24th July 2013 at 10.00 a.m.
 Venue : "The Music Academy",
 No. 168 (Old No. 306)
 T.T.K. Road, Chennai 600 014

9.2 Financial year : 1st April to 31st March

Financial calendar
 2013-14 (Tentative) :
 Financial reporting for
 the quarter ending : Financial calendar
 30th June 2013 : between 15th to 31st July 2013
 30th September 2013 : between 15th to 31st October 2013
 31st December 2013 : between 15th to 31st January 2014

31st March 2014 : between 1st to 15th May 2014

Annual General Meeting

(next year) : July / August 2014

9.3 Date of book closure : 19th July 2013 to 24th July 2013
(both days inclusive)

9.4 Particulars of dividend payment

The board of directors had recommended a dividend of Rs.5.00 per share for the year 2011-12, absorbing a sum of Rs.948.38 lakhs, and approved by the shareholders in the last annual general meeting. This dividend was paid on 31st July 2012.

9.5 Listing on Stock Exchanges:

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

(Note: Annual listing fees for the year 2013-14 have been duly paid to the above stock exchanges).

9.6 Market Price Data:

Month	National Stock Exchange		Bombay Stock Exchange	
	Share Price		Share Price	
	High	Low	High	Low
April 2012	1836.80	1521.00	1797.45	1540.00
May 2012	1735.00	1467.10	1740.00	1475.00
June 2012	1616.60	1400.00	1599.00	1403.05
July 2012	1585.00	1441.00	1565.00	1436.00
August 2012	1655.00	1475.00	1629.00	1490.00
September 2012	1699.00	1531.00	1700.00	1545.00
October 2012	1709.70	1422.05	1701.00	1572.65
November 2012	1636.70	1525.50	1622.00	1500.00
December 2012	1774.00	1562.00	1765.00	1541.20
January 2013	1670.00	1550.00	1680.00	1550.10
February 2013	1617.00	1340.00	1620.00	1342.00
March 2013	1489.90	1279.00	1480.00	1260.60

9.7 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 will be processed within 10 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation will be given to the depositories within 7 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc will be processed by the STA within 7 days.

d. Pursuant to clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, will be issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

e. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company will be obtained.

f. The Company, as required under clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely investorscomplaintsstata@scl.co.in (share transfer agent) / sivalaisenthilnathan.n@wabco-auto.com (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

g. The shareholders are, therefore, requested to correspond with the STA at the address mentioned elsewhere in this report for any change of names and queries pertaining to the shareholding and dividends etc.

- h. During the year STA has shifted the office and in this regard shareholders have given the approval through postal ballot process. Therefore, shareholders are requested to correspond with the STA at "Jayalakshmi Estates" First Floor, No.29 Haddows Road, Chennai 600 006.

9.8 Shareholding pattern as on 31st March 2013:

Particulars	No. of shares held	% to total
(a) Shareholding of Promoter and Promoter Group		
(1) Indian - Bodies Corporate	-	-
(2) Foreign- Bodies Corporate	1,42,25,684	75.00
Total Shareholding of Promoter and promoter Group (A)	1,42,25,684	75.00
(b) Public Shareholding		
1. Institutions		
(a) Mutual Funds	16,39,616	8.64
(b) Banks, Financial Institutions, Insurance Companies (Central, State Government Institutions, Non-Government Institutions)	1,252	0.01
(c) Foreign Institutional Investors	4,52,384	2.39
Sub Total Institutions	20,93,252	11.04
2. Non - Institutions		
a) Bodies Corporate	6,79,728	3.58
b) Individuals <1 lakh	16,45,984	8.68
c) Individuals >1 lakh	2,91,613	1.54
d) NRI - Repartiable	16,886	0.09
e) NRI - Non - Repartiable	14,437	0.07
Sub Total Non - Institutions	26,48,648	13.96
Total (B)	47,41,900	25.00
Grand Total (A) +(B)	1,89,67,584	100.00

9.9 Distribution of Shareholding as on 31st March 2013:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	17,21,907	9.08	16,886	99.56
5,001 - 10,000	1,36,572	0.72	19	0.11
10,001 - 20,000	2,55,555	1.35	18	0.11
20,001 - 50,000	6,00,222	3.16	18	0.11
50,001 - 1,00,000	8,96,694	4.73	12	0.07
1,00,001 & above	1,53,56,634	80.96	7	0.04
Total	1,89,67,584	100.00	16,960	100.00

9.10 Dematerialization of shares and liquidity:

Out of 47,41,900 shares held by persons other than promoters, 44,41,666 shares have been dematerialised as on 31st March 2013 accounting for 93.67%.

- 9.11 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.

9.12 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. Plant-1 Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Nathan Sub-Post, Chengalpet, Kancheepuram District 603 002.
Tel : 044 4744 2000
Fax : 044 4749 0006
 - IV. Plot No.11, Sector 4, SIDCUL, IIE Panthnagar, Rudrapur Udham Singh Nagar, Uttarakhand - 263 153.
 - V. KH No. 159-162, 164 Somaiya Nagar Barabanki Dewa Road, Barabanki Lucknow, Uttar Pradesh 225 123.
 - VI. Plant-2 Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Nathan Sub-Post, Chengalpet, Kancheepuram District 603 002.
Tel : 044 4744 2000
Fax : 044 4749 0006
- Software Design Centre:
"Ispahani Centre", 5th & 7th Floor, 123/124 Nungambakkam High Road, Chennai 600 034.
Tel : 044-2828 5000
Fax : 044-2833 2212

9.13 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 Fax : 044 2825 7121
- (iii) for investors grievance & general correspondence Email : kr.raman@scl.co.in
scshares@gmail.com
investorscomplaintssta@scl.co.in
sivalaisenthilnathan.n@wabco-auto.com

10. Non-mandatory disclosure:

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

10.1 The Board:

Both executive and non-executive directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the independent directors.

10.2 Remuneration committee:

The board has not set up a remuneration committee, as the need for the same has not arisen.

10.3 Shareholder rights:

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

10.4 Audit Qualifications:

The observation of the statutory auditors with regard to clause (xxi) of the Companies (Auditor's Report) Order, 2003 as under:

"We have been informed that an employee of the Company had misappropriated funds amounting to Rs. 31.82 lakhs out of which the company has recovered a sum of Rs. 18.68 lakhs during the year under audit and the same has been expensed in the financial statements. Investigation is in progress and the concerned employee has been issued with a charge sheet. Further the Company is also covered by fidelity insurance cover."

10.5 Training of board members / Mechanism for evaluating non-executive directors:

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

10.6 Whistle blower policy:

The Company has not adopted whistle blower policy. However, the Company has not denied access to any personnel to approach the management on any issue.

