

22<sup>nd</sup> July, 2019

The Manager  
Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Scrip code: 533023  
Fax No.022 22723121 / 2037 / 2039  
[corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra – Kurla Complex  
Bandra (E), Mumbai 400 051

Scrip code: WABCOINDIA  
Fax No.022 265982337 / 38  
[cmllist@nse.co.in](mailto:cmllist@nse.co.in)

Dear Sirs,

**Sub: 15<sup>th</sup> Annual General Meeting for the Year ended 31<sup>st</sup> March, 2019**

Enclosing herewith the Annual Report for the F.Y – 2018-19 sent to the members for the 15<sup>th</sup> Annual General Meeting to be held on Wednesday, 14<sup>th</sup> August, 2019 including the attendance slip.

Kindly acknowledge the receipt.

Thanking you,  
Yours faithfully,  
For **WABCO INDIA LIMITED**

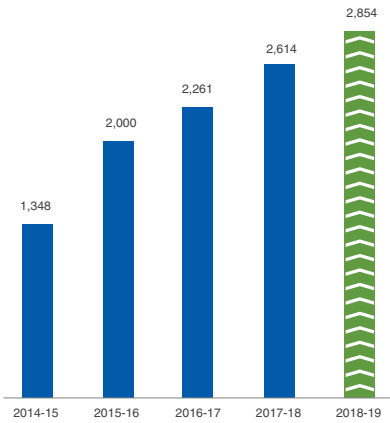


**M C Gokul**  
Company Secretary

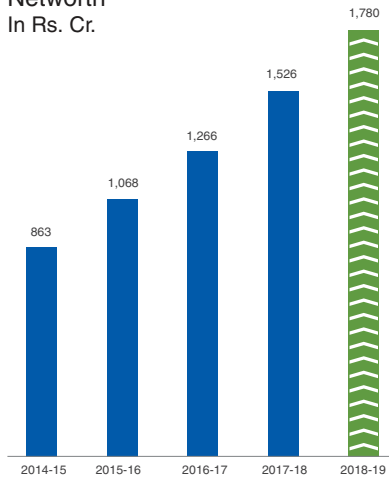
# **WABCO INDIA LIMITED**

**15th Annual Report 2019**

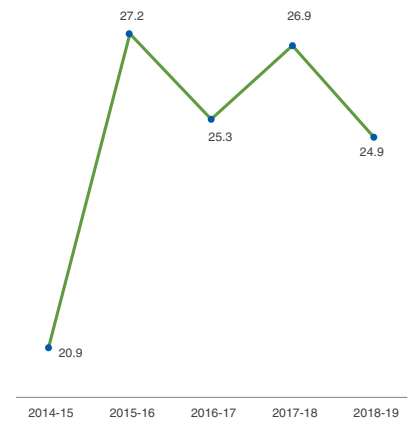
Revenue  
In Rs. Cr.



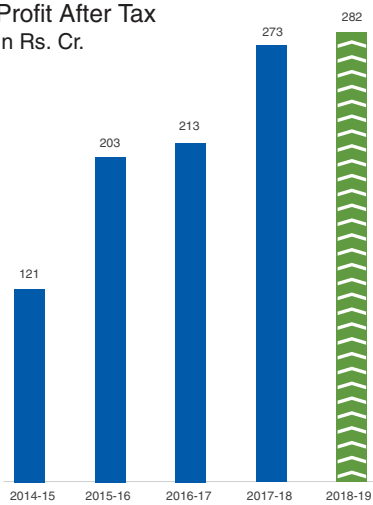
Networth  
In Rs. Cr.



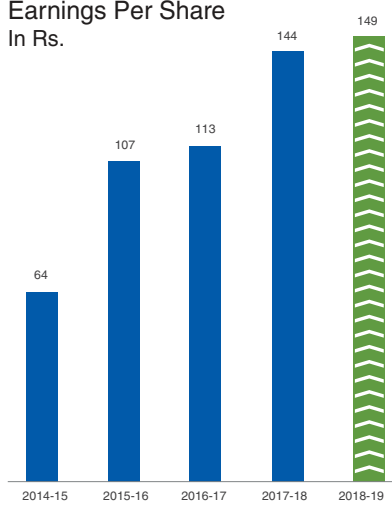
Return On Capital Employed  
%



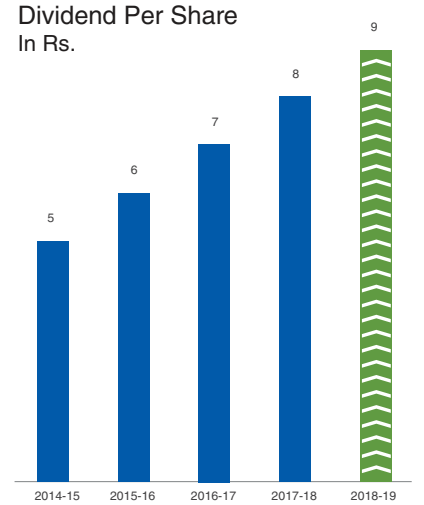
Profit After Tax  
In Rs. Cr.



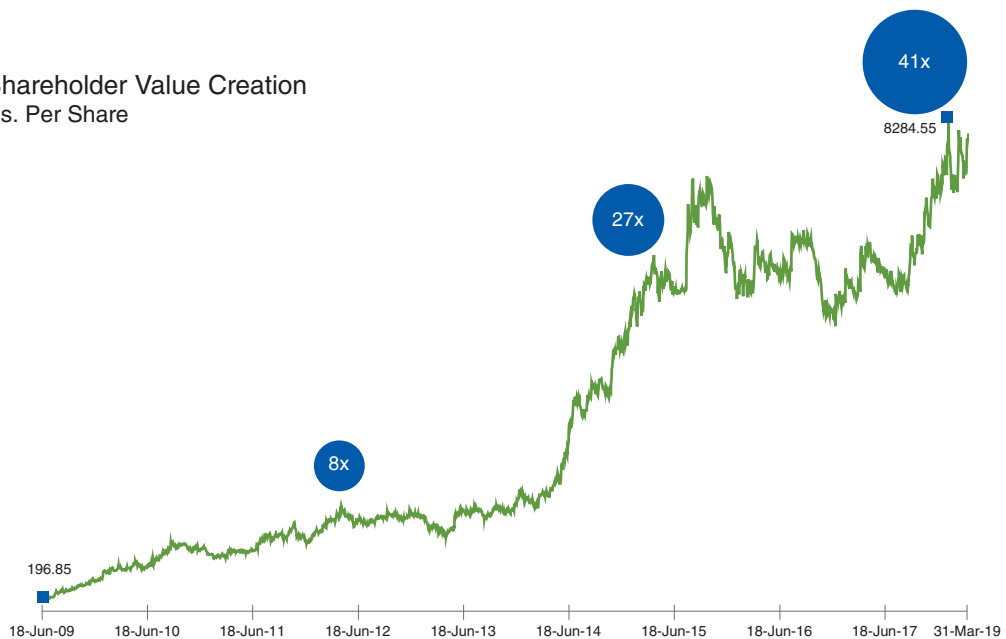
Earnings Per Share  
In Rs.



Dividend Per Share  
In Rs.



Shareholder Value Creation  
Rs. Per Share



## WABCO INDIA LIMITED

### Board of Directors

M LAKSHMINARAYAN  
*Chairman*

NARAYAN K SESHADRI

DR LAKSHMI VENU

LISA J BROWN

SEAN DEASON

CHRISTIAN BRENNEKE

PHILIPPE COLPRON

### Managing Director

P KANIAPPAN

### Chief Financial Officer

R S RAJAGOPAL SASTRY

### Company Secretary

M C GOKUL

### Audit Committee

NARAYAN K SESHADRI  
*Chairman*

M LAKSHMINARAYAN

SEAN DEASON

### Stakeholders Relationship Committee

LISA J BROWN  
*Chairperson*

M LAKSHMINARAYAN

P KANIAPPAN

### Corporate Social Responsibility Committee

P KANIAPPAN  
*Chairman*

M LAKSHMINARAYAN

LISA J BROWN

DR. LAKSHMI VENU

### Nomination and Remuneration Committee

NARAYAN K SESHADRI  
*Chairman*

M LAKSHMINARAYAN

LISA J BROWN

SEAN DEASON

### Risk Management Committee

NARAYAN K SESHADRI  
*Chairman*

SEAN DEASON

P KANIAPPAN

R S RAJAGOPAL SASTRY

M S RAVIKUMAR

V RAMANATHAN

### Listing of Shares with

National Stock Exchange of India Limited  
Mumbai

BSE Limited, Mumbai

### Share Transfer Agent

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

Tel. : 044 - 2827 2233  
044 - 2828 4959

Fax : 044 - 2825 7121

E-mail : raman@scl.co.in  
investorscomplaintsstata@scl.co.in

### Bankers

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

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

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

### Auditors

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

### 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  
Email: info.india@wabco-auto.com  
CIN: L34103TN2004PLC054667

### Factories

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

Large Sector,  
Adityapur Industrial Area, Gamharia,  
Seraikella-Kharsawan Dist.  
Jharkhand 832 108  
Tel. : 0657 398 5700  
Fax : 0657 238 7997

Unit - 1 & Unit - 2  
Plot No. AA8, Central Avenue,  
Auto Ancillary SEZ,  
Mahindra World City,  
Natham Sub-Post, Chengalpet,  
Kancheepuram District 603 002  
Tamil Nadu  
Tel. : 044 3090 1200

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

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

### WABCO Technology Centre of India & Global Business Services

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

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## WABCO INDIA LIMITED

### FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 <sup>st</sup>	2014-15	2015-16	2016-17	2017-18	<b>2018-19</b>
<b>Profit and loss Account</b>					
Revenue from Operations	134,796	199,954	226,057	261,385	<b>285,414</b>
Other income	2,030	4,012	3,615	4,653	<b>7,247</b>
Total income	136,826	203,966	229,672	266,038	<b>292,661</b>
Gross profit before interest, depn & tax	22,365	32,670	36,255	44,514	<b>48,235</b>
Depreciation	4,667	5,620	6,163	6,174	<b>7,144</b>
Profit before interest & tax	17,699	27,049	30,092	38,340	<b>41,091</b>
Interest	36	15	46	162	–
Profit before taxation	17,663	27,034	30,045	38,178	<b>41,091</b>
Profit after taxation	12,066	20,337	21,348	27,283	<b>28,217</b>
<b>Balance Sheet</b>					
Net Fixed assets	34,137	37,254	37,960	41,134	<b>45,926</b>
Investments	3,920	21,835	29,814	44,565	<b>31,343</b>
Net current assets	49,407	46,594	55,809	61,762	<b>92,973</b>
Non-current assets other than Fixed assets	2,292	3,426	5,579	8,163	<b>11,270</b>
Total	89,756	109,110	129,161	155,623	<b>181,512</b>
Share capital	948	948	948	948	<b>948</b>
Reserves & surplus	85,356	105,830	125,694	151,640	<b>177,049</b>
Networth	86,304	106,778	126,643	152,589	<b>177,998</b>
Noncurrent liabilities	1,807	1,326	1,660	2,659	<b>3,119</b>
Deferred taxation (net)	1,645	1,006	859	376	<b>396</b>
Total	89,756	109,110	129,161	155,623	<b>181,512</b>
EPS (Rs)	63.6	107.2	112.6	143.8	<b>148.8</b>
DPS (Rs)	5.0	6.0	7.0	8.0	<b>9.0</b>
Book value per share (Rs)	455.0	562.9	667.7	804.5	<b>938.4</b>
Return on capital employed (ROCE)%	20.9	27.2	25.3	26.9	<b>24.9</b>
Return on networth (RONW)%	14.9	21.1	18.3	19.5	<b>17.1</b>
Fixed assets turnover (no. of times)	4.1	5.5	6.1	6.5	<b>6.4</b>
Working capital turnover (no.of times)	3.0	4.4	4.4	4.5	<b>3.7</b>
Gross profit as % of sales (EBITDA)	16.6	16.3	16.0	17.0	<b>16.9</b>
Gross profit as % of total income	16.3	16.0	15.8	16.7	<b>16.5</b>
Net profit as % of total income	8.8	10.0	9.3	10.3	<b>9.6</b>
Debtors turnover ratio	5.1	5.4	4.7	4.5	<b>4.5</b>
Inventory turnover ratio	6.9	7.5	7.7	11.5	<b>12.9</b>
Current ratio	3.6	2.6	2.9	2.7	<b>3.4</b>

- a) Figures for 2015-16, 2016-17 and 2017-18 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence, the figures are not comparable with those of the previous years' figures.
- b) ROCE is profit before interest and taxation divided by average networth plus loan funds.
- c) Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.
- d) Working capital turnover is sales divided by average net current assets as at the end of the year.
- e) DPS is dividend declared for the year.
- f) RONW is profit after tax divided by average networth. While the return in absolute terms has increased for the year, the RONW % has decreased as the rate of increase in average networth was more than the rate of increase in returns. The rate of return was weighed down by higher effective tax rate due of completion of tax holiday status at one of the plants and unfavorable change in the sales mix.

## **Notice to the Members**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held at "The Narada Gana Sabha" (Sathguru Gnananandha Hall), No. 314, T.T.K. Road, Alwarpet, Chennai 600018 on Wednesday, the 14<sup>th</sup> day of August 2019 at 09.30 A.M to transact the following business:

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

RESOLVED THAT the audited financial statement of the company for the financial year ended 31<sup>st</sup> March 2019 consisting of the balance sheet as at 31<sup>st</sup> March, 2019, the statement of profit and loss, the cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to or forming part thereof together with the reports of the Board of Directors and Auditors' thereon, be and are hereby adopted.

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

RESOLVED THAT in terms of Section 123 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendation of the Board of Directors of the Company, a dividend of ₹ 9/- (Rupees Nine only) per share on 1,89,67,584 equity shares of ₹ 5/- (Rupees Five only) each fully paid up, which make up the entire paid-up equity capital of the Company, absorbing a sum of ₹ 1,707.08/- lakhs (excluding dividend distribution tax) be and is hereby declared for the year ended 31<sup>st</sup> March, 2019 and the same be paid to the shareholders whose names appear in the register of members / record of the depositories of the Company as at the close of 7<sup>th</sup> August 2019.

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

RESOLVED THAT Sean Ernest Deason (DIN: 07334776), director liable to retire by rotation at this meeting, being eligible and willing, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

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

RESOLVED THAT Messrs B S R & Co. LLP, Chartered Accountants, 5<sup>th</sup> Floor, Lodha Exelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai - 400011 holding Firm Registration No 101248W / W-100022 allotted by the Institute of Chartered Accountants of India, be and are hereby

appointed as the statutory auditors of the Company to hold office for the term of five years from the conclusion of the fifteenth Annual General Meeting until the conclusion of the twentieth Annual General Meeting, in the place of M/s. S R Batliboi & Associates LLP, Chartered Accountants, the present Auditors who hold such office upto the conclusion of the fifteenth annual general meeting.

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

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

RESOLVED THAT the re-appointment of Mr M Lakshminarayan (DIN 00064750), as a Non-Executive and Independent Director for another term of five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, on such remuneration including sitting fees and profit-related commission as may be decided by the Board of Directors from time to time, be and is hereby approved.

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

RESOLVED THAT the re-appointment of Mr Narayan K Seshadri (DIN 00053563), as a Non-Executive and Independent Director for another term of one year from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, on such remuneration including sitting fees and profit-related commission as may be decided by the Board of Directors from time to time, be and is hereby approved.

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

RESOLVED THAT Dr. Christian Brenneke (DIN: 08344547) be and is hereby appointed as a Non-Executive Director, liable to retire by rotation.

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

RESOLVED THAT Mr. Philippe Colpron (DIN:08344534) be and is hereby appointed as a Non-Executive Director, liable to retire by rotation.

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

RESOLVED THAT pursuant to section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder including any statutory modification or re-enactment thereof and applicable clauses of the Articles of Association of the Company Mr. P Kaniappan (DIN 02696192), be and is hereby re-appointed as Managing Director for a period of five years from 17<sup>th</sup> June 2019, not subject to retirement by rotation, on the terms and conditions as to his appointment and remuneration, contained in the agreement dated 14<sup>th</sup> June 2019 entered between him and the Company, with powers to the board of directors of the Company to determine quantum of individual items of his remuneration, payable at such intervals, within the overall limits, for each financial year so as not to exceed the prescribed limit on the net profits of the Company, calculated in accordance with the provisions of Sections 198 read with Schedule V of the Act and as per Article Regulation140(1) of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration within the aforesaid limits, as mentioned below, proposed to be paid to Mr P Kaniappan as Managing Director under the Act, for a period of five years from 17<sup>th</sup> June 2019, be and is hereby approved, subject to the condition that the board of directors, from time to time, may determine the quantum of individual items of his remuneration for each financial year not exceeding the maximum limits specified in each category as follows:

- (1) Salary and commission on profits or performance linked incentive or bonus:  
Subject to a ceiling of INR 750 lakhs (Rupees Seven hundred and fifty lakhs only) per annum.
- (2) Perquisites and allowances:  
Perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, leave travel assistance for self and family, club fees, earned leave, medical / personal accident insurance premium and other benefits or amenities, in aggregate restricted to a sum not exceeding INR 100 lakhs (Rupees One hundred lakhs only) per annum; and

Provision of telephone at residence including payment of local calls and long distance calls shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Personal long distance calls on telephone for private purposes shall be recovered by the Company. Provision of a car for use on Company's business.