11. Request to shareholders:

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

Demat of Shares:

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

Registration of Electronic Clearing Service (ECS) Mandate:

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

Transfer of shares in physical mode:

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

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

Shareholders are requested to note that as per SEBI circular no. MRD/DoP/Cir -05/1009 dated 20th May 2009, it is mandatory for 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 109A of the Companies Act, 1956 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. Investors, who have not availed nomination facility, are requested to avail the same by submitting the nomination in form 2B. This form will be made available on request. Investors holding shares in demat form are advised to contact their DP's for making nominations.

Updation of address:

Shareholders are requested to update their address registered with the Company, directly through the STA located at the address mentioned above 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:

Investors 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 investors 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 investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

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

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

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

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

Shareholders are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to "Investors Education and Protection Fund" (IEPF) terms of Section 205C of the Companies Act, 1956. Shareholders are requested to note that as per the Companies Act, 1956, unclaimed dividends once transferred to IEPF will not be refunded.

Web based applications - SEBI/NSE

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

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

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

PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2007-08 (2 nd interim)	20.08.2008	25.09.2008	25.09.2015
2008-09 (1 st Interim)	08.12.2008	13.01.2009	13.01.2016
2009-10	26.08.2010	01.10.2010	01.10.2017
2010-11	27.07.2011	01.09.2011	01.09.2018
2011-12	25.07.2012	31.07.2012	31.07.2019

WABCO INDIA LIMITED

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

To

The Shareholders of WABCO INDIA LIMITED

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the relevant provision of clause 49 of the Listing Agreement, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of directors for the year ended 31st March 2013.

Chennai
15th May 2013

P KANIAPPAN
Whole-time Director

R MADHAVAN
General Manager - Finance and 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, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

Chennai
15th May 2013

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

Independent Auditors' report to the Shareholders

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Per S. BALASUBRAHMANYAM

Place : Chennai

Partner

Date : May 15, 2013

Membership No. 053315

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

Re: WABCO INDIA LIMITED ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, related to the manufacture of automotive parts and accessories and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess, investor education and protection fund and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Nature of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,010.59	2007 - 2008	Commissioner of Income Tax (Appeals), Chennai
Central Excise Act, 1944	Excise duty - Cenvat credit reversal	0.16	2008 - 2009 2009 - 2010	Commissioner of Central Excise (Appeals), Chennai
Service Tax	Service tax - Credit reversal on certain inputs	2.93	2009 - 2010	Deputy Commissioner of Central Excise (Appeals), Chennai
Service Tax	Service tax - Credit reversal on certain inputs	19.21	2008 - 2010	The Customs, Excise and Service Tax Appellate Tribunal
Service Tax	Service tax - Credit reversal on certain inputs	4.47	2010 - 2011	The Customs, Excise and Service Tax Appellate Tribunal

WABCO INDIA LIMITED

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

Re: WABCO INDIA LIMITED ('the Company')

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

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company does not have dues payable to financial institutions or debenture holders.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) *We have been informed that an employee of the Company had misappropriated funds amounting to Rs.31.82 lakhs out of which the company has recovered a sum of Rs.18.68 lakhs during the year under audit and the same has been expensed in the financial statements. Investigation is in progress and the concerned employee has been issued with a charge sheet. Further the Company is also covered by fidelity insurance cover.*

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

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Place : Chennai
Date : May 15, 2013

WABCO INDIA LIMITED

Balance Sheet as at 31st March 2013

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

	Notes	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
Corporate information	1		
Basis of preparation	2		
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	948.38	948.38
Reserves and surplus	4	63,931.47	51,962.20
	(A)	<u>64,879.85</u>	<u>52,910.58</u>
Non-current liabilities			
Deferred tax liabilities (net)	5	1,170.64	1,093.29
Other long-term liabilities	6	4.00	6.00
Long-term provisions	7	1,427.08	1,162.37
	(B)	<u>2,601.72</u>	<u>2,261.66</u>
Current liabilities			
Trade payables	8.1	10,247.45	10,801.84
Other current liabilities	8.2	297.53	252.31
Short-term provisions	7	1,285.60	1,469.18
	(C)	<u>11,830.58</u>	<u>12,523.33</u>
TOTAL	(A+B+C)	<u>79,312.15</u>	<u>67,695.57</u>
ASSETS			
Non Current assets			
Fixed assets			
Tangible assets	9	26,208.75	22,975.37
Intangible assets	9	141.20	48.28
Capital work-in-progress	10	2,542.08	1,276.20
Non-current investments	11	220.24	220.24
Long-term loans and advances	12	1,565.52	1,826.55
	(A)	<u>30,677.79</u>	<u>26,346.64</u>
Current assets			
Current investments	15	2,325.00	2,100.00
Inventories	16	13,562.47	11,576.24
Trade receivables	13	18,983.53	15,749.86
Cash and cash equivalents	17	9,913.34	8,099.49
Short-term loans and advances	12	3,843.36	3,812.84
Other current assets	14	6.66	10.50
	(B)	<u>48,634.36</u>	<u>41,348.93</u>
TOTAL	(A + B)	<u>79,312.15</u>	<u>67,695.57</u>
Summary of significant accounting policies	2.1		

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

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

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

R MADHAVAN
General Manager - Finance and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Per S BALASUBRAHMANYAM
Partner

Chennai
15th May, 2013

Membership No. 053315

WABCO INDIA LIMITED

Statement of Profit & Loss for the year ended 31st March 2013

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

	Notes	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
CONTINUING OPERATIONS			
Revenue			
Revenue from operations (gross)	18	106,475.81	114,335.94
Less: Excise duty		9,883.43	9,771.70
Revenue from operations (net)		96,592.38	104,564.24
Other income	19	1,263.50	1,205.90
Total revenue (I)		97,855.88	105,770.14
Expenses			
Cost of raw material and components consumed	20	51,080.88	57,926.44
Changes in inventories of finished goods and work-in-process	21	638.07	(692.74)
Employee benefits expense	22	10,701.04	9,428.80
Other expenses	23	14,767.52	15,909.01
Finance costs	24	1.76	11.88
Depreciation and amortization expense	9	2,171.78	1,563.72
Total expenses (II)		79,361.05	84,147.11
Profit before tax (I - II)		18,494.83	21,623.03
Tax expenses			
Current tax		5,338.66	6,005.00
Deferred tax		77.34	278.07
Total tax expense		5,416.00	6,283.07
Profit for the year		13,078.83	15,339.96
Summary of significant accounting policies	2.1		
Nominal value of each share in rupees		5.00	5.00
Basic and diluted earnings per share in rupees on 1,89,67,584 shares		68.95	80.87

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

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

R MADHAVAN
General Manager - Finance and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Chennai
15th May, 2013