- (3) Stock option:  
Participation in stock option schemes of M/s. WABCO Holdings Inc., the ultimate holding company. This shall not be included for computation of limits of perquisites and allowances.
- (4) Contribution to statutory funds:  
Company's contribution to provident fund which shall not exceed 12% of the salary or such other higher Rate as may be notified by the Central Government from time to time and as per the rules of the Company. Company's contribution to provident and gratuity funds, shall not be included for computation of limits of perquisites and allowances as aforesaid.
- (5) Pension benefits:  
Entitled to pension, if any, payable after retirement, as per the rules of the Company.

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

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

RESOLVED FURTHER THAT Mr P Kaniappan, Managing Director shall have the powers and duties as set out in the agreement entered into between him and the Company.



## WABCO INDIA LIMITED

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

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and out of pocket expenses at actuals, payable to M/s A N Raman & Associates, Cost Accountants, having firm registration number 102111, appointed by the Board of Directors as Cost Auditor to audit the cost records of the Company for the financial year ending on 31<sup>st</sup> March 2020, be and is hereby ratified.

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

RESOLVED THAT approval of the Company be and is hereby accorded in terms of Section 197 and other applicable provisions of the Companies Act 2013 (the Act) read with the rules made thereunder and the Articles of Association of the Company to pay remuneration to the Non-Executive Independent Directors of the Company by way of profit-related commission not exceeding one percent of the net profits of the company, computed in the manner referred to in Section 198 of the Act, in the aggregate for a period of five (5) years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

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

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

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

RESOLVED THAT in terms of Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval be and is hereby accorded to the related party transactions entered into by the company with WABCO Europe BVBA, a related party, during the

financial year ended 31<sup>st</sup> March 2019, and the related party transactions proposed to be entered into with WABCO Europe BVBA during the financial year ending 31<sup>st</sup> March 2020 as shown in the explanatory statement which transactions individually or taken together with previous transactions during the financial year, may exceed ten per cent of the annual turnover of the Company as per its last audited financial statement.

By order of the board

Chennai  
25<sup>th</sup> May 2019

M C GOKUL  
Company Secretary

Registered Office:  
CIN:L34103TN2004PLC054667  
WABCO India Limited  
Plot No.3, (SP), III Main Road,  
Ambattur Industrial Estate,  
Chennai - 600 058

**Notes:**

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy so appointed need not be a member of the Company.**

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

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special businesses to be transacted at the meeting is annexed hereto.
3. 7<sup>th</sup> August 2019, wednesday would be the record date for determining the entitlement of the shareholders to the dividend for the year 2018-19.

## WABCO INDIA LIMITED

4. Dividend of ₹ 9/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March 2019 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 21<sup>st</sup> August 2019.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company or their Share Transfer Agent.
6. Under Section 124 read with Section 125 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the annual report.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2010-11, as on the date of the 14<sup>th</sup> Annual General Meeting (AGM) held on 27<sup>th</sup> July 2018 on the website of IEPF viz., [www.iepf.gov.in](http://www.iepf.gov.in) and under "investor section" on the website of the Company viz., [www.wabcoindia.com](http://www.wabcoindia.com).

A separate reminder was also sent to those members having unclaimed dividends since 2011-12. Members who have not encashed their dividend warrants are advised to surrender the unencashed warrants immediately to the Company or the Share Transfer Agent and to claim the dividends.
7. Section 124 (6) was notified on 5<sup>th</sup> September 2016 along with the relevant rules therein on 5<sup>th</sup> September 2016 which mandates that all shares in respect of which dividend is remaining unpaid or unclaimed by the shareholder for a continuous period of seven years shall be transferred by the Company to the Investor Education & Protection fund in the manner prescribed. In this regard the Company had sent reminders to these shareholders as prescribed in the rules. Subsequently, eligible shares were transferred to the IEPF suspense account as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 issued on 13<sup>th</sup> October 2017.

Shareholders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF suspense account through filing the e-form IEPF 5 and submitting the same along with relevant documents to the Company. Required instructions in this regard for claiming the shares are available on the website <http://www.iepf.gov.in>.
8. Shareholders are requested to note that as per SEBI has mandated that from 1<sup>st</sup> April 2019, the company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have already been sent to all shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat the shares to avoid any issues in future.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
11. Members are requested to affix their signatures at the space provided on the attendance slip annexed to Proxy Form and hand over the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / Power of attorney authorizing their representatives to attend and vote at the AGM.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Details under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with respect to the Directors seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declarations for their appointment.
14. Electronic copy of the Annual Report for the financial year ended 31<sup>st</sup> March 2019 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
15. Electronic copy of the Notice of the 15<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 15<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along-with Attendance Slip and Proxy Form is being sent in the permitted mode.
16. Members may also note that the Notice of the 15<sup>th</sup> Annual General Meeting and the Annual Report for the year 2018-19 will also be available on the Company's website: [www.wabcoindia.com](http://www.wabcoindia.com) for download. Physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: [investorcomplaintssta@scl.co.in](mailto:investorcomplaintssta@scl.co.in) / [raman@scl.co.in](mailto:raman@scl.co.in) / [info.india@wabco-auto.com](mailto:info.india@wabco-auto.com).
17. Voting through electronic means
  - I. In compliance with provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to exercise their right to vote at the 15<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL): The instructions for e-Voting are as under:
    - II. Remote e-Voting means the facility of casting votes by a member using an electronic voting system from a place other than venue of general meeting;
    - III. The members holding shares as on the "cut-off date" viz., 7<sup>th</sup> August 2019 are eligible for voting either through electronic voting system or ballot.
    - IV. The instructions for remote e-Voting by shareholders are as under:
      - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:
        - i. Open email and open PDF file viz; "wabcoindia e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and Password / PIN for e-Voting. Please note that the password is an initial password. You will not receive the pdf file if you are already registered with NSDL for e-Voting.
        - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
        - iii. Click on Shareholder - Login.
        - iv. Put user ID and password as initial Password / PIN noted in step (i) above. Click Login.
        - v. If you are logging in for the first time, please enter the user ID and Password provided in the attached pdf file as initial PASSWORD / PIN noted in step (i) above. Click Login.
        - vi. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters

- or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
  - viii. Select "EVEN" of WABCO India Limited.
  - ix. Now you are ready for remote e-Voting as Cast Vote page opens.
  - x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [skco.cs@gmail.com](mailto:skco.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:
- i. Initial password is provided as below / at the bottom of the Attendance Slip for the AGM: EVEN (Remote e-Voting Event Number) USER ID PASSWORD / PIN
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- V. Voting at AGM: The members who have not cast their vote by Remote e-Voting can exercise their voting rights at the AGM. The Company will make arrangements for ballot papers in this regard at the AGM Venue.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Telephone No.022-24994600.
- VII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The Remote e-Voting period commences on 11<sup>th</sup> August 2019 (9:00 am) and ends on 13<sup>th</sup> August 2019 (5:00 pm) (three days). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7<sup>th</sup> August 2019, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IX. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7<sup>th</sup> August 2019.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7<sup>th</sup> August 2019 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning his Folio No. / DP ID and Client ID No.
- XI. A member may participate in the meeting even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the meeting.
- XII. Mr K Sriram (Membership No. F 6312 CP No.2215), Practising Company Secretary, Chennai has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- XIII. The Scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than 48 hours of the conclusion of the meeting, a consolidated scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- XIV. The Chairman or a person authorized by him in writing shall declare the results forthwith.
- XV. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.wabcoindia.com](http://www.wabcoindia.com) immediately after the result

## WABCO INDIA LIMITED

is declared and simultaneously communicated to the stock exchanges where the shares of the Company are listed.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company from 2 P.M. to 4 P.M. on all working days and including the date of the Annual General Meeting of the Company.
19. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a brief profile of director, who is proposed to be re-appointed in this AGM, nature of his expertise in specific functional areas, his / her other directorships and committee memberships in listed entities, his / her shareholding and relationship with other directors of the Company are given below:

### Item No.3

Mr. Sean Deason is currently the Chief financial Officer of the WABCO Group. He has served as a Vice President, Controller and Assistant secretary of WABCO Holdings Inc. since June 2015, holds Masters in International Management from the Thunderbird School of Global Management, BA from the Hillsdale College and has more than 17 years of experience in the field of financial planning & analysis. Before joining WABCO, he has worked with Evraz N.A., Lear Corporation & 3Com Corporation. He is a proven leader within varied industries, cultures, and businesses; has lived / worked in China, France, Germany and U.S; brings experiences in multi various fields like shared services, corporate treasury, implementing SOX practices etc., handling financial, accounting and strategy functions. He has most recently, led the finance function in all preparations for an IPO; successfully completed the SEC filing of an F1 managing all modifications and SEC comments in a 6 month timeframe; prepared and participated in initial road shows with equity analysts.

He was appointed as Non-executive Additional Director by the Board at their meeting held on 9<sup>th</sup> November 2015 and was appointed as a Non-executive Director at the Annual General Meeting held on 29<sup>th</sup> July 2016. He is the member of the Audit Committee, Nomination and Remuneration Committee and the Risk Management Committee of the Company. The attendance details of the

meetings held during his tenure from 9<sup>th</sup> November 2015 till 25<sup>th</sup> May 2019 is given below:

	Meetings Held	Meetings attended
Board Meetings	18	15
Audit Committee Meetings	16	14
Nomination & Remuneration Committee Meetings From (29 <sup>th</sup> January 2019)	1	1
Annual General Meetings	3	3

He is not a director on any Board nor a Member of any committee of any other listed Company. He is a Director in WABCO Foundation Brakes Private Limited. Mr. Sean Deason is interested in the resolution set out as item No.3 of the notice since it relates to his own appointment as Director. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.3. This statement may also be regarded as a disclosure under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Mr. Sean Deason is liable to retire by rotation at the 15<sup>th</sup> annual general meeting being eligible and willing has offered himself for reappointment.

### Item No.4

M/s. S R Batliboi & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company by the shareholders for a term of five years from the 10<sup>th</sup> Annual General Meeting upto the conclusion of the 15<sup>th</sup> Annual General Meeting in terms of Section 139 of the Companies Act, 2013. M/s. S R Batliboi & Associates LLP would retire at the conclusion of the forthcoming 15<sup>th</sup> Annual General Meeting and they do not seek reappointment.

In view of the mandatory requirement, the Board of Directors have recommended M/s B S R & Co. LLP, Chartered Accountants, 5<sup>th</sup> Floor, Lodha Exelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai - 400011 holding Firm Registration No 101248W / W-100022 as Statutory Auditors of the Company at the Board Meeting held on 25<sup>th</sup> May 2019, for a period of 5 (five) consecutive years from conclusion of 15<sup>th</sup> annual

## **WABCO INDIA LIMITED**

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general meeting upto the conclusion of the 20<sup>th</sup> Annual General Meeting, subject to approval of the shareholders at the ensuing Annual General Meeting.

M/s B S R & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditor in terms of Section 139(1), 141(2) and 141(3) of the Companies Act, 2013 and also as per the provisions of the Companies

(Audit and Auditors) Rules, 2014. They have confirmed that they hold a valid peer review certificate from the Institute of Chartered Accountants of India (ICAI), New Delhi.

By order of the board

Chennai  
25<sup>th</sup> May 2019

M C GOKUL  
Company Secretary

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

## WABCO INDIA LIMITED

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

#### Item No. 5

Mr. M Lakshminarayan is a Non-executive Independent Director in terms of Regulation 25 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

Mr. M Lakshminarayan (71) holds Master's Degree in Technology from the Indian Institute of Technology, Mumbai. He has several years of experience in distinguished companies such as Tata Motors and Bosch Ltd (formerly MICO). After working in Tata Motors for 16 Years in the Pune plant, Mr. Lakshminarayan moved to Bosch Ltd (MICO). He has served in various capacities before joining the Board as Joint Managing Director in 2000. He has served as a Managing Director and subsequently as Chairman of Harman International India Private Limited, a 100% subsidiary of the Audio giant Harman. He has been on the Boards of Kirloskar Industries Ltd, Carborundum Universal Ltd., & Pricol Ltd. He serves as a Director in Rane (Madras) Ltd., TVS Electronics Ltd., & Kirloskar Oil Engines Ltd., Wendt (India) Ltd., among other Companies. He has served as Chairman of Southern Region at Confederation of Indian Industry and has been an Executive Council Member of the Indian Machine Tool Manufacturer's Association.

He was appointed by the Board and the shareholders as an Independent Director and Chairman on 25<sup>th</sup> October 2010. Subsequently, he was reappointed as Independent Director for a term of five consecutive years by the shareholders from 1<sup>st</sup> April 2014 upto 31<sup>st</sup> March 2019 as per the provisions of the Companies Act, 2013. As per SEBI listing regulations & the provisions of Companies Act, 2013 Mr. M Lakshminarayan being eligible and offering himself for reappointment is proposed to be reappointed as a non-executive Independent Director of the Company for a term of five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024

Mr. M Lakshminarayan is currently 71 years of age. During his proposed term he would cross 75 years of age. In terms of schedule IV of the Act, appointment as an Independent Director for another term and as per SEBI regulations appointment of a Director beyond 75 years of age requires approval of the shareholders through special resolution.

Mr. M Lakshminarayan is holding 100 shares in WABCO India Limited along with his relatives. He is a member of the Nomination & Remuneration Committee, the Audit Committee the Corporate Social Responsibility Committee and the Stakeholder Relationship Committee of the Board. The attendance details of the meetings held during his

tenure from 1<sup>st</sup> April 2014 till 25<sup>th</sup> May 2019 is given below:

	Meetings Held	Meetings attended
Board Meetings	24	23
Audit Committee Meetings (from 20.11.2016)	15	15
Nomination & Remuneration Committee Meetings	14	14
CSR Committee Meetings	9	9
Stakeholder Relationship Committee Meetings (from 29.01.2019)	1	1
Annual General Meeting	5	5

Details of his other directorship and membership / chairmanship of committees are given below:

	Name of the Company	Committees	Position
1	TVS Automobile Solutions Private Limited	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
2	Kirloskar Oil Engines Limited	Nomination & Remuneration Committee	Chairman
		Risk Management Committee	Chairman
3	Rane (Madras) Limited	Audit Committee	Chairman
		Nomination & Remuneration Committee	Chairman
4	TVS Electronics Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
5	Wendt (India) Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
6	ASM Technologies Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
7	Sansera Engineering Limited		
8	Dickinson Fowler Private Limited		
9	Janaadhar (India) Private Limited		
10	Invest Karnataka Forum		
11	Kostal India Private Limited		

Mr M Lakshminarayan has given a declaration dated 29<sup>th</sup> January, 2019 & 1<sup>st</sup> April 2019 confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013 and applicable SEBI Regulations and that he is not disqualified to be appointed as a Director. The Board of Directors, at its meeting held on 29<sup>th</sup> January 2019, opined that, Mr. M Lakshminarayan fulfils the conditions specified in the Companies Act, 2013 SEBI Regulations and rules made thereunder for

## WABCO INDIA LIMITED

his appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for appointment of Mr M Lakshminarayan as an Independent Director would be available for inspection without any fee by the members between 11.00 a.m. and 2.00 p.m. on any working day of the company at the company's Registered Office during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Based on the recommendation of the nomination and remuneration committee, the Board has approved appointment of Mr. M Lakshminarayan as a Non-Executive and Independent Director for a term of five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, subject to the approval of the shareholders through a special resolution. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue the services of Mr. M Lakshminarayan as an independent director and accordingly, the Board recommends the special resolution set out as Item No.5 of the notice in relation to his appointment as an independent director, for the approval by the shareholders of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of director.

Except Mr. M Lakshminarayan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.5. This statement may also be regarded as a disclosure under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### Item No.6

Mr. Narayan K Seshadri is a non-executive Independent Director in terms of Regulation 25 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

Mr Narayan K Seshadri (61) is a graduate in Science from the University of Bangalore and a Chartered Accountant with vast professional experience. He was the founder Chairman and CEO of Halcyon Group, an Investment Advisory and Management Services organization. Halcyon Group runs a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Prior to establishing Halcyon, he was the Managing partner at KPMG's Business Advisory Service Practice which he helped turnaround and rebuild. Besides the industry sectors that he currently works with, he has advised the Power, Banking and Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT and ITES Sectors at different levels - from policy formulation to corporate strategy, restructuring and organization transformation.