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

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2013

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

	Year ended 31 st March 2013 ₹ lakhs	Year ended 31 st March 2012 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	18,494.83	21,623.03
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortization	2,171.78	1,563.72
Net foreign exchange gain (not realised)	44.86	(214.35)
Profit on sale of investments	(173.27)	(145.79)
Loss / (Profit) on sale of fixed assets (net)	9.96	(3.43)
Interest paid	1.76	11.88
Interest income	(718.28)	(233.09)
	1,336.81	978.94
Operating profit before working capital changes	19,831.64	22,601.97
Adjustments for:		
(Increase) / decrease in inventories	(1,986.23)	(3,589.95)
(Increase) / decrease in trade receivable	(3,278.52)	1,539.34
(Increase) / decrease loans and advances	(114.52)	(950.59)
Increase / (decrease) in long term liabilities	(2.00)	2.00
Increase / (decrease) in trade payable and current liabilities	(509.17)	2,452.26
Increase / (decrease) in provisions	73.80	(73.71)
	(5,816.64)	(620.65)
	14,015.00	21,981.32
Direct taxes paid	(4,993.63)	(6,440.52)
Net cash from operating activities (A)	9,021.37	15,540.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including capital work-in-progress	(6,780.20)	(6,837.11)
Sale of fixed assets during the year	6.28	7.86
Purchase of investments	(30,199.96)	(55,449.97)
Redemption of investments	30,148.23	54,495.76
Interest received	722.12	227.19
Net cash from / (used in) investing activities (B)	(6,103.53)	(7,556.27)

WABCO INDIA LIMITED

Cash Flow Statement for the year ended 31st March 2013

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

		Year ended 31 st March 2013 ₹ lakhs	Year ended 31 st March 2012 ₹ lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend and dividend tax paid		(1,102.23)	(1,102.23)
Interest paid		(1.76)	(11.88)
Net cash from financing activities	(C)	<u>(1,103.99)</u>	<u>(1,114.11)</u>
D. NET INCREASE IN CASH AND CASH EQUIVALENTS			
	(A+B+C)	1,813.85	6,870.42
Opening cash and cash equivalents			
– Cash and bank balances	8,099.49		1,285.97
– Cash credit utilisation	–	8,099.49	(56.90)
Closing cash and cash equivalents			
– Cash and bank balances (refer note 17)	9,913.34		8,099.49
– Cash credit utilisation	–		–
		<u>9,913.34</u>	<u>8,099.49</u>

Notes :

- The above statement has been prepared in indirect method as per Accounting Standard 3.
- Cash and cash equivalent include cash and bank balances. Closing cash and cash equivalents include Rs.17.88 lakhs (31st March 2012 Rs.13.66 lakhs) towards unpaid dividend accounts which are meant for settlement of unpaid dividend amounts.

Chennai
15th May, 2013

M LAKSHMINARAYAN
Chairman

R MADHAVAN
General Manager - Finance and Secretary

P KANIAPPAN
Whole-time Director

T S RAJAGOPALAN
Chief Financial Officer

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

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

1. CORPORATE INFORMATION

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

On June 3, 2009, Clayton Dewandre Holdings Limited 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 Clayton Dewandre Holdings Limited and the company's ultimate holding company is WABCO Holdings Inc.

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 by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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, except for the change in accounting policy explained below.

2.1 Summary of Significant Accounting Policies

(a) Change in accounting policy

During the year ended 31 March 2013, the company changed its accounting policy on treatment of vendor toolings which was being expensed till 31st March 2012. Such tools are now capitalized as part of fixed assets and amortised over their useful life. Accordingly a sum of Rs.1,769.70 lakhs net of amortization was capitalized as at 31st March 2013. Consequently the profit net of tax is more by Rs.1,251.18 lakhs for the year ended 31st March 2013.

(b) 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.

(c) 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.

(d) Depreciation on tangible fixed assets

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

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

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

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

Notes to financial statements for the year ended 31st March 2013**(e) 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.

(f) 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.

(g) 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.

(h) Leases

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

(i) Inventories

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

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

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

(j) 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

Sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Income from services

Income from services is recognised upon completion of the contracts, in accordance with the specific terms of the contract with the customer.

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.

Notes to financial statements for the year ended 31st March 2013**(k) Foreign currency translation****Initial recognition**

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

Conversion

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

Exchange differences

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

(l) Retirement and other employee benefits

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

The company operates two defined benefits plans viz. gratuity and pension for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India. The company 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 on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The company presents the leave as a current liability in the balance sheet to the extent it expects to pay in the next year.

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

Expenses towards voluntary retirement scheme are charged to the statement of Profit and Loss when incurred.

(m) 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 reflect the net impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

(n) 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.

Notes to financial statements for the year ended 31st March 2013

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.

(o) 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 revised 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 based on the average warranty period for the product portfolio of the company.

(p) 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.

(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 31st March 2013

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

3. SHARE CAPITAL

Authorised shares (in numbers)

2,00,00,000 (31st March 2012: 2,00,00,000) Equity shares of Rs.5/- each

1,000.00

1,000.00

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

1,89,67,584 (31st March 2012: 1,89,67,584) Equity shares of Rs.5/- each

948.38

948.38

Total issued, subscribed and fully paid-up share capital

948.38

948.38

a. There is no movement of the shares outstanding at the beginning and at the end of the reporting period.

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31st March 2013, the amount of per share dividend proposed as distributions to equity shareholders is Rs.5 (31st March 2012: Rs.5) which is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

c. Shares held by holding company

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

In Number of shares	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
Clayton Dewandre Holdings Limited, Rotterdam, Holding Company 1,42,25,684 (31 st March 2012 - 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. Aggregate number of bonus shares issued, share issued for consideration other than in cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 st March 2013 In numbers	31 st March 2012 In numbers
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than in cash	1,89,67,584	1,89,67,584

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

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

Name of the shareholder	As at 31 st March 2013		As at 31 st March 2012	
	In numbers	% holding in the class	In numbers	% holding in the class
Equity shares of Rs.5 each fully paid				
Clayton Dewandre Holdings Limited, Rotterdam, Holding Company	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 31st March 2013

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

	Notes	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
4. RESERVES AND SURPLUS			
(a) Capital reorganisation reserve			
Balance as per last financial statements	(A)	5.00	5.00
(b) General reserve			
Balance as per last financial statements		18,716.18	15,716.18
Add: Amount transferred from statement of Profit and Loss		5,000.00	3,000.00
Closing Balance	(B)	23,716.18	18,716.18
(c) Surplus in the statement of Profit and Loss			
Balance as per last financial statements		33,241.02	22,003.29
Profit for the year		13,078.83	15,339.96
		46,319.85	37,343.25
Less: Appropriations			
Proposed final equity dividend (amount per share Rs.5 (31 st March 2012 Rs. 5)		948.38	948.38
Tax on proposed equity dividend		161.18	153.85
Transfer to general reserve		5,000.00	3,000.00
Total appropriations		6,109.56	4,102.23
Net surplus in the statement of Profit and Loss	(C)	40,210.29	33,241.02
(d) Total reserves and surplus	(A+B+C)	63,931.47	51,962.20
5. DEFERRED TAX LIABILITIES (NET)			
(a) Deferred tax liability			
(i) Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		2,153.54	1,793.52
Gross deferred tax liability	(A)	2,153.54	1,793.52
(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		542.34	497.32
(ii) Provision for warranty		126.99	154.08
(iii) Provision for doubtful debts and other losses		82.66	48.83
(iv) Royalty and technical services fees		230.91	-
Gross deferred tax assets	(B)	982.90	700.23
Net deferred tax liabilities	(A-B)	1,170.64	1,093.29
6. OTHER LONG-TERM LIABILITIES			
Others			
Deposits from customers		4.00	6.00
		4.00	6.00