He was appointed by the Board and the shareholders as an Independent Director with effect from 11th June 2008. Subsequently, he was reappointed as an Independent Director for a term of five consecutive years by the shareholders from 1<sup>st</sup> April 2014 upto 31<sup>st</sup> March 2019 as per the provisions of the Companies Act, 2013. As per SEBI listing regulations & the provisions of Companies Act, 2013 Mr. Narayan K Seshadri being eligible and offering himself for reappointment is proposed to be reappointed as a non-executive Independent Director of the Company for another term of one year from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

Mr. Narayan K Seshadri is not holding any shares in the Company. He is currently the Chairman of the Audit Committee and the Nomination & Remuneration Committee. He was also appointed as the Chairman of the Risk Management Committee with effect from 29<sup>th</sup> January 2019. The attendance details of the meetings held during his tenure from 1<sup>st</sup> April 2014 till 25<sup>th</sup> May 2019 is given below:

	Meetings Held	Meetings attended
Board Meetings	24	23
Audit Committee Meetings	22	22
Nomination & Remuneration Committee Meetings	14	13
Annual General Meeting	5	5

Details of his other directorship and membership / chairmanship of committees are given below:

	Name of the Company	Directorship / Committees	Position
1	Magma Fincorp Limited (Chairman)	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
		Risk Management Committee	Member
2	PI Industries Limited (Chairman)	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
3	SBI Capital markets Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Nomination & Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
4	Kalpataru Power Transmission Limited	Risk Management Committee	Chairman
		Audit Committee	Member
5	Astra Zeneca Pharma India Limited (Chairman)	Nomination and Remuneration Committee	Member
		Audit Committee	Member
6	TVS Electronics Limited	Nomination & Remuneration Committee	Member
		Business Technology Committee	Member
7	The Clearing Corporation of India Limited	Risk Management Committee	Member
		HR Committee	Member
		Nomination & Remuneration Committee	Member
8	TVS Shriram Growth Fund	Investment Committee	Member



## WABCO INDIA LIMITED

	Name of the Company	Directorship / Committees	Position
9	TVS Investments Private Limited		
10	CG Power and Industrial Solutions Limited		
11	Clearcorp Dealing System India Limited		
12	Radiant Life care Private Limited (formerly Halcyon Finance & Capital Advisors Private Limited)		
13	Kritdeep Properties Private Limited (formerly Known as Chanel Estates Private Limited )		
14	Halcyon Resources & Management Private Limited		
15	Halcyon Enterprises Private Limited		
16	A2O Software India Private Limited		
17	Tranzmute Capital & Management Private Limited		
18	ERL Phase Power Technologies Limited		
19	EPI Money Private Limited		

Mr Narayan K Seshadri has given a declaration dated 29<sup>th</sup> January 2019 & 1<sup>st</sup> April 2019 confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013 and that he is not disqualified to be appointed as a Director. The Board of Directors, at its meeting held on 29<sup>th</sup> January 2019, opined that, Mr. Narayan K Seshadri fulfils the conditions specified in the Companies Act, 2013 and applicable SEBI Regulations and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for appointment of Mr Narayan K Seshadri as an Independent Director would be available for inspection without any fee by the members between 11.00 a.m. and 2.00 p.m. on any working day of the company at the company's Registered Office during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Based on the recommendation of the nomination and remuneration committee, the Board has approved appointment of Mr Narayan K Seshadri as a Non-Executive and Independent Director for a term of one year from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, subject to the approval of the shareholders through a special resolution. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue the services of Mr Narayan K Seshadri as an independent director and accordingly, the Board recommends the special resolution set out as Item No.6 of the notice in relation to his appointment as an independent director, for the approval by the shareholders of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for

the office of director.

Except Mr Narayan K Seshadri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.6. This statement may also be regarded as a disclosure under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### Item No.7

Dr. Christian Brenneke was appointed as an Additional Director in the category of Non-Executive Non Independent director by the Board of Directors with effect from 29<sup>th</sup> January 2019 in terms of Section 161 of the Companies Act, 2013 to hold office upto this annual general meeting.

Dr. Christian Brenneke, (45), the Chief Technology Officer, WABCO Group, holds a graduate degree in electrical engineering specializing in mechatronics and a doctorate degree in engineering both from Leibniz University in Hanover, Germany. In addition, he earned an M.B.A. degree in general management from the University for Applied Sciences in Hamburg, Germany. He is the member of the Board of Akasol AG, Germany. Dr. Christian Brenneke was appointed as the Chief Technology Officer of WABCO Group in February 2018, having served as the Vice President, Engineering, to lead WABCO's technology innovation and new product developments since October 2015. Prior to holding this position, he was leading the Advanced Braking Systems business unit from September 2013, and took on the role of Vice President, Vehicle Dynamics and Controls, from April 2014. Prior to this, Dr. Brenneke held various management roles, including Global Project Management Leader and Team Leader for Software Development, since joining WABCO in 2008. Prior to joining WABCO, Dr. Brenneke spent several years in research, development and program management for driver assistance systems and autonomous driving at Volkswagen Group in Germany.

Dr. Christian Brenneke has confirmed that he is not disqualified to be appointed as a Director. He does not hold any shares in the company and he is not related to any other director of the Company. He has attended 2 Board Meetings of the Company out of the 2 Board meetings held after his appointment. He is not a director on any Board nor a member of any committee of any other listed Company. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue his services. Accordingly, based on the recommendation of the Nomination and Remuneration Committee the Board recommends the ordinary resolution set out as Item No.7 of the notice for

## WABCO INDIA LIMITED

appointment of Dr. Christian Brenneke as a director for approval by the shareholders of the Company. The Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of director.

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

### Item No.8

Mr. Philippe Colpron was appointed as an Additional Director in the category of Non-Executive Non Independent director by the Board of Directors with effect from 29<sup>th</sup> January 2019 in terms of Section 161 of the Companies Act, 2013 to hold office upto this annual general meeting.

As Vice President at WABCO Group Global Business Leader for Fleet Solutions, Philippe Colpron (40) is responsible for growing the organization's holistic range of solutions for the commercial vehicle fleets ecosystem. Philippe started his career at WABCO in 2007 as Strategic Sourcing Director for the Group. In February 2010 he became the After market Marketing and Business Development Leader. From 2012 onwards, he was promoted to the Business Enterprise Lead of WABCO Aftermarket to then proceed as Vice President and Aftermarket Business Unit Leader in 2014. He was appointed to the Global Fleet Solutions Hub leadership role at the end of 2018, taking ownership of two of WABCO's most dynamic business units - Digital Customer Services, delivering advanced FMS solutions, and the Aftermarket Business Unit, molded into a single Fleet Solutions organization.

Besides his contribution to the Aftermarket business, Mr. Philippe Colpron has led several key strategic projects at WABCO, such as digital transformation initiatives and contributing to multiple mergers and acquisitions over the past years. Most recently he led a project called "PACE Agility", set up to define and implement an agile, lean and efficient global organization for WABCO as a whole, that better optimizes WABCO's structure, processes and systems across its value chain. PACE Agility, which is currently being rolled out, aims to deliver a new structure and operating system designed to enable higher quality results across the value chain, while fostering accountability and collaboration as critical enablers of WABCO's continuous differentiation. Prior to joining WABCO he worked in various transport, logistics and purchasing management roles at Valeo after having operated under his own account in his start-up enterprises.

Mr. Philippe Colpron has confirmed that he is not disqualified to be appointed as a Director. He does not hold any shares in the company and he is not related to any other director of the Company. He has attended 2 Board Meeting of the Company out of the 2 Board meetings held after his appointment. He is not a director on any Board nor a member of any committee of any other listed Company. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to continue his services. Accordingly, based on the recommendation of the nomination and remuneration committee the Board recommends the ordinary resolution set out as Item No.8 of the notice for appointment of Mr. Philippe Colpron as a director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of director.

Except Mr. Philippe Colpron being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.8. The above may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### Item No. 9

Mr. P Kaniappan, (59) Managing Director, is a graduate in mechanical engineering from Regional Engineering College, Karnataka, India and postgraduate in manufacturing systems engineering from University of Warwick, UK. He also holds Executive MBA degree from Great Lakes Institute of Management, Chennai. His experience includes 10 years in TVS Motor Company Ltd, Hosur responsible for production management in different areas such as machining, fabrication, painting, engine and vehicle assembly. He was in the purchase department of brakes division in Sundaram-Clayton Limited (SCL) in various capacities during 1993 to 1999 and was in the rank of General Manager before getting elevated as business head of Foundry division of SCL. He held this position from 1999 to 2001 and became Operations head of brakes division of SCL from 2001 to May 2009 (since demerged to WABCO INDIA Limited) from 28<sup>th</sup> March 2008.

Mr P Kaniappan was appointed as the Whole-time director for a period of 5 years from 17<sup>th</sup> June 2009 at the 5<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September 2009. Subsequently the shareholders had approved appointment of Mr. P Kaniappan as the Managing Director for a period of 5 years from 17<sup>th</sup> June, 2014 and payment of remuneration to him at the 10<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> July, 2014. The term of office of the Mr P Kaniappan will

## WABCO INDIA LIMITED

expire on 16<sup>th</sup> June, 2019. Mr. P Kaniappan is eligible to be re-appointed as Managing Director of the Company.

Pursuant to the provisions of the sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and subject to the approval of the shareholders and based on the recommendation of the nomination and remuneration committee, Mr. P Kaniappan, was re-appointed as the Managing director, for a period of 5 years from 17<sup>th</sup> June 2019, by the Board of Directors at its meeting dated 7<sup>th</sup> May 2019 on terms and conditions as to his appointment and remuneration, contained in the agreement entered between him and the Company, with the powers to the board of directors of the Company to determine quantum of individual items of his remuneration, payable at such intervals, within the overall limits, for each financial year so as not to exceed 5% of the net profits of the company, calculated in accordance with the provisions of Section 198 of the Act. He will not be subject to retirement by rotation as per Article 140(1) of the Articles of Association of the Company.

Mr. P Kaniappan has confirmed that he is not disqualified to be appointed as a Director. He does not hold any shares in the company and he is not related to any other director of the Company. He is not a director on any Board nor a Member of any committee of any other listed Company. He is a Director in WABCO Foundation Brakes Private Limited. He is the Chairman of the Corporate Social Responsibility Committee and a member of the Stakeholder Relationship Committee of the Board. He was also appointed as a member Risk Management Committee with effect from 29<sup>th</sup> January 2019. Particulars of attendance by Mr. P Kaniappan in the Board and Committee meetings during his tenure from 17<sup>th</sup> June 2014 to 25<sup>th</sup> May 2019 is given below:

	Meetings Held	Meetings attended
Board Meetings	24	24
Corporate Social Responsibility Committee Meetings	9	9
Stakeholder Relationship Committee Meetings	17	17
Annual General Meetings	5	5

The Board considers that Mr. P Kaniappan's association and experience would be of immense benefit to the Company and it is desirable to continue his services. The appointment of Mr P Kaniappan is appropriate and is in the best interest of the Company. Accordingly, the Board recommends the ordinary resolution set out as Item No.9 of the notice and approval of the members is being sought to the terms,

conditions and stipulations for the appointment of Mr P Kaniappan as the Managing Director and the remuneration payable to him.

The terms and conditions proposed for remuneration are in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the Managing Director. Considering the responsibility shouldered by him, the business activities of the Company, proposed remuneration limits is felt to be commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.

The Company has executed an agreement with Mr. P Kaniappan on the terms and conditions as set out in the resolution item no.9. A copy of the agreement dated 14<sup>th</sup> June 2019 referred to in the aforesaid resolution of the notice will be open for inspection by members between 11.00 a.m. and 2.00 p.m. on any working day of the company at the company's Registered Office during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of director.

Except Mr. P Kaniappan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.9. The above may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### Item No.10

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

Based on recommendation of the audit committee, the Board has at the meeting held on 25<sup>th</sup> May 2019 approved the appointment of M/s A N Raman & Associates, as Cost Auditors for the financial year 2019-20 at a remuneration of ₹ 4,00,000 plus applicable taxes and reimbursement of out of pocket expenses at actuals. The remuneration payable to M/s A N Raman & Associates is required to be ratified by the members at the forthcoming Annual General Meeting. Hence, the resolution is being proposed as item no. 10 of the notice. None of the Directors and Key Managerial Personnel of the Company / their relatives are in any way,

## WABCO INDIA LIMITED

concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for approval of the Members.

### Item No. 11

The Independent Directors of the Company bring with them significant professional expertise and rich experience in diverse fields such as technology, engineering, corporate strategy, management, finance, audit, legal and compliance. The Board is of the view that adequate compensation be given to the Non-Executive Directors in recognition for their time and efforts.

The shareholders have approved the payment of commission within the overall limits so as not to exceed in aggregate 1% of the net profits of the Company in each financial year calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, for a period of five years commencing from 1<sup>st</sup> April 2014 by way of a special resolution at the 10th Annual General Meeting held on 22<sup>nd</sup> July 2014. In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and taking into account the roles and responsibilities of the Independent Directors, it is proposed that the Non-Executive Independent Directors together, be paid for each of the five financial years of the Company commencing from 1<sup>st</sup> April 2014, commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This commission will be distributed amongst all or some of the Non-Executive Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the directors for attending the meetings of the Board or Committee thereof, and reimbursement of expenses for participation in the Board and other meetings.

The Board of Directors at their meeting held on 7<sup>th</sup> May 2019 have recommended to the shareholders to consider granting approval for payment of remuneration to Non-Executive Directors upto a sum not exceeding 1% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 for each financial year. Accordingly, fresh approval of the shareholders is sought by way of a special resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Non-Executive Independent Directors of the Company, for a period of five years commencing from 1<sup>st</sup> April 2019.

Except Non-Executive Independent Directors, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or

otherwise, in the resolution set out at Item No.11 of the Notice to the extent of the remuneration that may be received by them.

### Item No.12

WABCO Europe BVBA is a related party as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is a fellow subsidiary of WABCO Europe, headquartered at Bern, Switzerland. WABCO Europe is one of the major overseas customers of the Company. The orders placed by WABCO Europe are progressively growing year after year. This, coupled with seamless technology and technical knowhow supplied by them has significantly contributed to the increase in the Company's turnover and profits. During the year ended 31<sup>st</sup> March 2019 the following transactions were entered into with them:

	Nature of transaction	Amount (in ₹ Lakhs)
1.	Sale of Automotive Components	30,989.05
2.	Services rendered	12,116.82
3.	Royalty	7,342.42
4.	Reimbursement of Expenses	215.98
	Total	50,664.27

Total transactions as stated above amounts to about 19.04% of the turnover for the financial year 2017-18. Since this is in excess of the threshold limit of 10%, the transactions would be "material transactions" with a related party in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Such material transactions require approval of the Shareholders of the Company through an ordinary resolution. Anticipating that the total transactions with M/s WABCO Europe BVBA during the year 2018-19 would cross the threshold of 10% of the turnover for the year 2017-18, the shareholders had accorded approval for the anticipated transactions beyond the 10% limit at the previous annual general meeting held on 27<sup>th</sup> July 2018.

Similarly, the Company expects further growth in similar transactions with WABCO Europe BVBA during the course of the financial year ending 31<sup>st</sup> March 2019, which are also likely to be "material transactions" i.e. transactions are likely to exceed ₹ 292.7 Crores (10% of ₹ 2926.6 Crores - turnover of 2018-19). Hence approval of the members is being sought to the above material related party transactions entered into for the financial year ended 31<sup>st</sup> March 2019 and to the similar transactions proposed to be entered into by the Company with WABCO Europe during the course of the financial year ending 31<sup>st</sup> March

## WABCO INDIA LIMITED

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2020. The material terms for the agreements which have been entered into by the Company with WABCO Europe are: a) Credit terms of 90 days from the date of invoice; b) Warranty for the period of 12 months for the product specifications; c) Mark-up on cost of raw materials, conversion cost and other relevant expenses and d) reimbursements at actuals.

Further, as per the prevailing transfer pricing regime and practice across the globe, M/s WABCO Europe BVBA charges a royalty to WABCO India Ltd., at the rate of 4% of net sales (total product sales (less) inter-company sales (less) inter-company purchases) for the products manufactured by the Company using WABCO Technology and for the knowhow and best practices of M/s WABCO Europe BVBA that have been adopted and implemented by the company. An agreement effective 1<sup>st</sup> January 2016 in this regard was entered into with M/s WABCO Europe BVBA for the payment of royalty. During the year ended 31<sup>st</sup> March 2019 royalty of ₹ 7,342.42 was paid to M/s WABCO Europe BVBA which amounts to 2.76% of the turnover for the financial year 2017-18. This is included in the above table. Pursuant to the royalty agreement with WABCO Europe BVBA, the company would continue pay

a royalty of 4% on net sales during the course of the financial year ending 31<sup>st</sup> March 2020.

Pursuant to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, such approval of members is to be obtained by an ordinary resolution. Hence, the ordinary resolution at Item No.12 of the notice. Voting by related parties on the ordinary resolution will be governed by the applicable provisions of the Listing Regulation.

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

By order of the board

Chennai  
25<sup>th</sup> May 2019

M C GOKUL  
Company Secretary

## Directors' report to the shareholders

The directors have pleasure in presenting the Fifteenth annual report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2019.

### 1. FINANCIAL HIGHLIGHTS

Details	₹ in lakhs	
	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	<b>2,85,413.56</b>	2,61,384.81
Other Operating income	<b>7,247.53</b>	4,652.78
<b>Total revenue from operations</b>	<b>2,92,661.09</b>	2,66,037.59
Profit before interest, depreciation and tax	<b>48,235.10</b>	44,513.85
Finance costs	<b>Nil</b>	161.74
Depreciation	<b>7,143.69</b>	6,173.69
Profit before tax	<b>41,091.41</b>	38,178.42
Provision for taxation (including deferred tax and tax relating to earlier years)	<b>12,874.48</b>	10,895.79
Profit after tax	<b>28,216.93</b>	27,282.63
Other Comprehensive Income / (Loss) for the year net of tax	<b>(197.96)</b>	(73.52)
<b>Total Comprehensive Income for the year Net of Tax</b>	<b>28,018.97</b>	27,209.11

### 2. DIVIDEND

The board of directors has recommended a dividend of (₹9/- per share) for the year ended 31<sup>st</sup> March 2019 absorbing a sum of ₹1,707.08/- Lakhs (excluding dividend tax) for approval of the shareholders at the ensuing annual general meeting.

### 3. PERFORMANCE

During the year 2018-19, sales of medium and heavy commercial vehicles (M & HCV) grew by 11.4% over the previous year. The Company achieved total income of ₹2927 crores as against ₹2660 crores in the previous year, an increase of 10%.

### 4. AGREEMENT FOR ACQUISITION OF WABCO HOLDINGS Inc.

On 28<sup>th</sup> March 2019, WABCO Holdings Inc., US the ultimate parent company of WABCO India Ltd., had announced to the New York stock exchange through a press release that it has entered into a definitive merger agreement with ZF Friedrichshafen AG ("ZF"), a privately held global leader in driveline and chassis technologies.

Under the agreement, ZF will acquire all outstanding shares of WABCO Holdings Inc., US for \$ 136.50 per share in an all-cash transaction for an equity value of over \$ 7 billion.

The transaction, once consummated, will bring together two global technology leaders with highly complementary and innovative technology offerings to address future serving OEMs and fleets in the automotive and commercial vehicle industry, combining WABCO's capabilities in commercial vehicle safety and efficiency, including technologies involved in vehicle dynamics control, active air suspension systems, and fleet management systems with ZF's leading position in driveline and chassis technologies for cars and commercial vehicles. The transaction, which has been unanimously approved by the Board of Directors of WABCO Holdings Inc., US, is expected to close in early 2020 subject to approval by the shareholders, customary closing conditions, and regulatory approvals.

The said transaction, will result in the indirect acquisition by ZF of WABCO Asia Private Limited, an indirect subsidiary of WABCO Holdings Inc., US and holds 75% of the voting share capital of WABCO India Ltd. Accordingly, upon the completion of the said transaction, ZF will be entitled through WABCO Asia Private Limited to

- (a) indirectly exercise 75% of the voting share capital
- (b) indirectly exercise control over WABCO India Limited.

Hence, under Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations, a public announcement of an open offer for the acquisition of up to 47,41,900 fully paid-up equity shares of face value of ₹ 5/- each of WABCO India Limited, representing 25% of the total voting equity capital of WABCO India Limited, comprising fully of public shareholders was given by ZF Friedrichshafen AG on 2<sup>nd</sup> April 2019 at ₹ 6,318/- per share. This public announcement excluded the promoters / promoter group of WABCO India Limited.

### 5. CAPITAL EXPENDITURE

Capital expenditure of ₹ 117.84 crores was incurred during the year 2018-19 as against the plan of ₹ 125.50 Crores and Capital Expenditure of ₹ 119.7 Crores is planned for the year 2019-20.

### 6. DIRECTORS

Mr. M Lakshminarayan and Mr. Narayan K Seshadri were appointed as Independent Directors at the Annual General Meeting held on 22<sup>nd</sup> July 2014 for a term of five consecutive years from 1<sup>st</sup> April 2014 upto 31<sup>st</sup> March 2019. They are eligible to be re-appointed for another term of 5 consecutive years. On recommendation of the Nomination & Remuneration Committee, the Board had after satisfying their independence criterion at their meeting held on 29<sup>th</sup> January 2019 have reappointed Mr. M Lakshminarayan for a term of five consecutive years from 1<sup>st</sup> April 2019 upto 31<sup>st</sup> March 2024 and Mr. Narayan K Seshadri for a term of one year from 1<sup>st</sup> April 2019 upto 31<sup>st</sup> March 2020 subject to the approval of shareholders at the ensuing Annual General Meeting.

Dr. Christian Brenneke and Mr. Philippe Colpron have been appointed as Additional Directors in terms of Section 161 of Companies act 2013 at the Board Meeting held on 29<sup>th</sup> of January 2019, who will hold office upto the ensuing Annual General Meeting. They being eligible and willing to be re-appointed as directors at

the ensuing Annual General Meeting have offered themselves for re-appointment.

Mr. Jorge Solis and Mr. Shivram Narayanaswami have resigned from the Board with effect from 29<sup>th</sup> January 2019 due to their other commitments. Your Board of Directors places on record their appreciation for services rendered by Mr. Jorge Solis and Mr. Shivram Narayanaswami during their tenure as Directors of the Company.

Mr. Sean Ernest Deason retires by rotation at the ensuing Annual General Meeting of the Company, being eligible and willing offers himself for re-appointment.

Mr. P Kaniappan was appointed as the Managing Director at the Annual General Meeting held on 22<sup>nd</sup> July 2014 for a term of five years with effect from 17<sup>th</sup> June 2014 upto 16<sup>th</sup> June 2019. Based on the recommendation of the Nomination & Remuneration Committee, the Board had on 7<sup>th</sup> May 2019 reappointed Mr. P Kaniappan as the Managing Director for a term of five years from 17<sup>th</sup> June 2019 upto 16<sup>th</sup> June 2024 subject to the approval of shareholders at the ensuing Annual General Meeting.

In compliance with Regulation 36(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation), a brief resume and other required information about the directors who are being re-appointed are given in the notice convening the Annual General Meeting of the Company.

The Independent Directors continue to fulfill the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(b) of the Listing Regulation and have furnished the requisite declarations in this regard.

## **7. AUDITORS**

M/s. S R Batliboi & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company by the shareholders for a term of five years from the 10<sup>th</sup> Annual General Meeting upto the conclusion of the 15<sup>th</sup> Annual General Meeting in terms of Section 139 of the Companies Act, 2013. M/s. S R Batliboi & Associates LLP would retire at the conclusion of the forthcoming 15<sup>th</sup> Annual General Meeting and they do not seek reappointment. Your Board of Directors places on record their appreciation for the services rendered by M/s. S R Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company.

In view of the mandatory requirement, your directors have recommended appointment of M/s B S R & Co., Chartered Accountants, 5<sup>th</sup> Floor, LodhaExelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai - 400011 holding Firm Registration No 101248W / W-100022 as Statutory Auditors of the Company at the Board Meeting held on 25<sup>th</sup> May 2019, for a period of 5 (five) consecutive years from conclusion of 15<sup>th</sup> annual general meeting upto the conclusion of the 20<sup>th</sup> Annual General Meeting, subject to approval of the shareholders at the ensuing Annual General Meeting.

## **8. SECRETARIAL AUDITOR**

M/s. S Krishnamurthy & Co., Company Secretaries have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2018-19 and submitted their report, which is annexed to this report. The report does not contain any qualification.

The Board confirms compliance with the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi.

## **9. COST AUDITOR**

Mr. A.N. Raman was appointed as the cost auditor for the year 2018-19. Pursuant to Section 148 of the Act, the Board of Directors of the Company upon recommendation made by the audit committee has appointed M/s A N Raman & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year 2019-20 and has recommended the remuneration to the shareholders for approval at the ensuing Annual General Meeting.

## **10. KEY MANAGERIAL PERSONNEL**

Mr. P Kaniappan - Managing Director  
Mr. R S Rajagopal Sastry - Chief Financial Officer  
Mr. M C Gokul - Company Secretary

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

The Company has not provided any Loans or Guarantees to any person or other body corporate under Section 186 of the Act and the details of investments made are given in the notes to the Financial Statements.

## **12. ANNUAL EVALUATION OF THE BOARD'S PERFORMANCE**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and directors, including the Chairman of the Board as per the requirements in this regard specified in the guidance note issued by the Securities Exchange Board of India and the provisions of the Companies Act, 2013. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and Committees such as their composition, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of each individual director including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings, independent judgment and other relevant aspects as laid down under the Guidance note issued by SEBI in this regard.

The Board was satisfied with the evaluation results, which reflected the overall engagement of the Board, Committees and the directors with the Company.

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

The Company has established a vigil mechanism through "WABCO Whistle Blower Policy" to enable employees and directors to report genuine concerns dealing with instances of fraud and mismanagement, if any. The mechanism provides for adequate safeguards against victimization of the whistle blower and also provides for direct access to the Chairman of the audit committee

in appropriate or exceptional cases or chief ethics officer of the Company as the case may be to report any concerns or unethical activities.

#### **14. BUSINESS RESPONSIBILITY**

The Company is one among the top 500 listed companies as per the market cap as on 31<sup>st</sup> March 2019 and hence as per the Listing regulation a Business Responsibility Report forms part of the annual report. In this regard, the Company has developed a Business Responsibility policy which is approved by the Board. As per this policy Mr. P Kaniappan, Managing Director is responsible for the implementation of the Business Responsibility initiatives. The initiatives of the Company in this regard for the year 2018-19 are provided in the Business Responsibility Report.

#### **15. STATUTORY STATEMENTS**

##### **15.1 Conservation of energy, Research & Development Expenses and foreign exchange earnings and outgo**

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

##### **15.2 Corporate Social Responsibility**

The Company focuses on CSR Activities as specified in scheduled VII of the Companies Act, 2013 and the Companies CSR Policy. As required under Section 134(3)(o) of the Act, details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year ended 31<sup>st</sup> March, 2019 are given in Annexure 2 to this report.

##### **15.3 Directors' Responsibility Statement**

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit of the Company for the year ended on that date;
- c. That directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;

- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

##### **16.1 Extract of the Annual Return**

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

##### **16.2 Number of Board Meetings**

The Board of Directors met five times during the year 2018-19. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

##### **16.3 Committees of Board of Directors**

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

##### **16.4 Related Party Transactions**

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

Certain related party transactions entered into during the year ended 31<sup>st</sup> March 2019 and transactions proposed to be entered into during the year ending 31<sup>st</sup> March 2020 between the Company and WABCO Europe BVBA, which is fellow subsidiary of the Company, are material in nature and require the approval of members by ordinary resolution as per the Listing regulation. An ordinary resolution seeking shareholders approval is included in the notice to shareholders.

The Company pays royalty to M/s WABCO Europe BVBA a fellow subsidiary and related party at the rate of 4% per annum on the net sales (Total sales (less) intercompany sales (less) intercompany purchases) effective 1<sup>st</sup> January 2016 for the intellectual property, knowhow and processes supplied by WABCO Europe BVBA. M/s WABCO Europe BVBA charges Royalty to all its associated entities in line with the global practices and transfer pricing norms.

All transactions with related parties are placed before the audit committee and prior approval of the audit committee is obtained. The Company has in place a Related Party



Transactions Policy for the purpose of identification and monitoring of such transactions. Details of material Related Party Transactions entered by the company as required under Section 134(3)(h) of the Act and the Listing regulation are given in annexure 4 to this report.

## 17. POLICIES

17.1 The following policies approved by the Board of Directors of the Company were uploaded and are available in the Company's website at the web link:

[http://www.wabco-auto.com/en/investor\\_relations/wabco\\_india\\_investor\\_relations](http://www.wabco-auto.com/en/investor_relations/wabco_india_investor_relations)

- Corporate Social Responsibility Policy
- Related Party Transaction Policy
- Nomination and Remuneration Policy
- Whistle Blower Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Criteria for Determining Materiality of Events
- Dividend Policy

### 17.2 Policy on director appointment and remuneration

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

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

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

Name	Ratio
Mr. P. Kaniappan, Managing Director	29.27:1
Mr. M. Lakshmi Narayan, Independent Director	2.28:1
Mr. Narayan Seshadri, Independent Director	2.06:1
Dr. Lakshmi Venu, Independent Director	2.16:1

Directors other than those mentioned above have not drawn any remuneration for the financial year 2018-19.

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

Mr. M. Lakshminarayan, Chairman	15.28%
Mr. Narayan K Seshadri, Director	14.63%
Dr. Lakshmi Venu	15.38%
Mr. P. Kaniappan, Managing Director	15.02%
Mr. R.S Rajagopal Sastry, Chief Financial Officer	21.61%
Mr. M.C Gokul, Company Secretary	11.52%

18.3 The percentage increase in the median remuneration of employees in the financial year: 12%

18.4 The number of permanent employees on the rolls of company as on 31<sup>st</sup> March 2019 : 1778

18.5 Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 7.1%

Percentage increase in the managerial remuneration in the last financial year was 16.1%. There are no exceptional circumstances for increase in the managerial remuneration. With respect to the Managerial Personnel, variable component is paid in the form of incentive, as per the remuneration policy of the Company and based on the financial and non-financial parameters based on their individual performance and the performance of the Company.

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

18.7 The remuneration of directors and employees are as per the remuneration policy of the company.

18.8 Particulars of Employees

The statement of particulars of employees as per Section 197 of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31<sup>st</sup> March, 2019, is given in annexure 5 and forms part of this Report.

## 19. CORPORATE GOVERNANCE

The Company has complied with the provisions of the Listing Regulations concerning corporate governance and a report to this effect is attached, as required by Under Schedule V of the Listing Regulation. The certificate issued by the auditors of the Company regarding compliance with the corporate governance requirements is also annexed to this report. The Managing Director, (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with Regulation 17(8) of the Listing Regulations pertaining to CEO / CFO certification for the financial year ended 31<sup>st</sup> March 2019. Further, applicable Secretarial Standard have been complied with.

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

### 20. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

responsibilities. Further, updates on regulatory changes are also periodically placed before the Board. The details of familiarisation have been hosted in the web site of the Company under the web link <http://wabco-auto.com/investor-relations/wabco-india-investor-relations>

#### Acknowledgement

The directors thank the vehicle manufacturers, distributors, vendors and bankers for their continued support and assistance. The directors gratefully acknowledge the support rendered by WABCO Europe BVBA. 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

P KANIAPPAN  
Managing Director

NARAYAN K SESHADRI  
Director

Chennai  
25<sup>th</sup> May 2019

**A. CONSERVATION OF ENERGY**

**1. Measures taken**

- i. High pressure lines in pneumatic nut runner, assembly stations, machine shop and certain test rigs were converted to low pressure lines.
  - ii. Panel air conditioners were removed and air to air coolers were provided for control panels (20 numbers).
  - iii. Air cooling chambers were used for assembly AHU such that during right external temperature, air will directly be diverted to assembly hall.
  - iv. Installation of blowers in air dryers instead of compressed air for component washing in the assembly area.
  - v. Energy consumption of blowers dryer unit was optimised by directly connecting hot air duct with compressor.
  - vi. Coolant tank and chiller unit in grinding machine were combined.
  - vii. Hydraulic power pack in machine shop was optimised.
  - viii. Installation of 400 KW rooftop solar panels at Ambattur Plant.
- These measures resulted in substantial energy savings of about 8.10 lakhs units of power & ₹ 64.85 lakhs per annum.