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

7. PROVISIONS

	Long-term		Short-term	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
(a) Provision for employee benefits				
(i) Provision for leave benefits	219.21	166.59	53.91	55.02
(ii) Provision for pension - refer note 25	961.02	855.23	11.79	11.79
	1,180.23	1,021.82	65.70	66.81
(b) Other provisions				
(i) Provision for warranties	246.85	140.55	105.79	295.59
(ii) Proposed dividend	-	-	948.38	948.38
(iii) Provision for tax on proposed dividend	-	-	161.18	153.85
(iv) Provision for fringe benefit tax (net of advance tax payments)	-	-	4.55	4.55
	246.85	140.55	1,219.90	1,402.37
	1,427.08	1,162.37	1,285.60	1,469.18

Provision for warranties

The table below gives information about movement in warranty provisions:

	31 st March 2013	31 st March 2012
	₹ lakhs	₹ lakhs
Opening balance	436.14	570.19
Add: Provision made during the year	229.48	254.47
Total	665.62	824.66
Less: Utilised / withdrawn during the year	312.98	388.52
At the end of the year	352.64	436.14
Current portion	105.79	295.59
Non-current portion	246.85	140.55

8. OTHER CURRENT LIABILITIES

8.1 Trade payables (refer note 29 for details of dues to micro and small enterprises)	10,247.45	10,801.84
8.2 Other current liabilities		
(a) Advance from customers	90.33	147.47
(b) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	17.88	13.66
(c) Others		
(i) Income tax deducted at source payable	32.29	25.92
(ii) Employees' Provident Fund payable	42.00	7.46
(iii) Employees' State Insurance payable	7.23	7.72
(iv) Employees' Family Pension Fund deductions payable	35.65	13.80
(v) Sales Tax payable	72.15	36.28
	297.53	252.31
	10,544.98	11,054.15

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

9. TANGIBLE AND INTANGIBLE ASSETS

(Rupees in lakhs)

Description	Tangible Assets							Intangible Assets		
	Land	Lease hold Land	Buildings	Plant & Machinery, Dies & Jigs	Furniture & Fixtures	Office & other equipments	Vehicles	Total	Computer Software and licences	Total
Cost of assets										
As at 1 st April 2011	1,816.21	356.87	5,615.45	18,035.01	428.15	1,083.56	213.32	27,548.57	339.06	339.06
Add : Additions during the year	12.85	208.78	1,626.82	4,452.15	21.66	158.66	17.27	6,498.19	54.45	54.45
Less : Disposed during the year	-	-	-	9.55	-	13.94	17.55	41.04	-	-
As at 31st March 2012	1,829.06	565.65	7,242.27	22,477.61	449.81	1,228.28	213.04	34,005.72	393.51	393.51
Add : Additions during the year (Refer Note 2.1.a)	-	-	176.91	4,967.37	29.77	167.72	-	5,341.77	172.55	172.55
Less : Disposed during the year	-	-	-	96.03	-	0.72	0.45	97.20	-	-
As at 31st March 2013	1,829.06	565.65	7,419.18	27,348.95	479.58	1,395.28	212.59	39,250.29	566.06	566.06
Depreciation										
As at 1 st April 2011	-	31.17	862.62	7,653.58	159.65	709.02	102.98	9,519.02	329.45	329.45
Add : Charge for the year	-	6.67	190.04	1,191.07	26.38	112.15	21.63	1,547.94	15.78	15.78
Less : On assets disposed during the year	-	-	-	8.71	-	13.36	14.54	36.61	-	-
As at 31st March 2012	-	37.84	1,052.66	8,835.94	186.03	807.81	110.07	11,030.35	345.23	345.23
Add : Charge for the year (Refer Note 2.1.a)	-	8.41	239.80	1,672.09	28.47	125.49	17.89	2,092.15	79.63	79.63
Less : On assets disposed during the year	-	-	-	80.49	-	0.04	0.43	80.96	-	-
As at 31st March 2013	-	46.25	1,292.46	10,427.54	214.50	933.26	127.53	13,041.54	424.86	424.86
Written down value										
As at 31 March 2012	1,829.06	527.81	6,189.61	13,641.67	263.78	420.47	102.97	22,975.37	48.28	48.28
As at 31 March 2013	1,829.06	519.40	6,126.72	16,921.41	265.08	462.02	85.06	26,208.75	141.20	141.20

	31st March 2013	31 st March 2012
	₹ lakhs	₹ lakhs

10. CAPITAL WORK-IN-PROGRESS

Machinery under installation	2,542.08	1,276.20
	2,542.08	1,276.20

11. NON-CURRENT INVESTMENTS

Non-trade investments (at cost)

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

	220.24	220.24
	220.24	220.24

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

12. LOANS AND ADVANCES

	Non-Current		Current		
	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs	
Capital advances					
Unsecured, considered good	264.10	314.98	–	–	
(A)	264.10	314.98	–	–	
Security deposit					
Unsecured, considered good	450.15	448.63	–	–	
(B)	450.15	448.63	–	–	
Advances recoverable in cash or kind					
Unsecured, considered good	–	–	3,301.04	3,286.24	
(C)	–	–	3,301.04	3,286.24	
Other loans and advances (Unsecured, considered good)					
Advance income-tax (net of provision for taxation)	819.33	1,029.64	–	134.72	
Prepaid expenses	–	–	236.60	151.47	
Loans to employees	31.94	33.30	23.13	24.01	
Balances with government authorities	–	–	282.59	216.40	
(D)	851.27	1,062.94	542.32	526.60	
Total	(A+ B + C + D)	1,565.52	1,826.55	3,843.36	3,812.84
Loans and advances due by officers, etc.					
Loans to employees include					
Dues from officers	1.51	1.50	0.08	0.08	

13. TRADE RECEIVABLES (UNSECURED)

	Current		
	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs	
Unsecured, considered good unless stated otherwise			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	497.45	368.49	
Doubtful	254.76	150.49	
	752.21	518.98	
Provision for doubtful receivables	(254.76)	(150.49)	
(A)	497.45	368.49	
Other receivables			
Unsecured, considered good	18,486.08	15,381.37	
(B)	18,486.08	15,381.37	
Total	(A+B)	18,983.53	15,749.86

14. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Interest accrued on fixed deposits	6.66	10.50
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WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