**2. Measures proposed**

- i) 70W ceiling fans in shop floor to be replaced with 35W energy efficient super ceiling fans.
- ii) Individual test rigs to be provided with solenoid valves to avoid air loss during idle time.
- iii) Install adiabatic cooling system in the centralized chiller unit - III.
- iv) Anodizing chiller would be modified such that one chiller would support two process tanks.
- v) Intelligent flow controller to be installed for air compressor at the Mahindra World City plant.
- vi) Extending hot exhaust air from the compressor to the drying component in anodizing plant at the Mahindra World City plant.
- vii) Installation of compact power pack instead of ordinary hydraulic power pack.
- viii) Installation of energy efficient air conversion in compressors at Mahindra World City Plant to improve Compressor efficiency.
- ix) Spindle motor in grinding machines to be changed to Variable Frequency Drives.

These measures are expected to result in substantial energy savings of about 10.34 lakhs units of power & ₹ 82.72 lakhs per annum.

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

**C. Expenditure on R & D**

	₹ in Lakhs
Capital expenditure	411.03
Recurring expenditure (including salaries)	3,607.63
	4,018.66

**D. TECHNOLOGY ABSORPTION**

**1. Efforts made towards technology absorption**

- a. Localized and optimized Steering systems for Indian OEMs, design & development of test rig for testing of Steering system for medium & heavy commercial vehicles.
- b. Developed compact Integral Pedal Unit (IPU) with Steering column mounting & Piezo resistive type pressure sensor for IPU for medium & heavy commercial vehicles.
- c. Concept & design development of active steering for tractor application, oil free electric compressor, electronic exhaust throttle valve and pull type actuator for medium & heavy commercial vehicles & door cylinder system with linear variable displacement transducer.
- d. Design & development of single box lift axle system, lift axle system, higher capacity compressor, brake chambers & SBA for increased axle load for medium & heavy commercial vehicles.
- e. Optimized quadruple system protection valve, power reduction of clutch compressor for medium & heavy commercial vehicles, topology optimization & simulation for cost reduction projects.
- f. Development of Integral release bolt DDSB for trailer markets, WABCO quick fittings, indigenous grease for automatic slack adjuster application, blooming-free material for dust plug application.
- g. Root roller life for medium & heavy commercial vehicles was improved by adapting rolling contact fatigue concept.
- h. Developed ride and handling performance prediction for air suspension vehicle.

**2. Benefits derived**

- a. Products with improved fuel savings to customers.
- b. Advanced features to enhance the vehicle safety.
- c. Increased market share with localized products with advanced features.
- d. Enhanced product performance and durability resulting in competitive advantage.
- e. Indigenous development of test rigs and accessories for advanced products.

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	₹ in Lakhs
Foreign exchange inflow	88,757.83
Foreign exchange outflow	53,967.69

**Report on CSR activities for the year ended 31<sup>st</sup> March 2019**

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is:

<http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations>

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

- |                         |            |
|-------------------------|------------|
| a. Mr. P Kaniappan      | - Chairman |
| b. Mr. M Lakshminarayan | - Member   |
| c. Ms. Lisa J Brown     | - Member   |
| d. Dr. Lakshmi Venu     | - Member   |

3. Average net profit of the company for last three financial years: Rs. 317,63.27 Lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 635.05 Lakhs

5. Details of CSR spent during the financial year.

- |   |                 |
|---|-----------------|
| a. Total amount spent for the Financial Year 2018-19: | ₹ 86.63 Lakhs.  |
| b. Amount unspent, if any:                            | ₹ 548.42 Lakhs. |

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

(₹ in lakhs)

Sl. No.	CSR Project (or) Activity Identified	Projects of programs (1) Local area or other	Sector in which the program was covered	Amount Outlay (Budget) Project or Program wise	Amount Spent on the projects / Programs (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative Expenditure upto Reporting Period	Amount Spend Directly or through implementing Agency.
1	2	3	4	5	6	7	8
1	Construction of wall for primary school as a safety against wild animals*	Indok, Rajasthan	Education	5.00	5.00	5.00	WABCO Foundation
2	Established Digital Lab at SRM University*	Chennai, Tamilnadu	Education	15.00	14.26	19.26	WABCO Foundation
3	Safety Training program for Medium & Heavy Commercial Vehicle Drivers, Mechanics including Health Check Up & Hazardous goods carrier driver training program	Tamilnadu - Mecheri, Pollachi, Thiruvannamalai & Poonamallee Andhra Pradesh - Kadapa Mappedu, Chennai Tamilnadu	Safety Training & Education	26.00	25.53	44.79	WABCO Foundation
4	Improved the safety Infrastructure around the plant	Ambattur, Chennai	Safety Training & Education	9.00	8.10	52.89	WABCO Foundation
5	Maintainance of trees planted during previous years under CSR	Mappedu, Chennai, Tamilnadu	Environment Sustainability	3.00	2.99	55.88	WABCO Foundation
6	Partnered for the "Drive Smart Drive safe" PAN india program for promoting pedestrian safety in India	PAN India	Safety Training & Education	10.00	10.00	65.87	WABCO Foundation

## WABCO INDIA LIMITED

Sl. No.	CSR Project (or) Activity Identified	Projects of programs (1) Local area or other	Sector in which the program was covered	Amount Outlay (Budget) Project or Program wise	Amount Spent on the projects / Programs (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative Expenditure upto Reporting Period	Amount Spend Directly or through implementing Agency.
1	2	3	4	5	6	7	8
7	Support towards surgery for Congenital Heart diseases for underprivileged children	Chennai, Tamilnadu	Health care	5.00	5.00	70.87	WABCO Foundation
8	Training provided to wives of commercial vehicle drivers on general safety & safe driving practices as part of Womens Day Celebrations	Ambattur, Chennai	Safety Training & Education	1.00	0.65	71.52	WABCO Foundation
9	Health camp for the local community nearby plant location & Blood donation camp	Jamshedpur & Ambattur, Chennai	Health care	0.25	0.19	71.71	WABCO Foundation
10	Administrative expenses	Chennai, Tamilnadu		4.00	3.76	75.47	WABCO Foundation
11	Partnered with Indian Road Safety Campain for national conference on Road safety #	New Delhi	Safety Training & Education	5.00	5.00	80.47	WABCO Foundation
12	Human Chain for awareness on safe driving practices was organised with 450 employee volunteers during the UN road safety week #	Ambattur, Chennai	Safety Training & Education	0.75	0.55	81.02	WABCO Foundation
13	Safety Training program for Medium & Heavy Commercial Vehicle Drivers, Mechanics including Health Check Up #	Kerala - Kozhikode, Palakkad, Kattappana Karnataka - Hubli, Bangalore Andhra Pradesh - Tanukku	Safety Training & Education	6.00	5.61	86.63	WABCO Foundation
				90.00	86.63		

\* Project was completed fully / partially in 2017-18 but the payment was released during 2018-19.

# CSR contribution from the Company was made to the WABCO foundation during year. However the projects were completed during 2019-20

6. The Company is in the process of expanding the scope of CSR activities by identifying suitable projects and mode for implementing various projects and hence could not spent 2% of the average net profits of last three years. The Company has established a foundation for carrying out its CSR programs in the name WABCO Foundation, which, identifies appropriate CSR projects in line with the Company's CSR policy and implement them.

were conducted through internal engagement of employees and resources, driving activities which would help the needy sections of the society as per the Company's CSR policy with specific focus towards areas surrounding the company's plant locations. The activities during the year were largely directed towards, skill development, promoting education, preventive healthcare, making available safe drinking water, environment protection, sanitation, safety education etc.

7. As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities

The Company believes that every activity should result in some impact which can be measured through parameters specific to the

## WABCO INDIA LIMITED

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activity. These assessments are presently done internally on a periodic basis.

As part of the Company's CSR initiatives, more than 5500 drivers & technicians across Tamilnadu, Kerala and Andhra Pradesh have been trained on Road Safety by creating awareness on vehicle safety & safe driving practices, advanced braking systems, etc. These projects were carried out in association with the Regional Transport Offices and State Transport Undertakings. The safety awareness camps are complemented with medical and eye check-up camps for the participants. Considering tremendous acceptance, response and impact of such programs the foundation plans to extend this Pan India. This has resulted in transforming the lives of drivers and mechanics which will, in turn, translate into safer roads.

As part of this important road safety objective, the Company has also collaborated with Praxair India, one of the world's largest Industrial Gas companies and State Transport authorities, to provide advanced

driver training for drivers of hazardous cargo carriers, fuel carriers, etc. These programs are conducted by subject experts from the industry along with practical sessions for drivers. Over 500 drivers have been trained since inception in various modules through classroom and practical sessions including safe driving practices, rollover stability, the advantage of using ABS & EBS and other safety technologies. These programs have been well received and have helped the attendees to maintain zero accident levels. Drivers receive certification on successful completion of this course.

8. The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

P. KANIAPPAN  
Managing Director & Chairman of CSR Committee

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2019**

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

**I. REGISTRATION AND OTHER DETAILS**

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

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

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

Sl. No	Name and Description of Main Products / Services	NIC code of the product	% to total turnover of the Company
1	Auto components	34300	92.90%

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

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

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

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

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

**WABCO INDIA LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	17,67,771	-	17,67,771	9.32%	18,07,602	-	18,07,602	9.53%	+0.21
b. Bank / FI	903	-	903	0.00%	1302	-	1302	0.01%	+0.01
c. Cent. Govt.									-
d. State Govt.									-
e. Venture Capital									-
f. Insurance Co.									-
g. FIs	43	-	43	0.00%	-	-	-	-	-
h. Foreign Portfolio Corporate	4,50,091	-	4,50,091	2.37%	5,05,083	-	5,05,083	2.66%	+0.29
i. Foreign Venture Capital Fund									-
j. Others									-
<b>Sub-Total-B(1)</b>	<b>22,18,808</b>	<b>-</b>	<b>22,18,808</b>	<b>11.69%</b>	<b>23,13,987</b>	<b>-</b>	<b>23,13,987</b>	<b>12.20%</b>	<b>+0.51</b>
<b>2. Non-Institution</b>									
a. Body Corporate	7,12,237	1,362	7,13,599	3.77%	6,84,936	1,354	6,86,290	3.26%	-0.51
b. IEPF Authority	13,387	-	13,387	0.07%	40,512	-	40,512	0.21%	+0.14
c. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	14,67,451	1,71,182	16,38,633	8.64%	14,70,707	1,29,574	16,00,281	8.44%	-0.2
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	1,08,308	-	1,08,308	0.57%	44,060	-	44,060	0.23%	-0.34
Others									
NRI (Repatriable)	25,028	-	25,028	0.13%	27,848	-	27,848	0.15%	+0.02
NRI (Non-Repatriable)	23,813	174	23,987	0.13%	28,648	124	28,772	0.15%	+0.02
Foreign National	-	-	-	-	-	-	-	-	-
OCB									
Directors	100	-	100	-	100	-	100	-	-
Trust									
In Transit	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B(2)</b>	<b>23,50,374</b>	<b>1,72,718</b>	<b>25,23,092</b>	<b>13.31%</b>	<b>22,96,861</b>	<b>1,31,052</b>	<b>24,27,913</b>	<b>12.80%</b>	<b>-0.51</b>
<b>Net Total (1+2)</b>	<b>45,69,182</b>	<b>1,72,718</b>	<b>47,41,900</b>	<b>25.00%</b>	<b>46,10,848</b>	<b>1,31,052</b>	<b>47,41,900</b>	<b>25.00%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,87,94,866</b>	<b>1,72,718</b>	<b>1,89,67,584</b>	<b>100%</b>	<b>1,88,36,532</b>	<b>1,31,052</b>	<b>1,89,67,584</b>	<b>100%</b>	<b>-</b>



## WABCO INDIA LIMITED

### V. SHAREHOLDING OF PROMOTERS

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

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

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

Sl. No.	For each of the Directors and KMP Name of the Director / KMP	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. M. Lakshmi Narayan*	100	0.0005%	100	0.0005%
2.	Mr. Narayan K Seshadri	–	–	–	–
3.	Dr. Lakshmi Venu	–	–	–	–
4.	Mr. Philippe Colpron	–	–	–	–
5.	Mr. Sean Deason	–	–	–	–
6.	Dr. Christian Brenneke	–	–	–	–
7.	Ms. Lisa Brown	–	–	–	–
8.	Mr. P Kaniappan	–	–	–	–
9.	Mr. R S Rajagopal Sastry	–	–	–	–
10.	Mr. M C Gokul	–	–	–	–

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

\* Along with relatives

### VII. TOP 10 SHAREHOLDERS AS ON 31.03.2019

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

#### AXIS MUTUALFUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND

498,560	01-04-2018	Opening balance						
	06-04-2018	Transfer / Sale	1,191	0.01	497,369	2.62		
	25-05-2018	Transfer / Purchased	13,000	0.07	510,369	2.69		
	23-11-2018	Transfer / Purchased	6,000	0.03	516,369	2.72		
	30-11-2018	Transfer / Purchased	15,000	0.08	531,369	2.80		
	14-12-2018	Transfer / Purchased	4,140	0.02	535,509	2.82		
	21-12-2018	Transfer / Purchased	2,500	0.01	538,009	2.84		
	04-01-2019	Transfer / Purchased	5,000	0.03	543,009	2.86		
	08-02-2019	Transfer / Purchased	4,660	0.02	547,669	2.89		
	15-02-2019	Transfer / Purchased	5,000	0.03	552,669	2.91		
	01-03-2019	Transfer / Purchased	30,000	0.16	582,669	3.07		
	31-03-2019	Closing Balance					582,669	3.07

**WABCO INDIA LIMITED**

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

**CATAMARAN ADVISORS LLP**

262,116	01-04-2018							
	13-07-2018	Transfer / Purchased	14,000	0.07	276,116	1.46		
	31.03.2019	Closing Balance					276,116	1.46

**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**

261,306	01-04-2018	Opening balance						
	06-04-2018	Transfer / Purchased	4,984	0.03	266,290	1.40		
	13-04-2018	Transfer / Sale	53	0.00	266,237	1.40		
	20-04-2018	Transfer / Sale	1,455	0.01	264,782	1.40		
	27-04-2018	Transfer / Sale	3,072	0.02	261,710	1.38		
	04-05-2018	Transfer / Sale	1,281	0.01	260,429	1.37		
	11-05-2018	Transfer / Sale	1,299	0.01	259,130	1.37		
	18-05-2018	Transfer / Sale	836	0.00	258,294	1.36		
	08-06-2018	Transfer / Purchased	5,549	0.03	263,843	1.39		
	22-06-2018	Transfer / Purchased	2,165	0.01	266,008	1.40		
	29-06-2018	Transfer / Purchased	2,637	0.01	268,645	1.42		
	06-07-2018	Transfer / Purchased	1,149	0.01	269,794	1.42		
	13-07-2018	Transfer / Purchased	832	0.00	270,626	1.43		
	20-07-2018	Transfer / Purchased	668	0.00	271,294	1.43		
	27-07-2018	Transfer / Sale	1,879	0.01	269,415	1.42		
	03-08-2018	Transfer/Purchased	512	0.00	269,927	1.42		
	10-08-2018	Transfer / Sale	12,000	0.06	257,927	1.36		
	24-08-2018	Transfer / Sale	506	0.00	257,421	1.36		
	31-08-2018	Transfer / Sale	1,140	0.01	256,281	1.35		
	07-09-2018	Transfer / Sale	282	0.00	255,999	1.35		
	14-09-2018	Transfer / Sale	29	0.00	255,970	1.35		
	21-09-2018	Transfer / Sale	2	0.00	255,968	1.35		
	28-09-2018	Transfer / Sale	628	0.00	255,340	1.35		
	05-10-2018	Transfer / Purchased	1,908	0.01	257,248	1.36		
	12-10-2018	Transfer / Purchased	996	0.01	258,244	1.36		
	26-10-2018	Transfer / Sale	487	0.00	257,757	1.36		
	02-11-2018	Transfer / Purchased	1,491	0.01	259,248	1.37		
	09-11-2018	Transfer / Sale	633	0.00	258,615	1.36		
	23-11-2018	Transfer / Sale	500	0.00	258,115	1.36		
	14-12-2018	Transfer / Sale	527	0.00	257,588	1.36		
	21-12-2018	Transfer / Sale	258	0.00	257,330	1.36		
31-12-2018	Transfer / Sale	500	0.00	256,830	1.35			
04-01-2019	Transfer / Purchased	737	0.00	257,567	1.36			
25-01-2019	Transfer / Purchased	4,000	0.02	261,567	1.38			
08-02-2019	Transfer / Sale	2,810	0.01	258,757	1.36			
22-02-2019	Transfer / Purchased	2,508	0.01	261,265	1.38			
08-03-2019	Transfer / Sale	2,705	0.01	258,560	1.36			
15-03-2019	Transfer / Sale	92	0.00	258,468	1.36			
31-03-2019	Closing Balance						258,468	1.36

**WABCO INDIA LIMITED**

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

**FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND**

225,547	01-04-2018	Opening balance						
	20-04-2018	Transfer / Sale	766	0.00	224,781	1.19		
	27-04-2018	Transfer / Sale	11,234	0.06	213,547	1.13		
	14-12-2018	Transfer / Sale	2,010	0.01	211,537	1.12		
	21-12-2018	Transfer / Sale	3,250	0.02	208,287	1.10		
	31-12-2018	Transfer / Sale	239	0.00	208,048	1.10		
	04-01-2019	Transfer / Sale	90	0.00	207,958	1.10		
	01-03-2019	Transfer / Sale	1,499	0.01	206,459	1.09		
	31-03-2019	Closing Balance					206,459	1.09

**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP**

168,102	01-04-2018	Opening Balance						
	08-06-2018	Transfer / Purchased	8,000	0.04	176,102	0.93		
	17-08-2018	Transfer / Purchased	3,000	0.02	179,102	0.94		
	30-11-2018	Transfer / Purchased	10,000	0.05	189,102	1.00		
	04-01-2019	Transfer / Purchased	700	0.00	189,802	1.00		
	15-02-2019	Transfer / Sale	3,830	0.02	185,972	0.98		
	01-03-2019	Transfer / Sale	6,676	0.04	179,296	0.95		
		31-03-2019	Closing Balance					179,296

**AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND**

116,947	01-04-2018	Opening balance						
	11-05-2018	Transfer / Purchased	1,814	0.01	118,761	0.63		
	15-06-2018	Transfer / Purchased	6,500	0.03	125,261	0.66		
	31-08-2018	Transfer / Purchased	1,862	0.01	127,123	0.67		
	21-12-2018	Transfer / Purchased	19,800	0.10	146,923	0.77		
	15-02-2019	Transfer / Purchased	1,000	0.01	147,923	0.78		
	22-02-2019	Transfer / Purchased	10,000	0.05	157,923	0.83		
	01-03-2019	Transfer / Purchased	31,000	0.16	188,923	1.00		
	08-03-2019	Transfer / Purchased	10,000	0.05	198,923	1.05		
		31-03-2019	Closing Balance					198,923

**UTI-MID CAP FUND**

82,772	01-04-2018	Opening balance						
	06-04-2018	Transfer / Purchased	1,076	0.01	83,848	0.44		
	13-04-2018	Transfer / Purchased	831	0.00	84,679	0.45		
	20-04-2018	Transfer / Purchased	1,260	0.01	85,939	0.45		
	27-04-2018	Transfer / Purchased	1,355	0.01	87,294	0.46		
	04-05-2018	Transfer / Purchased	3,369	0.02	90,663	0.48		
	11-05-2018	Transfer / Purchased	1,612	0.01	92,275	0.49		
	18-05-2018	Transfer / Purchased	1,895	0.01	94,170	0.50		
	27-07-2018	Transfer / Purchased	2,845	0.01	97,015	0.51		
	24-08-2018	Transfer / Purchased	729	0.00	97,744	0.52		
	14-09-2018	Transfer / Sale	1,082	0.01	96,662	0.51		
	19-10-2018	Transfer / Purchased	1,641	0.01	98,303	0.52		
		31-03-2019	Closing Balance					98,303

**WABCO INDIA LIMITED**

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MNC FUND**

62,937	01-04-2018	Opening balance						
	31-03-2019	Closing Balance					62,937	0.33

**MOTILAL OSWAL MIDCAP 30 FUND**

-	01-04-2018	Opening Balance						
	01-02-2019	Transfer / Purchased	60,000	0.32	60,000	0.32		
	31-03-2019	Closing Balance					60,000	0.32

**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS**

55,399	01-04-2018	Opening Balance						
	04-05-2018	Transfer / Sale	200	0.00	55,199	0.29		
	11-05-2018	Transfer / Sale	190	0.00	55,009	0.29		
	1-6-2018	Transfer / Sale	150	0.00	54,859	0.29		
	22-06-2018	Transfer / Sale	327	0.00	54,532	0.29		
	29-06-2018	Transfer / Sale	660	0.00	53,872	0.28		
	06-07-2018	Transfer / Sale	270	0.00	53,602	0.28		
	13-07-2018	Transfer / Sale	430	0.00	53,172	0.28		
	16-11-2018	Transfer / Purchased	165	0.00	53,337	0.28		
	23-11-2018	Transfer / Purchased	429	0.00	53,766	0.28		
	07-12-2018	Transfer / Purchased	209	0.00	53,975	0.28		
	21-12-2018	Transfer / Purchased	594	0.00	54,569	0.29		
	01-02-2019	Transfer / Purchased	522	0.00	55,091	0.29		
	08-02-2019	Transfer / Purchased	1,665	0.01	56,756	0.30		
	29-03-2019	Transfer / Purchased	207	0.00	56,963	0.30		
	31-03-2019	Closing Balance					56,963	0.30

## WABCO INDIA LIMITED

### VIII. INDEBTEDNESS

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

(Rs. In Lakhs)

Particulars	Secured Loan Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 1.4.2018</b>				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
<b>Total of (1 + 2 + 3)</b>				
<b>Change in Indebtedness during the financial year</b>				
+ Addition				
- Reduction			NIL	
Net change				
<b>Indebtedness at the end of the financial year - 31.3.2019</b>				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
<b>Total of (1 + 2 + 3)</b>				

### IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. P. Kaniappan, Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	131.61
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	100.37
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - As % of Profit - Others, specify	
5.	Others, please specify Provident Fund & other Funds	9.90
	Performance Bonus #	107.18
	Total (A)	349.06
	Ceiling as per the Act	2,059.21

\* Benefit arising out of participation in M/s WABCO Holdings Inc., RSU / PSU schemes is included in value of perquisites.

# Performance bonus includes the amount of Long term incentive paid once in three years.

B. Remuneration of other directors:

Independent Directors

Particulars of Remuneration	Name of Independent Directors			Total Amount (₹ in Lakhs)
	M Lakshminarayan	Narayan K Seshadri	Dr. Lakshmi Venu	
Fee for attending board and committee meetings and Independent Directors meeting	2.6	2.4	1.0	6.0
Commission @	14.0	14.0	14.0	42.0
Others	-	-	-	-
Total (1)	16.6	16.4	15.0	48.0

## WABCO INDIA LIMITED

Other Non-Executive Directors:

(₹ in Lakhs)

Other Non-Executive Directors				Total Amount
Fee for attending board and committee meetings	NIL			
Commission				
Others				
Total (2)				
Total B = (1+2)				48.0
Ceiling as per the Act				411.84

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

® will be paid after adoption of accounts at the ensuing Annual General Meeting.

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. R S Rajagopal Sastry, Chief Financial Officer	Mr. M C Gokul, Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	70.74	21.52	92.25
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	22.13	-	22.13
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - As % of Profit - Others, specify			
5.	Others, please specify Contribution to Provident Fund and gratuity fund	4.19	1.02	5.21
	Performance Bonus	18.31	2.80	21.11
	Total (C)	115.36	25.34	140.71

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

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

**WABCO INDIA LIMITED**

**Annexure - 4**

**Form No. AOC - 2**

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

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

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

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount
WABCO Europe BVBA, a fellow subsidiary	Sale of Automotive Components	01.04.2018 to 31.03.2019	Mark-up on cost of raw materials, conversion cost	17.05.2018	30989.05
	Rendering of services	01.04.2018 to 31.03.2019	Mark-up on cost of salary, rent	17.05.2018	12,116.82
	Fee for Intellectual property	01.04.2018 to 31.03.2019	Royalty @ 4% p.a. on net sales	17.05.2018	7,342.42
	Reimbursement of expenses	01.04.2018 to 31.03.2019	Actuals	17.05.2018	215.98

Note: There is no advance amount paid.

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

**Annexure - 5**

The details of top ten employees in terms of remuneration drawn during the financial year 2018-19 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	P. Kaniappan	20/2/2008	Managing Director	B.Tech, M.Sc, Engg. (Warwick), Executive MBA	59	37	3,49,05,794	Sundaram-Clayton Ltd.
2.	R S Rajagopal Sastry	31/8/2015	Chief Financial Officer	B.Com, AICWA, ACS	49	31	1,15,36,018	R Stahl (I) Private Ltd
3.	Dinesh Shyamsundar	02/09/2011	Leader, WABCO Technology Center of India	B.E. Electronics & Instrumentation	56	33	1,42,40,014	Varrac Engineering Pvt.Ltd
4.	M S Ravikumar	20/2/2008	Leader, Integrated Supply Chain	A.M.I.E, M.Sc, PGXPM	53	32	1,14,48,398	Sundaram-Clayton Ltd.
5.	S G Balagurunathan	20/2/2008	Leader, Global Business Services	B.Sc(AS), B.Tech(EE) & MBA (IT)	54	32	1,14,27,949	Sundaram-Clayton Ltd.
6.	V Ramanathan	22/01/2007	Leader, OE Marketing	B.E Mechanical, MBA	50	32	1,04,43,717	Maruti Udyog Ltd.
7.	Ganesamoorthy Arumugam	20/02/2008	Leader, Engineering	M.Tech	50	23	92,01,567	Sundaram-Clayton Ltd.
8.	Sivakumar Sathiyasekaran	20/2/2008	Vice President - Aftermarket	MBA, Engg Diploma	57	36	77,16,947	Sundaram-Clayton Ltd.
9.	Ramkumar K	20.01.2006	Chief Manufacturing Engineer	B.E (Mech)	50	28	1,01,54,129	Bajaj Auto Ltd.
10.	Balaji P	25.07.2007	Chief engineer	B.Tech (ECE)	43	22	64,75,443	Siemens Medical Solutions, California, U.S.A

**Notes:**

- Remuneration shown above includes Salary, Allowance, Medical, Leave Travel Assistance, Leave Encashment, Arrears of Salary, Bonus, contribution towards Provident Fund, Gratuity, value of perquisites and benefit arising out of participation in M/s WABCO Holdings Inc., RSU / PSU schemes as per income tax rule.
- Nature of employment is contractual.
- None of the above employee is related to any director of the Company.
- There are no employees who hold either by himself or along with his family more than 2% of shares in the Company and is drawing remuneration in excess of the Managing Director

- No employees other than the employees mentioned above were in receipt of remuneration during the financial year in excess of rupees one crore and two lakh per year or rupees eight lakh and fifty thousand per month.

P KANIAPPAN  
Managing Director

NARAYAN K SESHADRI  
Director

Chennai  
25<sup>th</sup> May 2019

**Form No. MR-3****Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2019**

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

To,

The Members of

**WABCO India Limited**, CIN: L34103TN2004PLC054667

Plot No. 3 (SP), III Main Road,

Ambattur Industrial Estate, Chennai 600058

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by WABCO INDIA LIMITED (hereinafter called "the Company") during the financial year from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 ("the year"/ "audit period"/ "period under review").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

**We are issuing this report based on:**

- (i) Our verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms / returns filed and compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March 2019 but before the issue of this audit report;
- (ii) Our observations during our visits to the registered office and one of the factories of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and noted by the Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, the Company:

- (i) has complied with the statutory provisions listed hereunder; and
- (ii) has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

**1. Compliance with specific statutory provisions**

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements set out hereunder.

- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2019 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, the Company's compliance with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements are set out hereunder.

- 1.3. The Company has generally complied with the following:

- (i) The Companies Act, 2013 and the rules made thereunder ("the Act").
- (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
- (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
- (iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment (FEMA);
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR); and the listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).
- (viii) The following laws which were specifically applicable to the Company:
  - (a) The Special Economic Zones Act, 2005 and the rules made thereunder (for the units located in a Special Economic Zone, also referred to as "SEZ laws"); and
  - (b) The Software Technology Parks Scheme based on Foreign Trade Policy of the Department of Commerce, Government of India (specially applicable in respect of the Company's unit located in an STPI, also referred to as "STPI laws").

- (ix) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards) in respect of Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings held during the year General Meetings (SS-2) to the extent applicable to the 14<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July 2018.

- 1.4. The Company was not required to comply with the following on account of the non-occurrence of events during the year:



- (i) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (FEMA);
- (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with client;
- (iii) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, which was replaced by Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (with effect from 11<sup>th</sup> September 2018);
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which was replaced by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, with effect from 10<sup>th</sup> November 2018 (ICDR);
- (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (viii) Secretarial Standards on Dividend (SS-3) issued by the Institute of Company Secretaries of India, since it is not mandatory; and
- (ix) Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India, since it was issued only on 1<sup>st</sup> October 2018, after approval of the Report of the Board of directors for the financial year ended 31<sup>st</sup> March 2018.

## 2. Board processes:

We further report that:

- 2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and LODR.
- 2.2 As on 31<sup>st</sup> March 2019, the Board has:
  - (i) One Executive Director;
  - (ii) Four Non-Executive Non-Independent Directors; and
  - (iii) Three Independent Directors.
- 2.3 The Board has two women directors, one of whom is an Independent Director and one a Non-Executive Non-Independent director.
- 2.4 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:
  - (i) Re-appointment of Director retiring by rotation at the 14<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> July 2018;
  - (ii) Re-appointment of two Independent Directors by the Board, one for a period of one year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020 and the other for a period of five consecutive

years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March 2024, subject to the approval of the shareholders;

- (iii) Appointment of two Additional directors (Non-Executive and Non-Independent), effective 29<sup>th</sup> January 2019;
  - (iv) Resignation of two directors (Non-Executive and Non-Independent), effective 29<sup>th</sup> January, 2019.
- 2.5 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
  - 2.6 In respect of Board meetings held during the year, Notice, Agenda and detailed notes on agenda were sent either 7 (seven) days in advance or at a shorter notice, at all of which meetings atleast 1 (one) Independent Director was present. However, the following items were either circulated separately or at the Board meetings:
    - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
    - (ii) Additional subjects/ information/ presentations and supplementary notes.
  - 2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
  - 2.8 We are informed that at the Board meetings held during the year:
    - (i) Majority decisions were carried through; and
    - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

## 3 Compliance mechanism

We further report that:

- 3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for improvement in the compliance systems and processes, keeping pace with the growth in operations and increasing statutory requirements.

## 4 Specific events / actions

We further report that:

- 4.1 The following specific events/actions arose during/ immediately after the audit period, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards:
 

75% of the voting share capital in the Company is held by WABCO Asia Private Limited, Singapore, which is an indirect subsidiary of WABCO Holdings Inc., USA, (WABCO US) the ultimate holding company. On 28<sup>th</sup> March 2019, WABCO US, entered into a Merger Agreement with ZF Friedrichshafen AG, Germany (ZF). The execution of the said Merger Agreement would amount to an indirect acquisition of 1,42,25,684 equity shares of the Company, constituting 75% of its total voting share capital by ZF from WABCO US. This has triggered an open

## WABCO INDIA LIMITED

offer under Regulation 3(1), 4 and 5(1) of SEBI SAST. ZF has accordingly made a public announcement to the public shareholders of the Company on 2<sup>nd</sup> April, 2019, for the acquisition of upto 47,41,900 fully paid up equity shares of the face value of ₹ 5 each, constituting 25% of the voting share capital of the Company at an offer price is ₹ 6,318 per Equity Share. As per the Public Announcement, the completion of the Open Offer will be subject to certain conditions, including the

receipt of requisite regulatory clearances and approvals in various jurisdictions and other customary conditions.

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

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

Date : 25<sup>th</sup> May 2019  
Place : Chennai

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

To,

The Members of  
**WABCO India Limited**, CIN: L34103TN2004PLC054667  
Plot No. 3 (SP), III Main Road, Ambattur Industrial Estate  
Chennai - 600058

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March 2019 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have taken an overall view based on the compliance process / procedures followed by the Company and also considered compliance related action taken by the Company after 31<sup>st</sup> March 2019 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion/ certification obtained as being in compliance with law, wherever there was scope for multiple interpretations. Further, with reference to compliance related actions in the nature of filing of returns with

statutory authorities / dissemination of information to stock exchanges, we have also considered compliance related action taken by the Company after the relevant due dates, but before the issue of this report. As regards compliance related actions of the Auditors in relation to the Company, we have relied on their confirmation.

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

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

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

Date : 25<sup>th</sup> May 2019  
Place : Chennai

### Certificate from Company Secretary in Practice

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
**WABCO India Limited**, CIN: L34103TN2004PLC054667  
Plot No. 3 (SP), III Main Road, Ambattur Industrial Estate  
Chennai - 600058

We hereby certify that none of the directors on the Board of WABCO INDIA LIMITED ('the Company') as on 31<sup>st</sup> March 2019, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official web site of MCA;

2. Our verification of the disclosures/ declarations/ confirmations provided by the directors to the Company; and
3. Information, explanation and representations provided by the Company, its directors/ officers/ agents.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

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

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

Date : 25<sup>th</sup> May 2019  
Place : Chennai

## Management Discussion and Analysis Report

The Company is a leading supplier of technologies and services that improve safety, efficiency and connectivity of commercial vehicles in India. Powered by its vision for accident-free driving and greener transportation solutions, the company excels in pioneering breakthrough innovations that bring industry-leading solutions to the commercial vehicle industry in India and worldwide.