15. CURRENT INVESTMENTS

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

Quoted

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
(a) 71,940.661 units (31 st March 2012 - 1,24,661.7656 units) in SBI Mutual fund of SBI Funds Management Private Limited, Mumbai (institution plan - growth option)	1,325.00	2,100.00
(b) 52,047.827 units (31 st March 2012 - Nil units) in UTI Mutual Fund of UTI Asset Management Company Private Limited, Mumbai UTI Liquid Cash Plan (institutional plan - growth option)	1,000.00	-
	<u>2,325.00</u>	<u>2,100.00</u>
Market value of quoted investments	2,327.34	2,102.49

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

(a) Raw materials and components	8,004.26	5,778.61
(b) Work-in-process	412.14	449.38
(c) Finished goods	2,089.30	2,690.13
(d) Stores and spares	2,423.73	1,626.42
(e) Goods in transit - raw materials and components	633.04	1,031.70
	<u>13,562.47</u>	<u>11,576.24</u>

17. CASH AND CASH EQUIVALENTS

	Current	
	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
(a) Balances with banks:		
(i) On current accounts	295.10	1,405.62
(ii) On term deposit accounts	9,587.30	6,669.35
(iii) On unpaid dividend account	17.88	13.66
(b) Cash on hand	13.06	10.86
	<u>9,913.34</u>	<u>8,099.49</u>

The company has a cash credit facility from the bank which is secured by hypothecation of raw materials, components, work-in-process, finished goods, book debts, stores, spares and tools.

18. REVENUE FROM OPERATIONS

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
Revenue from operations		
(a) Sale of products:		
(i) Finished goods	101,619.21	110,268.78
(b) Rendering of services	4,076.46	3,244.55
(c) Other operating revenue - Scarp sales	780.14	822.61
Revenue from operations (gross)	<u>106,475.81</u>	<u>114,335.94</u>
Less: Excise duty	9,883.43	9,771.70
Revenue from operations (net)	<u>96,592.38</u>	<u>104,564.24</u>

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
Details of products sold		
Finished goods sold (net of excise duty)		
(a) Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	51,144.69	66,967.97
(b) Spares	16,892.17	14,503.67
(c) Exports of automotive components	19,882.04	14,811.60
(d) Anti lock braking system	3,816.88	4,213.84
	<u>91,735.78</u>	<u>100,497.08</u>
Details of services rendered		
(a) Software services	2,390.12	2,204.78
(b) Research and Development services	831.38	571.13
(c) Shared services	299.28	156.78
(d) Test track service usage	555.68	311.86
	<u>4,076.46</u>	<u>3,244.55</u>
Tax deducted at source on test track service usage	26.08	22.91
19. OTHER INCOME		
(a) Interest income on		
(i) Bank deposits	684.76	216.36
(ii) Others	33.52	16.73
(b) Profit on sale of fixed assets	1.89	3.84
(c) Gain on sale of current investments	173.27	145.79
(d) Tool development income (net of expenses Rs.50.46 lakhs - 31 st March 2012 :Rs.71.58 lakhs)	97.52	205.78
(e) Test rig income	53.38	-
(f) Exchange differences (net)	219.16	617.40
	<u>1,263.50</u>	<u>1,205.90</u>
Tax deducted at source on interest income	72.71	22.04
20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	5,778.61	4,439.53
Add: Purchases	53,306.53	59,265.52
Less: Inventory at the end of the year	8,004.26	5,778.61
Cost of raw material and components consumed	<u>51,080.88</u>	<u>57,926.44</u>
Details of raw material and components consumed		
Steel sheets, bar materials and tubes	208.86	310.90
Castings and forgings	20,504.53	17,709.85
Intermediates and components (which individually do not account for 10% or more of the total value of consumption)	30,367.49	39,905.69
	<u>51,080.88</u>	<u>57,926.44</u>

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

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

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
(a) Work-in-process		
(i) Inventories at the end of the year	412.14	449.38
(ii) Inventories at the beginning of the year	449.38	342.14
	<u>37.24</u>	<u>(107.24)</u>
(b) Finished goods		
(i) Inventories at the end of the year	2,089.30	2,690.13
(ii) Inventories at the beginning of the year	2,690.13	2,104.63
	<u>600.83</u>	<u>(585.50)</u>
(Increase) / decrease in inventories	<u>638.07</u>	<u>(692.74)</u>

Details of inventory

(a) Work-in-process

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

	412.14	449.38
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(b) Finished goods

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

	2,008.67	2,651.39
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(ii) Spares

	80.63	38.74
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	<u>2,089.30</u>	<u>2,690.13</u>
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22. EMPLOYEE BENEFITS EXPENSE

(i) Salaries, wages and bonus	9,003.70	7,923.87
(ii) Contribution to provident and other funds (refer note 25)	655.24	561.18
(iii) Workmen and staff welfare expenses	1,042.10	943.75
	<u>10,701.04</u>	<u>9,428.80</u>

Contribution to provident and other funds include:

(i) Gratuity as per scheme framed by Life Insurance Corporation of India	71.60	63.89
(ii) Pension fund	117.57	76.92
(iii) Deposit linked insurance as per scheme framed by Life Insurance Corporation of India	9.80	9.83
	<u>198.97</u>	<u>150.64</u>

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

23. OTHER EXPENSES

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
(i) Consumption of stores and spares	2,943.92	5,091.37
(ii) Power and fuel	1,756.13	1,435.17
(iii) Rent	421.64	412.58
(iv) Rates and Taxes	267.30	140.89
(v) Repairs and Maintenance		
a) Building	373.32	356.64
b) Machinery	522.30	457.35
c) Other assets	121.10	88.40
(vi) Insurance	76.33	65.22
(vii) Commission	67.67	67.94
(viii) Audit fees (refer details below)	26.00	20.21
(ix) Cash Discount	54.99	49.72
(x) Travel and Conveyance	876.16	840.44
(xi) Packing and Forwarding	3,780.11	4,324.46
(xii) Data processing	174.85	185.61
(xiii) Sitting fees to directors	3.60	4.05
(xiv) Royalty	698.31	518.44
(xv) Research and development	305.23	388.77
(xvi) Other expenses (includes Rs.22.50 lakhs - 31 st March 2012: Rs.22.50 lakhs, commission payable to non-executive independent directors)	2,286.71	1,461.34
(xvii) Loss on sale / scrapping of assets	11.85	0.41
	14,767.52	15,909.01

Audit fees comprise of:

(a) As auditor:

Audit fee	18.00	13.00
Tax audit fee	6.00	4.00

(b) In other capacity - Certification fees

2.00	1.00
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(c) Reimbursement of expenses

3.47	2.21
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29.47	20.21
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Repairs and maintenance includes:

Stores consumed	10.65	11.71
	10.65	11.71

24. FINANCE COSTS

Interest	1.76	11.88
	1.76	11.88

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

25. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

(Rupees in lakhs)