The commercial vehicle industry is undergoing fast paced changes paving way for technologically advanced smart vehicles. Anticipating this, the Company's focus has been on three key domains of innovation namely Autonomous Connected & Electric (ACE) technologies for commercial vehicles.

India is recognized as the fastest growing economy in the world. Driven by the underlying economic growth, increasing consumption demand, mass urbanization, focus on strengthening infrastructure, investment in renewable energy alternatives etc., India is poised to become the third largest consumer economy by 2025.

### I. Industry Structure and Development:

#### i. GDP growth and Indian economic outlook:

The Reserve Bank of India (RBI) in their Bi-monthly monetary policy has projected a GDP growth of 7.2% in 2019-20 compared to 6.8% in 2018-19.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 <sup>e</sup>
GDP Growth in %	7.2	7.6	7.1	6.6	6.8	7.2

India is recognized as the fastest growing economy in the world, despite the strong headwinds during the last fiscal caused by a liquidity crisis because of an NBFC failure.

The continuing effects of the headwinds of second half of 2018-19 may result in a subdued Q1 for FY 2019-20, with an anticipated pick up during the second quarter. This acceleration is expected to come from low oil prices and easing up of infrastructure roadblocks. The possible down sides to 2019-20 may result from uncertain oil prices, and drop in global economic activity which may affect India's exports. India's focus in the coming year is expected to be largely on strengthening infrastructure, investment in renewable energy alternatives and capitalizing on the fact that India is poised to become the third largest consumer economy by 2025.

**INFLATION:** Consumer price index (CPI) inflation for 2019-20 is projected to be at 4%

**INTEREST RATES:** The Monetary Policy Committee (MPC) has decided to fix the repo rates at 6%

#### ii. Indian Commercial Vehicle Industry:

The commercial vehicle (CV) industry is always considered to be the barometer of the Indian economic activity. The overall CV industry recorded a 17.6% year on year growth during 2018-19. Medium & Heavy Commercial Vehicles (M & HCVs) grew by 14.4% and Light Commercial Vehicles (LCVs) grew by 19.4% during the year 2018-19 when compared to the same period last year. The first half of 2018-19 witnessed good growth driven by the increased demand from the construction, mining & e-commerce industry. However during the second half the liquidity crisis and the increased axle load regulation had a negative impact on demand thereby effecting sales of commercial vehicles.

The first half of 2019-20 is expected to be sluggish with a recovery during the second half of the year. Investments into the proposed infrastructure projects, revival of construction and mining sectors, growth in tourism industry are likely to push the demand for commercial vehicles. The CV industry is expected to grow by about 10-12% during

the year 2019-20 and is projected to grow at a CAGR of about 14%, in value terms, over the course of the next five years.

Expected pre-buying during 2019-20 on account the BS-VI mandate (1<sup>st</sup> April 2020) may play a major role in creating demand during 2019-20. Considering the upgrade costs, OEMs are expected to begin phasing out older models, essentially leading to a technological shift in the market.

(Figures in units)

Category	2017-18	2018-19	Growth
M & HC V Production	3,71,633	4,74,385	27.6%
M & HC V Sales	3,67,822	4,20,923	14.4%

### II. Opportunities & Threats

During the year gone by, the company took focused efforts to increase the revenues through structured introduction of new products leading to an increase in the vehicle content, increased technology penetration and foraying into new advanced domains of commercial vehicle technology.

As a full system supplier, the company can uniquely connect truck, trailer, cargo, drivers, business partners and fleet operator's real time so as to empower the fleets to significantly enhance safety and operational efficiency. The Company has leapfrogged in the space of telematics and has been successful in becoming one of the leading suppliers of fleet management solutions to two major global OEMs in India. The company launched the Automotive Indian Standard (AIS) 140 complaint Fleet Management Solution (FMS) device so as to help the commercial vehicle industry to meet the specification of the GoI for Public transport vehicles. To better support the OEMs when the regulation for increased axle load was effected, the company introduced larger sized compressors.

During the course of the year, the application of the Automated Manual Transmission technology (AMT) of the company saw a steady growth as many OEMs in India extended its application to their various other vehicle platforms. The Company was also the strategic technology development partner for one of the leading agricultural tractor OEMs in India and was successful in demonstrating the concept of an automated tractor by integrating AMT, brake control, and steering technologies.

In line with its vision of "Saving lives; protecting the environment", the company introduced the Diesel Exhaust Fluid (DEF) which helps in the reduction of NOx gases in the vehicle exhaust.

The Anti-Lock Brake Systems (ABS) legislation for M3 and N3 vehicles got implemented from the third quarter of 2015-16 that resulted in increased business. Other advanced active safety features will become mandatory in the near future and there are numerous discussions ongoing in terms of promulgating legislation to this effect during the course of next few years. The Company looks forward to the following strategic opportunities in the coming years.

- Partner with Trailer customers for implementing 100% TABS and penetrating Intelligent Trailer Program products
- Technical / Homologation support for advanced technology products
- Leverage / expand its manufacturing footprint to ensure increase customer centricity
- Penetration road map for newer technologies like Electronic Stability Control (ESC), Advanced Driver Assistance Systems (ADAS) and active steering
- Doors with door control system, air suspension systems,
- Increase the share of market for Diesel Exhaust Fluid (DEF) post BS-VI implementation

Anticipating evolutionary changes in the traditional aftermarket business models, the company is striving to introduce new revenue models like technical service stations at OEM dealer points and major fleets across the country, leveraging the wave of digitalization by better utilizing the e-commerce models and other initiatives to be ahead of the curve.

Distributors are continuing to increase their presence in B & C towns resulting in increased availability of genuine spare parts in far flung locations. The authorized service center network is

expanding and currently the company has around 280 service centers with pan India presence to cater to the customer requirements. To improve the customer reach, mobile smart catalogue application has been launched and so far approximately 14,500 customers have been connected. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the company.

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

### III. Risks and Concerns

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

#### STEEL

Steel demand in India is expected to grow above 7% in the current as well as next year, according to the World Steel Association. The global steel demand may reach 1,735 MT in 2019, a rise of 1.3% over 2018. In 2020, the demand is projected to grow by 1% to 1,752 MT. In developed economies, steel demand grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. The demand is further expected to decelerate to 0.3% in 2019 and 0.7% per cent in 2020, reflecting a deteriorating trade environment.

Steel demand in emerging economies, excluding China, is expected to grow by 2.9% and 4.6% in 2019 and 2020, respectively. In India, wide range of continuing infrastructure projects is likely to support growth in steel demand. In developing economies in Asia, excluding China, the demand is expected to grow by 6.5% and 6.4% in 2019 and 2020 respectively, making it the fastest-growing region in the global steel industry.

The knock-on effect of the trade wars has been keeping pressures on steel prices across the globe. Global trade volumes have slumped for the first time in nine years. As a result, exports are slowing down leading to a rise in domestic inventory buildup. Domestic steel demand has also softened in recent months, which is expected to improve.

Demand from one of the largest consumers of flat steel, the automobile sector, is likely to be curtailed going forward. Auto sales have been contracting which is leading to an inventory build-up in the auto sector. Weak automotive demand, coupled with rising threat from imports and unattractive export markets have put flat steel producers at higher risk compared to long producers. In 2019, global auto production will continue to decelerate to 1% growth with stabilization expected only in 2020.

The weight and engine power of vehicles has been on the rise, prompting a greater demand for stronger components across body frame, brake and suspension. In this context, the auto industry is seeing an increasing application of advanced materials for light weighting materials such as high-strength steel (HSS),

aluminum, magnesium and carbon fiber. Light weighting gains particular importance in the case of Electric Vehicles as it directly reduces the power demand on the battery, increases battery range, reduces the charging cycles and enhances battery life. This is pushing up demand for aluminum and high speed steel (HSS). By 2030, the share of HSS in the material costs of a vehicle is expected to double.

Rising trade tensions and volatile currency movements are increasing the uncertainties in the global steel industry. Existing anti-dumping and countervailing duties have been rendered ineffective by the volatility in steel prices.

#### **ALUMINIUM**

Globally, aluminum is the second most consumed metal after steel and has a variety of industrial applications. China accounts for nearly 60 percent of global aluminum output. The global average per-capita consumption of aluminum is 80 kg and 25-30 kg in India, thus providing huge opportunities for aluminum demand to pick-up.

As an ominous forerunner of the risks ahead in 2019, LME aluminum prices suffered massive downward pressure in 2018, falling by 17.4% in a persistent downtrend throughout most of the year except during a brief period in April. Macroeconomic uncertainties led to corrections in global prices of aluminum in the last one year. It is further said that the production growth of the said material was even lower than the rise in demand.

The global consumption growth of aluminum during the first quarter of 2019 was muted at 1.4 percent as against 4 percent in 2018. Despite muted consumption levels, markets of the said metal continued to remain in deficit in this period, with shortages in fact expanding on a Y-o-Y basis, as production growth was even lower than the growth in demand.

We expect aluminum prices to take support and trade higher in the near term as China's Aluminum producers are expected to cut at least another 8,00,000 MT per year of smelting capacity in the coming months.

#### **Risk Management:**

The Company has laid down procedures for risk assessment and mitigation actions. The Board has constituted a Risk Management Committee to look into the aspects of risk management and periodically review it, to ensure that executive management, controls risk through means of a properly defined framework. Risks identified and mitigation measures are periodically checked by the internal audit team and are communicated to the Board of Directors.

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

The Company has proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition thereof. All transactions are authorized, recorded and reported correctly. The internal controls are checked by internal auditors. Observations made by them, management actions and time frames are reviewed

by the audit committee of the Board of Directors. Concerns if any are reported to the Board.

Since the ultimate parent company is listed at the NASDAQ, SoX compliances are also part of the company's annual compliance mechanism which adds an additional layer of testing and checking of adequate internal controls and process controls.

#### **V. Operations review**

##### **A. Manufacturing**

During 2018-19 following the company's operating system framework, and as a response to the prevailing volatile, uncertain, complex and ambiguous environment, the integrated supply chain took concentrated efforts to augment manufacturing capacity through plant expansions at the Mahindra World City and Jamshedpur. Additionally a memorandum of understanding has been inked with the Government of Tamil Nadu for expansion and industrial land has been allocated to the company at the Special Economic Zone in Ranipet. Executing the integrated supply chain strategy to improve service levels and responsiveness to customers, certain manufacturing lines were transferred to plants which are in proximity to the customers. Focused efforts were made to enhance productivity and quality through lean tools and facility upgradation programs.

The Company's manufacturing facilities, build on its strong fundamentals of Total Quality Management (TQM), Total Productive Maintenance (TPM) and Lean Manufacturing has best-in-class practices for safety, work environment, water and energy conservation deployed companywide to achieve significant improvement in productivity and reduction in manufacturing cost. During the year, Jamshedpur and Mahindra World City plants received TPM Excellence and TPM Consistency award respectively from Japan's Institute of Plant Maintenance (JIPM).

The Company has an internal digital taskforce which comprises Gen Y & Gen Z talents who work under the guidance of the leadership team to implement smart manufacturing concepts of industry 4.0 thereby making the plants future ready. Low Cost Automation, Robotic Process Automation, Industrial Internet of Things, Traceability Systems, Machine / Computer Vision etc., have been also extended to the entire value chain.

During the year, focus was also on strengthening the overall inventory process from ingress to egress including stepping up the control environment around inventory counting through dedicated management focus in addressing root causes of identified issues, training and transforming mindset, better deployment of personnel and improving the overall accountability environment.

"WIN 2.0" was a transformation initiative intended towards changing the mindset of employees at all levels, all functions across locations to achieve global standards of performance.

This initiative, now widely and deeply imbibed in employees has already started yielding visible results in all areas of operations. This transformation has been acknowledged by key customers with awards. During the year company received "Supply Chain and Logistics Excellence" award under category "Best Technology Adoption" from CII and Institute of Logistics for its focused effort on improving logistics efficiency with use of technology. This is the third time in a row that the company has been presented with this accolade.

### B. Quality

The quality systems in the company aim at achieving total customer delight through its focus on improving product quality confirming to world class standards. This is achieved through inculcation of quality mindset and transformation among employees. The Company is at 15 PPM for the year 2018-19. Customers continue to expect the industry bench mark of Zero PPM. To meet the ever evolving customer requirements it is necessary to standardize the process, operate with right competency / skills of the workforce to consistently supply right quality of products.

Six sigma tools are used and projects are rolled out for each customer to meet their requirements and to standardize all critical production lines. Deploying "VDA6.3" and "VDA6.5" process and product requirements, product safety standards and IATF 16949 helped the company to eliminate the defects significantly.

Project quality along with product engineering quality achieved 100% customer PPAP "First Time Right". Significant efforts were put in to improve product quality which ensured that there was no recall of products or service campaign during the year.

Total Quality Management is a way of life at the Company. As part of this, 100% participation in total employee involvement has been successful for the past two decades. Employees across all plants were involved and have completed 250 quality control circle projects, 111 supervisory improvement team projects and cross functional team projects by applying statistical tools, including Six Sigma (DMAIC and DMADV) and Quick Response Six Sigma (QR6S) methodology during the year. Over 105,978 suggestions have been implemented by all employees throughout all the plants, including trainees. Employee suggestion scheme is in force at all plants and employees implement suggestions under productivity, quality, cost, delivery, safety and morale categories. In order to foster employee engagement across all plants, interplant quality circle and six sigma competitions were conducted and best teams were recognized.

Quality control circle, cross functional teams of employees participated in external competitions conducted by industry bodies, Automotive Component Manufacturers Association

(ACMA), Confederation of Indian Industry (CII), National Institution for Quality and Reliability (NIQR), Indian Machine Tool Manufacturers Association (IMTMA), Quality Circle Forum of India (QCFI), Indian National Suggestions Schemes' Association (INSSAN) and have won various prizes demonstrating their passion and innovation in various areas of excellence in quality & manufacturing which are given below.

Notably, a QCC team from Ambattur plant had won the gold award in an international QCC competition conducted by Singapore Productivity Association in Singapore. The team qualified for the international QCC competition by winning the regional and national level QCC competitions.

- a. 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> prizes in ACMA Quiz competition Ambattur & Mahindra World City teams
- b. QCC Gold award in Raipur RUDRA QCC & RAINBOW QCC teams
- c. First Prize in HR best practice award from ACMA southern region
- d. CII Scale award for logistics excellence
- e. First Prize in Quality category in ACMA southern region KAIZEN award
- f. Par excellence award in QCFI'S SIT/CFT Competition by Ambattur team
- g. 1<sup>st</sup> Prize in CII eastern regional QCC competition by Jamshedpur team
- h. Platinum award in QCFI'S 5s competition by Ambattur team
- i. Platinum award in ABK AOTS DOSAKAI QCC competition by Ambattur & Mahindra World city teams
- j. Silver award in CII Digitalization, Robotics & Automation competition by Ambattur team
- k. Silver award in QCFI'S SHE Competition by Mahindra world city SHE team

### C. Cost management

The company continues its focus on upgrading the robustness of cost control mechanisms and capabilities in all activities, especially procurement, operational expenses and manufacturing. The Company realizes that better cost management is the key differentiating factor in this competitive environment, the prime strategies are value creation through design improvement, localisation of inputs and products and conversion cost productivity.

Cross functional teams are formed with members from various functions like product engineering, manufacturing & sourcing to focus on identified cost reduction projects. The Company continues to find best cost supplier across continents leveraging the global platform in an endeavor to become best cost supplier to our customers. Key focus area is process improvement through technical collaboration

with leading suppliers to continuously keep the costs at optimal levels.

### D. Information Technology

A digital transformation drive was initiated during the last year under 3 major areas - enterprise transformation, digital transformation and enterprise security. As a part of this numerous analytics & robotic process automation projects have been initiated and are in various stages of implementation and maturity for various departments viz., product sales, fleet management, quality, Manufacturing & Logistics. The analytics projects and robotics process automation tools are focused to help improve sales and reduce operation costs. Pilot projects have been rolled out in the shop floor with focus towards Industry 4.0 and transformation into smart factory encompassing energy management / optimization, integrated production management system, predictive maintenance etc.

IT security awareness campaigns have been carried out for all employees for protection against ransom ware, phishing and data security. To ensure IT security at all locations, various cyber & data security initiatives have been carried out during the year as per the WABCO group security road map and directions including

- Assessment and Certification of the IT department and the Big Data Analytics Center at Ambattur plant as per ISO/IEC 27001:2013 standard for Information Security Management.
- Security restriction applied across the organization for new USB ports to avoid data theft.
- Enabling data leak protection for all users.
- Enabling security hardening and windows re-imaging for all industrial computers at the shop floor.