Particulars	As at / year ended 31 st March 2013	As at / year ended 31 st March 2012	As at / year ended 31 st March 2013	As at / year ended 31 st March 2012
	Pension		Gratuity	
(a) Expenses recognised in the statement of Profit and Loss				
(i) Current service cost	–	–	61.64	58.09
(ii) Interest cost	73.21	67.33	48.55	48.56
(iii) Expected return on plan assets	–	–	(52.62)	(52.40)
(iv) Net actuarial loss / (gain) recognised in the year	44.36	9.59	14.03	9.64
Total	117.57	76.92	71.60	63.89
(b) Change in defined benefit obligation during the year				
(i) Present value of obligation as at beginning of the year	867.02	794.03	606.84	607.05
(ii) Interest cost	73.21	67.33	48.55	48.56
(iii) Current service cost	–	–	61.64	58.09
(iv) Benefits paid	(11.78)	(3.93)	(77.58)	(116.50)
(v) Actuarial gain / (loss) on obligation	44.36	9.59	14.03	9.64
(vi) Present value of obligation as at the end of the year	972.81	867.02	653.48	606.84
(c) Change in fair value of plan assets during the year				
(i) Fair value of plan assets at the beginning of the year	–	–	609.07	607.43
(ii) Expected return on plan assets	–	–	52.62	52.40
(iii) Contributions made during the year	–	–	71.43	65.74
(iv) Benefits paid	–	–	(77.58)	(116.50)
(v) Actuarial gain on plan assets	–	–	–	–
(vi) Fair value of plan assets as at the end of the year	–	–	655.54	609.07
(d) Balance Sheet movements				
(i) Value of benefit obligations / (net assets) at the beginning of the year	867.02	794.03	609.07	607.43
(ii) Actual return on plan assets	–	–	52.62	52.40
(iii) Contributions made during the year	–	–	71.43	65.74
(iv) Expenses	117.57	76.92	–	–
(v) Benefits paid	(11.78)	(3.93)	(77.58)	(116.50)
(vi) Value of benefit	–	–	–	–
(vii) Fair value of plan assets as at the end of the year	972.81	867.02	655.54	609.07
Funded status	–	–	2.06	2.23
The net asset in respect of gratuity plan is not recognised as it is lying in an irrecoverable trust fund approved by Income tax authorities.				
(e) Actuarial assumptions				
(i) Discount rate used	8.50%	8.50%	8.00%	8.00%
(ii) Expected return on plan assets	NA	NA	8.00%	8.00%

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

The Company expects to contribute Rs.84.50 lakhs to gratuity in the next year (31st March 2012: Rs.75.58 lakhs).

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

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

	31 st March 2013	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009
	₹ lakhs				
Gratuity					
Defined benefit obligation	653.48	606.84	607.05	569.39	590.67
Plan assets	655.54	609.07	607.43	573.62	669.86
Surplus / (deficit)	2.06	2.23	0.38	4.23	79.19
Experience adjustments on plan liabilities	14.03	9.64	29.02	36.70	(41.83)
Experience adjustments on plan assets	-	-	-	-	-

26. SEGMENT INFORMATION

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

	Year ended 31 st March 2013	Year ended 31 st March 2012
	₹ lakhs	₹ lakhs
a) Revenue from operation		
(i) Sales (net of excise duty)		
India	71,853.74	85,685.48
Others	19,882.04	14,811.60
Total	91,735.78	100,497.08
(ii) Rendering of services		
India	555.68	311.86
Others	3,520.78	2,932.69
Total	4,076.46	3,244.55
b) Total assets		
India	72,745.52	64,002.09
Others	6,566.63	3,693.48
Total	79,312.15	67,695.57
c) Capital expenditure		
India	6,780.20	6,837.11
Other	-	-
Total	6,780.20	6,837.11

27. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Liabilities not provided for		
(a) Contingent liabilities		
i) Bills discounted	7,074.25	6,075.20
(b) Counter guarantee given to bankers	134.61	126.28
(c) Claims against the company not acknowledged as debts primarily towards:		
i) Denial of Cenvat credit under Excise laws	0.16	11.27
ii) Denial of weighted deduction for Research and Development expenses claimed under Income tax Act for the years 2006-07 and 2007-08	-	183.30
iii) Reopening of assessment under Section 147 of Income tax Act for the 2006-07	1,010.59	-
iv) Reversal of service tax credit on certain inputs under the Service tax laws	56.26	150.45
v) Denial of input tax credit under Tamil Nadu Value Added Tax laws for the years 2009-10 and 2010-11	-	86.05
vi) Increase of trade license fees by the local authorities	-	3.04
vii) Levy of infrastructure and amenities charges by the Tamilnadu Town and Country Planning Department	49.25	49.25
viii) Property tax levied by Anjur Village Panchayat	91.68	-
In respect all the above, based on legal advice obtained, the management is of the view that the above claims are not tenable and the same can be successfully contested and hence no provision has been made in the accounts.		
(B) Commitments not provided for *		
(a) Capital	358.05	10.53
(b) Others	633.04	1,031.70

* As certified by management

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

28. UNHEDGED FOREIGN CURRENCY EXPOSURE

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

(Rupees in lakhs)

Sl. No.	Description	Foreign Currency (FCY)	Amount in FCY		Amount in INR	
			31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
1	Import of goods and services	USD	2.23	–	117.94	–
		JPY	0.01	–	–	–
		CHF	0.06	–	3.44	–
		EUR	16.77	4.75	1,197.12	308.51
2	Export of goods and services	USD	41.57	37.07	2,222.73	1,896.29
		EUR	61.24	26.30	4,343.90	1,797.19

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

	As at 31 st March 2013	As at 31 st March 2012
Total outstanding dues to Micro and Small enterprises	1,080.77	581.47

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

30. RELATED PARTY DISCLOSURE

A. LIST OF RELATED PARTIES

- | | |
|--------------------------------|--|
| a) Reporting entity | WABCO INDIA LIMITED |
| b) Subsidiary companies | The reporting entity does not have any subsidiary company. |
| c) Associate companies | Nil |
| d) Holding company | Clayton Dewandre Holdings Limited, (CDH) Rotterdam, The Netherlands
(became a holding Company of this Company from 3 rd June 2009) |
| e) Ultimate holding company | WABCO Holdings Inc., USA |
| f) Fellow Subsidiary companies | <ol style="list-style-type: none"> 1 WABCO Fahrzeugsysteme, GmbH, Germany 2 WABCO China Co Ltd, China 3 WABCO France SAS, France 4 Meritor WABCO Vehicle Control Systems, USA 5 Shandong Weiming Automotive Products Co. Ltd, China 6 WABCO (Shanghai) Management Co Limited, China 7 WABCO Automotive SouthAfrica 8 WABCO Automotive UK Ltd, United Kingdom 9 WABCO Asia Private Limited, Singapore (Direct subsidiary of CDH) 10 WABCO Compressor Manufacturing Co. USA 11 WABCO Hong Kong Limited, Hong Kong 12 WABCO Japan Inc, Japan 13 WABCO Korea Ltd, Korea 14 WABCO Polska Sp.z o.o. Poland 15 WABCO Development GmbH, Germany 16 WABCO Logistics GmbH, Germany 17 WABCO Australia Pty Limited, Australia
(Subsidiary of CDH through WABCO Asia Private Limited) |

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

f) Fellow Subsidiary companies (Contd.)

- 18 WABCO Europe BVBA, Belgium
- 19 WABCO Austria GesmbH, Austria
- 20 WABCO Belgium BVBA/SPRL, Belgium
- 21 WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil
- 22 WABCO Brzdy K Vozidlum spol S.R.O, Czech Republic
- 23 WABCO Gmbh, Germany
- 24 WABCO Radbremsen Gmbh, Germany
- 25 WABCO Automotive Italia SRL, Italy
- 26 WABCO BV, Netherlands
- 27 WABCO Europe Holdings BV, Netherlands
- 28 WABCO Espana SLU, Spain
- 29 WABCO Automotive AB, Sweden
- 30 WABCO (Schweiz) Gmbh, Switzerland
- 31 WABCO Automotive B.V, Netherlands
- 32 WABCO ARAC Kontrols Sistemleri Destek VE Pazarlama Limited Sirketi, Turkey
- 33 WABCO Middle East and Africa FZCO, Dubai
- 34 WABCO IP Holdings LLC
- 35 WABCO Automotive Products Ltd, Cayman
- 36 WABCO Air Compressor Holdings Inc.,
- 37 WABCO Automotive Control Systems Inc.,
- 38 WABCO Group Inc.,
- 39 WABCO Group International Inc.,
- 40 WABCO Logistic (Quingdao) Co. Ltd
- 41 WABCO North America LLC
- 42 WABCO Expats Inc.
- 43 WABCO (Thailand) Limited
- 44 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
- 45 Ephicas BV
- 46 WABCO Foundation Brakes Private Limited, Chennai
(Subsidiary of CDH through WABCO Asia Private Limited)
- 47 Ephicas BVBA
- 48 WABCO International LLC
- 49 WABCO Europe Holdings LLC
- 50 Ephicas Patents BVBA;
- 51 WABCO Financial Services SPRL;
- 52 WABCO France Logistics S.A.S.;
- 53 WABCO Services S.A.S
- 54 WABCO WURTH Workshop Services GmbH
- 55 WABCO Testbahn GmbH
- 56 WABCO Holding GmbH
- 57 WABCO Systeme GmbH
- 58 WABCO Holdings B.V.
- 59 WABCO Sandown B.V.
- 60 WABCO CV.
- 61 WABCO RUS LLC.
- 62 WABCO Vostok LLC.
- 63 WABCO Centro de Distribuicao de pecas Automotives Ltda, Brazil

g) Key management personnel

Mr P Kaniappan - Whole Time Director

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

31. RELATED PARTY TRANSACTIONS

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year Ended	
			31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
1	Purchase of goods	Shandong Weiming Automotive Product Co. Ltd, China	2.26	89.68	-	-
		WABCO Fahrzeugsysteme GmbH, Germany	2,057.89	2,288.98	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil	227.83	97.17	-	-
		WABCO BV, Netherlands	117.12	0.09	-	-
		WABCO Polska sp.z.o.o, Poland	25.10	10.85	-	-
		WABCO France S.A.S, France	44.02	42.45	-	-
		WABCO China Co Ltd, China	290.34	44.71	-	-
		WABCO Compressor Manufacturing Co, USA	36.37	150.45	-	-
		2,800.93	2,724.38	-	-	
2	Receiving of services Royalty Technical services	WABCO IP Holdings LLC, USA	698.31	518.44	-	-
		WABCO Europe BVBA, Belgium	459.71	155.38	-	-
		WABCO (Shanghai) Management Company Limited	81.79	-	-	-
		1,239.81	673.82	-	-	
3	Sale of products	Meritor WABCO Vehicle Control Systems, USA	1,539.33	367.87	-	-
		WABCO Logistics GmbH, Germany	498.75	677.89	-	-
		WABCO China Co Ltd, China	611.01	976.62	-	-
		WABCO Automotive, South Africa	14.40	12.94	-	-
		WABCO Compressor Mfg. Co,USA	4,760.89	4,844.19	-	-
		WABCO Polska sp.z.o.o, Poland	2,375.42	2,560.21	-	-
		WABCO Development GmbH, Germany	0.30	-	-	-
		WABCO Korea Ltd, Korea	33.51	29.66	-	-
		WABCO France S.A.S, France	1,372.03	1,261.96	-	-
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	233.10	199.22	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	2.95	0.93	-	-
		WABCO GmbH, Germany	258.33	362.94	-	-
		WABCO Asia Private Ltd., Singapore	77.96	94.37	-	-
		WABCO Middle-East & Africa FZCO, Dubai	7.18	3.63	-	-
		WABCO Europe BVBA, Belgium	7,256.41	2,790.32	-	-
		WABCO Japan Inc. Japan	39.24	-	-	-
WABCO North America L.L.C	37.07	-	-	-		
		19,117.88	14,182.75	-	-	
4	Rendering of Services Software Service * R & D Service Tool development Tool development Tool development Tool development Tool development Shared services	WABCO Development GmbH, Germany	2,390.12	2,620.04	-	-
		WABCO Europe BVBA, Belgium	831.38	571.13	-	-
		Meritor WABCO Vehicle Control Systems, USA	85.68	114.50	-	-
		WABCO Compressor Mfg. Co, USA	-	68.93	-	-
		WABCO Europe BVBA, Belgium	-	93.93	-	-
		WABCO Polska sp.z.o.o, Poland	43.96	-	-	-
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	10.99	-	-	-
		WABCO Europe BVBA, Belgium	299.28	156.78	-	-
		3,661.41	3,625.31	-	-	

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary		Key Management Personnel	
			Year ended		Year Ended	
			31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
5	Receivables	WABCO Logistics GmbH, Germany	120.94	83.47	-	-
		WABCO Development GmbH, Hannover	201.88	189.24	-	-
		WABCO China Co Ltd, China	135.27	180.34	-	-
		Meritor WABCO Vehicle Control Systems, USA	917.68	153.42	-	-
		WABCO Compressor Mfg. Co,USA	958.36	1,502.61	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	2.17	0.77	-	-
		WABCO Polska sp.z.o.o, Poland	273.54	496.66	-	-
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	58.78	45.28	-	-
		WABCO Asia Private Ltd, Singapore	3.47	12.32	-	-
		WABCO Europe BVBA, Belgium	3,204.43	199.00	-	-
		WABCO Japan Inc. Japan	36.01	-	-	-
		WABCO GmbH, Germany	36.61	418.73	-	-
		WABCO Automotive South Africa	3.69	1.35	-	-
		WABCO France S.A.S, France	408.40	234.99	-	-
		WABCO North America L.L.C	37.07	-	-	-
		WABCO Middle-East & Africa FZCO, Dubai	4.84	2.38	-	-
		WABCO Korea Ltd, Korea	3.89	6.01	-	-
		6,407.03	3,526.57	-	-	
6	Payables	Meritor WABCO Vehicle Control Systems, USA	3.17	3.17	-	-
		WABCO China Co Ltd, China	190.73	4.31	-	-
		WABCO Polska sp.z.o.o, Poland	15.84	3.26	-	-
		WABCO BV, Netherlands	58.62	0.46	-	-
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	16.40	-	-	-
		WABCO Compressor Mfg. Co,USA	19.64	2.04	-	-
		WABCO France S.A.S, France	14.41	-	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	0.11	0.51	-	-
		WABCO IP Holdings LLC, USA	726.71	253.94	-	-
		WABCO Europe BVBA, Belgium	615.09	155.38	-	-
		WABCO (Shanghai) Management Company Limited	81.79	-	-	-
		WABCO Fahrzeugsysteme GmbH, Germany	605.00	332.73	-	-
		2,347.51	755.80	-	-	
7	Remuneration to Key management personnel Mr P Kaniappan - Whole Time Director					
		-	-	102.54	87.74	

* include capital expenditure reimbursements Rs.Nil lakhs (last year Rs.415.26 lakhs)

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

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

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

(Rupees in lakhs)

	Year ended 31 st March 2013		Year ended 31 st March 2012	
	% of total consumption	Value	% of total consumption	Value
I. CONSUMPTION OF RAW MATERIALS AND COMPONENTS				
a) Imported	15.9	8,105.55	12.8	7,431.13
b) Indigeneous	84.1	42,975.33	87.2	50,495.31
	100.0	51,080.88	100.0	57,926.44
II. CONSUMPTION OF MACHINERY SPARES				
a) Imported	2.7	5.23	6.9	11.59
b) Indigeneous	97.3	191.30	93.0	155.28
	100.0	196.53	100.0	166.87
Value of imports calculated on CIF basis				
a) Raw materials and components		9,800.48		8,187.41
b) Stores and tools		540.87		388.12
c) Capital goods		961.94		1,802.07
33. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)				
a) Commission on export sales		11.63		19.57
b) Travel		47.77		58.77
c) Training		3.61		7.60
d) Consultancy, retainer - Productivity improvement		87.28		24.95
e) Royalty		698.31		518.44
f) Fees for technical services		541.50		155.38
g) Sub-contract labour charges		19.49		-
h) Research and development		8.93		-
i) Others		59.85		77.62
34. PAYMENT TO NON RESIDENT SHAREHOLDERS				
a) No. of non resident shareholders		One		One
b) No. of shares held by non residents (in lakhs)		142.26		142.26
c) Dividend				
- relating to 31 st March 2012 (lakhs)		711.28		-
- relating to 31 st March 2011 (lakhs)		-		711.28
35. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)				
(a) Exports (on FOB basis)		19,433.12		14,317.12
(b) Freight and insurance recovery		448.91		494.48
(c) Software service		2,390.12		2,204.78
(d) Shared services		299.28		156.78
(e) R & D Service		831.38		571.13
(f) Sale of test rigs		53.38		-
(g) Tool development income		147.98		277.36

WABCO INDIA LIMITED

Notes to financial statements for the year ended 31st March 2013

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

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

(Rupees in lakhs)

Particulars	Name of the company	Amount outstanding as on 31 st March 2013	Maximum amount due at any one time during the year	Amount outstanding as on 31 st March 2012
(a) Loans and advances				
(i) Loans and advances in the nature of loans made to subsidiary company	The company does not have any subsidiary.			
(ii) Loans and advances in the nature of loans made to associate company	The company does not have any associate company.			
(iii) Loans and advances in the nature of loans made to firms / companies in which directors of the company are interested	The company has not given any advance to firms/companies in which directors of the company are interested.			
(b) Investments by the company				
(i) In subsidiary companies	The company does not have any subsidiary.			
(ii) In associate companies	The company does not have any associate company.			
(iii) In joint venture	The company does not have any joint venture.			
(c) Investments by the holding company	On 3 rd June 2009, the company became a subsidiary of Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands, when the latter acquired 35.83% of share capital and is now holding 75% of share capital.			

37. RESEARCH AND DEVELOPMENT

	31 st March 2013 ₹ lakhs	31 st March 2012 ₹ lakhs
a) Revenue expenditure eligible for weighted deduction	667.65	773.53
b) Other revenue expenditure	78.13	92.82
c) Capital Expenditure - Land and buildings	2.51	22.24
d) Capital Expenditure - other than land and buildings	276.76	258.44
	1,025.05	1,147.03

38. PREVIOUS YEAR FIGURES

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

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

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

R MADHAVAN
General Manager - Finance and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

Chennai
15th May, 2013

WABCO INDIA LIMITED

Regd. Office : Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.

ADMISSION SLIP

Please hand over this admission slip at the entrance of meeting hall

NAME AND ADDRESS OF THE SHARE HOLDER	NO. OF SHARES HELD
--------------------------------------	--------------------

9th ANNUAL GENERAL MEETING
24th July, 2013 at 10.00 A.M.
 The Music Academy, 168, (Old No. 306),
 T.T.K. Road, Chennai - 600 014.

NAME OF PROXY (If proxy attends instead of member)

I hereby register my presence at the annual general meeting.

Signature of Member / Proxy

- REQUEST TO MEMBERS**

 1. Members and their proxies/bodies corporate should bring the attendance slip duly filled in for attending the meeting.
 2. Members are requested to avoid being accompanied by non-members and/or children.
 3. Members are requested to bring their copies of annual report to the meeting as the company is unable to provide another copy in view of the increased cost of paper.
 4. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the annual general meeting to avoid interruption in the proceedings.
 5. Members who are holding shares in physical form are requested to intimate the Share transfer department of the company changes, if any, in their registered address.
 6. Members intending to appoint proxies are requested to complete the proxy form sent herewith and deposit the same with the Share Transfer Department, at least 48 hours before the time fixed for holding the meeting.
 7. If you and/or your family members are receiving more than one copy of the annual report and other communications and would like to avoid duplication, kindly advise to enable us to mail only one copy. This will help us to avoid wastage.
 8. In the case of shares held in electronic form, the beneficial owners are advised to bring the identity card issued by the depository participant.

PROXY FORM

WABCO INDIA LIMITED

Regd. Office : Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.

I/We

of

in the district of being a member/members of

WABCO INDIA LIMITED hereby appoint of

in the district of

or failing him of

in the district of

as my / our Proxy to vote for me / us and on my / our behalf at the 9th Annual General Meeting of the Company to be held on Wednesday, the 24th July 2013 at 10.00 A.M. And at any adjournment thereof.

Signed this day of 2013.

Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting.

FOR OFFICE USE ONLY	
Proxy No.	Date of Receipt

Affix
Revenue
Stamp

Signature