### VI. Human Resource Development

The company focuses on attracting and retaining best talent and enjoys a good brand image across leading educational institutions and talent pool. As part of adding new and young talent pipeline to the existing talent pool, the company had undertaken a Graduate Engineer Trainees campus drive program during the year and had selected 50 fresh Graduate Engineer Trainees from top colleges in India viz., NIT, BITS etc. This program is expected to enrich and deliver one of the Company's value pillar namely "Passion for Innovation" by bringing in millennial to the existing talent pool. This program is fully orchestrated by the HR function with technical panel interview support from internal stakeholders and has turned to be a grand success.

During the year the company has inducted 184 new talents focused mainly for Product Engineering. The current average recruitment lead time of the lateral talent is around 50 days. The Company successfully blends mid-career recruitments 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. Internal talent mobility rate which is at 59% is one of the key engagement driver ensuring employees to move and grow within WABCO group across functions, businesses, and countries. The Company's voluntary turnover rate is at 6.95%, while similar industry attrition rates are at an average of 9.9%.

Induction program to orient new joiners continues to be one of the focus areas and was revamped during the year. A kit containing branded merchandise has been introduced for new joiners containing policy manuals, code of conduct etc., which has helped provide a wow feel to the new joiners. Familiarization of the Code of conduct program is also a part of the induction program so that they can better understand the importance of complying with the code and policies of the company.

To strengthen the existing talent hiring strategy and to stay at par with the market and other geographies in the group regarding practices on probation period, the probation policy was amended to include 6 months as the probation period for the employee grades up to E7/6B and no probation for the grade M1/7A and above.

The company's culture is a pillar of differentiation. Known as "The PACEmakers" the culture has its own unique identity to help inspire and align the rapidly growing team. The PACEmakers guide personnel to nurture specific behaviors that are critical to help power continued success; behaviors that encourage unleashing passion, use diverse talents to the greatest effect and work together in a rich environment of creativity and collaboration. These behaviors include 1) Be Authentic, 2) Foster Engagement, 3) Leverage Difference, 4) Cultivate Collaboration & 5) Be Accountable. Workshops were conducted for employees across functions to understand the pacemaker behaviors and live them to the best of their abilities.

"Talk 2Me", "Women's Forum" and "Blue Collar Contact Program" initiatives have helped to build strong bottom up communication and ensures healthy industrial relations climate across all locations resulting in zero man hour loss. New joiners get together program addressed by the Managing Director serves as a platform to communicate the company's and group's vision and also understand the expectations from the new joiners. Development of Entry level Agile Leaders (DEAL) is another tailor made program introduced for developing leaders from entry level to add to the talent pipeline of the Company.

As of 31<sup>st</sup> March 2019, the Company had 1778 employees on its rolls.

### VII. Environment & Safety

The January to March quarter was taken as safety months and used to enhance safety systems and create safety awareness among the employees. During the year, based on the theme "Target 3 Zeros".i.e Zero Hazard, Zero Fatigue & Zero Discharge more than 100 Kaizens were implemented at the shop floor. These were followed up with competitions across plant locations. All plants and test track have completed the recertification audit

of ISO 14001 & OHSAS 18001 during the year. The plants at Ambattur, Mahindra World City, Lucknow and Jamshedpur have been certified for ISO 50001 standards for implementing energy management systems and achieving continuous improvement in energy performance.

The Company has taken many initiatives on improving ergonomics in the shop floor. Medium fatigue stations were identified and the ergonomics was improved with achievement of low risk job stations of 98%, thereby improving productivity and operator morale. As part of horizontal deployment, Jamshedpur and Pant Nagar plants initiated the Ergo Stretch program for shop floor employees which helps operators refresh themselves and reduce fatigue.

As part of environmental protection, the installed sewage treatment plant treats and reuses water which is used for gardening thereby reducing the water consumption by 15%.

During the year Ambattur plant won "4 star" award for the best SHE practices from the Confederation of Indian Industries and "Best Safety kaizen" award from ACMA southern region for implementing safety kaizen in Ambattur plant.

Brand refresh:

During the year, WABCO Brand was reenergised by introducing the tag line "Mobilizing Vehicle Intelligence". Mobilizing Vehicle Intelligence is a new, compelling tagline that was introduced under the WABCO brand. This is the first time that the group has adapted the corporate brand in this way to help describe how it wants to be seen and understood.

Mobilizing Vehicle Intelligence was launched to concisely and powerfully communicate the shared mission, industry expertise and the focus of global team's passion to all WABCO stakeholders. It frames what we believe will sustain WABCO's differentiation in the rapidly converging and digitalizing commercial vehicle industry.

A future where transportation ecosystems become operated by fully-autonomous, connected and electric commercial vehicles is still quite a number of years away. Yet, the Company seeks to sustain its strong reputation as an innovator and pioneer of critical vehicle control systems, new energy technologies and digital solutions as the industry migrates towards this goal. The company believes that "Mobilizing Vehicle Intelligence" represents a powerful declaration of the essential role WABCO will play in delivering key vehicle control technologies and operating functions necessary to achieve this vision.

Autonomous Connected & Electric (ACE) are the three key domains of innovation focus for the company to drive growth. These innovations will help to advance vehicle autonomy, enhance road safety, empower the fleets and pave the way for greener transportation. To further the advent into the ACE domain, the Company is undertaking several key strategic initiatives:

- To launch advanced technologies for electric vehicles

- To drive the vision of connected vehicles in India by steadily increasing offerings in the fleet management solutions portfolio.
- To further autonomous driving in India partnering with leading OEMs of Both CV and OH industry.

### VIII. Community development and social responsibility

As a responsible corporate citizen, the company engages in social responsibility and community development activities. This year the activities were conducted through internal engagement of employees and resources, primarily focused on activities which would help the needy sections of the society as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy with specific focus towards areas surrounding the company's plant locations.

The Company is also in the process of identifying suitable projects and scaling up the existing projects and hence could not spend 2% of the average net profits of the last three years. The Company has established a trust in the name of WABCO Foundation for carrying out CSR programs, which identifies appropriate CSR projects in line with the Company's CSR policy and implements them. The CSR Activities of the Company for the FY 2018-19 are mentioned in the Annexure - 2 to the director's report.

The company has identified four primary areas to focus its CSR activities.

Promoting road safety across India - The Government of India is taking consistent efforts to reduce accidents through safety education, safety engineering, creating safe environment and enforcement. In an effort to support this initiative the WABCO foundation has been conducting safety awareness training programs for commercial vehicle drivers, and vehicle maintenance technicians combined with health checkups. More than 5500 drivers & technicians across Tamilnadu, Kerala and Andhra Pradesh have been trained on road safety by creating awareness on vehicle safety & safe driving practices, advanced braking systems, etc. These projects were carried out in association with the Regional Transport Offices and State Transport Undertakings. The safety awareness camps are complemented with medical and eye check-up camps for the participants. Considering the tremendous acceptance, response and impact of such programs the foundation plans to extend this pan India. This has resulted in transforming the lives of drivers and mechanics which will, in turn, translate into safer roads.

As part of this important road safety objective, the Company has also collaborated with Praxair India, one of the worlds largest Industrial Gas companies and State Transport authorities, to provide advanced driver training for drivers of hazardous cargo carriers, fuel carriers, etc. These programs are conducted by subject experts from the industry along with practical sessions for drivers. Over 500 drivers have been trained since inception in various modules through classroom and practical sessions including safe driving practices, - rollover stability, the advantage of using ABS & EBS and other safety technologies. These



## WABCO INDIA LIMITED

programs have been well received and have helped the attendees to maintain zero accident levels. The drivers receive a certification on successful completion of this course.

Employability & skill enhancement through partnerships with educational Institutions - The Company being a pioneer in technologies and services that improve safety, efficiency, and connectivity for commercial vehicles is uniquely poised to share its best practices, knowledge on safety & efficiency with budding professionals thus enhancing their employability, skills and also contributing to road safety. This has been done in partnership

with universities / colleges in Tamilnadu where Centers of Excellence for skill development have been set up.

Environment sustainability - Nurturing environment through tree plantations, rainwater harvesting, etc., in and around our plant locations were carried out wherein more than 1000 tree saplings across locations were planted and are being maintained.

Community services - Various community services were undertaken like Blood Donation camps by employees, personal hygiene awareness & health checks to drivers, primary school children, upgrading road safety infrastructure in and around the plant locations etc.

### IX. Financial statement

Particulars	Year ended 31 <sup>st</sup> March 2019		Year ended 31 <sup>st</sup> March 2018	
	₹ in lakhs	%	₹ in lakhs	%
Revenue from contracts with customers	2,85,413.56	97.52	2,61,384.81	98.25
Other Operating Income	7,247.53	2.48	4,652.78	1.75
<b>Total Income</b>	<b>2,92,661.09</b>	<b>100</b>	<b>2,66,037.59</b>	<b>100</b>
Raw Materials Consumed	1,83,454.22	62.68	1,55,143.27	58.32
Changes in inventories of Finished goods & WIP	(1237.27)	(0.42)	5046.57	1.90
Staff cost	25,364.41	8.67	22,909.87	8.61
Stores & tools consumed	5,953.97	2.03	6,281.26	2.36
Power & fuel	2,183.63	0.75	2,073.33	0.78
Repairs & maintenance	1,402.91	0.48	1,356.72	0.51
Other expenses	27,304.12	9.33	24,661.14	9.27
Finance costs	–	–	161.74	0.06
Excise duty on sale of goods	–	–	4,051.58	1.52
Depreciation	7,143.69	2.44	6,173.69	2.32
<b>Total Expenditure</b>	<b>2,51,569.68</b>	<b>85.96</b>	<b>2,27,859.17</b>	<b>85.65</b>
<b>Profit Before Tax</b>	<b>41,091.41</b>	<b>14.04</b>	<b>38,178.42</b>	<b>14.35</b>
Provision for taxation	12,874.48	4.40	10,895.79	4.10
<b>Profit after Tax</b>	<b>28,216.93</b>	<b>9.64</b>	<b>27,282.63</b>	<b>10.26</b>
Other Comprehensive Income / (Loss) for the year net of tax	(197.96)	(0.07)	(73.52)	(0.03)
<b>Total Comprehensive Income / (Loss) for the year net of Tax</b>	<b>28,018.97</b>	<b>9.57</b>	<b>27,209.11</b>	<b>10.23</b>

### X. 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.

## WABCO INDIA LIMITED

### Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### Introduction

WABCO INDIA designs, manufactures and markets conventional braking products, advanced braking systems, and other related air assisted products and systems. The company has grown significantly in the Indian commercial vehicle market with total revenue to the tune of ₹ 292,661.07 lakhs and also serves its aftermarket customers through a wide national distribution network. With five world-class manufacturing facilities, technology center and a vehicle testing facility near Chennai, WABCO INDIA excels in engineering and manufacturing, serving customers locally and through WABCO internationally.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating and ensuring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

#### Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L34103TN2004PLC054667
2.	Name of the Company	WABCO India Limited
3.	Registered office address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai-600058
4.	Website	<a href="http://www.wabco-auto.com/wabcoinda/home">www.wabco-auto.com/wabcoinda/home</a>
5.	E-mail Id	<a href="mailto:info.india@wabco-auto.com">info.india@wabco-auto.com</a>
6.	Financial Year reported	April 01, 2018 to March 31, 2019
7.	Sector(s) that the Company is engaged in	Manufacturing of automotive components and accessories
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Automotive Components & spares for Medium & Heavy Commercial vehicles.
9.	Total number of locations where business activity is undertaken by the Company:	
	a. Number of International Locations	Nil
	b. National Locations	
	The Company has 5 manufacturing locations across India:	
	i. Chennai: Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai 600058.	
	ii. Jharkhand: Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832108.	
	iii. Mahindra World City: Unit - 1 & Unit - 2 at: Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603002	
	iv. Pantnagar: Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153	
	v. Lucknow: KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123	
	The Company also has WABCO Technology Centre of India and Global Business Centre situated at Porur, Chennai.	
10.	Markets served by the Company - Local / State / National / International	WABCO India Limited caters to the needs of Indian, American and European vehicle OEMs. The focus of the business is in Medium and Heavy Commercial Vehicle Markets.

#### Section B: Financial details of the Company

1.	Paid up Capital	₹ 948.38 lakhs
2.	Total Revenue	₹ 2,92,661.09 lakhs
3.	Profit after tax	₹ 28,216.93 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	₹ 86.63 lakhs (0.27% of the average net profits of the immediately preceding financial years)
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 2 of the Directors Report

## WABCO INDIA LIMITED

### Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies? - No
2. Does the Subsidiary Company / Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s) - N.A.
3. Do any other entity / entities (e.g. suppliers, distributors etc.,) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] - The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility. Suppliers are critical to the operations and supply chain sustainability. Suppliers and vendors are engaged through various meets to raise awareness on health and safety, environmental and social issues.

### Section D: BR Information

1. Details of the Director/Directors responsible for implementation of the BR:

Director Identification Number : 02696192  
 Name : P Kaniappan  
 Designation : Managing Director

Details of the BR Head:

No.	Particulars	Details
1	DIN Number (if applicable)	02696192
2	Name	Mr. P. Kaniappan
3	Designation	Managing Director
4	Telephone Number	(044)-4224-2000
5	Email ID	<a href="mailto:info.india@wabco-auto.com">info.india@wabco-auto.com</a>

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly are as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Question	Business Ethics	Product Responsibility	Well being of employees	Stakeholders Engagements	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders ?	The policy(s) has been framed keeping in mind the interests of the stakeholders at large.								
3.	Does the policy conform to any national / international standards? If yes, specify?	All policies conform to national/international standards wherever applicable.								

## WABCO INDIA LIMITED

S. No.		Business Ethics	Product Responsibility	Well being of employees	Stakeholders Engagements	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations/">http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy(s) have been disseminated on the website of the Company.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Whistleblower mechanism provides a platform to report any concerns/ grievances pertaining to any potential or actual violation of the Company's code of conduct. Further individual policies by and large prescribe grievance redressal mechanisms for the concerned stakeholders.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Internal Audit function reviews various aspects of the policies from time to time. The Quality, Safety, Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments. No dedicated Business Responsibility Audit has been conducted.								

2a. If answer to Sr. No 1 against any of the Principle is 'No', please explain why (Tick up to 2 options): Not Applicable

S. No.	Question	Business Ethics	Product Responsibility	Well being of employees	Stakeholders Engagements	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	- N. A. -								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions. The Managing Director and the Leadership team review the Business Responsibility performance through their monthly review meetings.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published annually in the Annual Report to the shareholders. The same can be viewed at: <http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations/>

**Section E: Principle-wise performance**

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**Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's value system aligned with the WABCO group's value system attributes paramount importance and commitment to ethical and lawful business conduct and is fundamental to its operations. The Company has a powerful reputation for excellence of its products and services which is built on a strong foundation of integrity and fair dealing in every aspect of business. In this increasingly complex, competitive and dynamic world, protecting this reputation is a key pillar to maintain the confidence and trust of the Company's diverse stakeholders.

WABCO Group's Code of conduct extends to group companies in India, its employees, representatives and other stakeholders. Integrity, respect towards all stakeholders and passion for innovation are core to values central to the Code of Conduct which fosters an environment of trust which is utmost crucial for a company whose reputation is built on technology that saves lives, trust is the most important asset of all.

The Code of conduct enables the Directors and the Senior Management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. An annual declaration towards affirmation to the code of conduct is part of the annual report. The company's Code of Conduct, policy on prevention of sexual harassment, Whistle blower policy, code of conduct for prevention of insider trading, policy for fair disclosure of material events etc., drives the Company to live up to highest ethical standards, to meet its obligations to the law, commitments to customers and responsibilities to each other, society and the shareholders.

The Company is committed towards highly ethical practices in dealing with all its stakeholders with strong internal control systems especially while dealing with suppliers who are awarded business purely on merits. Robust system for financial controls and processes operating in the company ensures transparency, accuracy and timeliness in financial reporting.

The Company is subject to compliance under the Foreign Corrupt Practices Act since the ultimate parent company is listed in the NASDAQ which is also monitored through the internal audit mechanism.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:

During the year the company had received 12 complaints which were taken up for investigation under the company's whistle blower policy. Out of the above, 10 complaints were concluded satisfactorily by the management and required actions have been completed. Investigation on 2 complaints are under progress.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability**

The Company's vision & mission are aligned to that of WABCO group. The WABCO group's vision is to make a difference by "Saving lives, protecting environment" and the mission is to thrive by offering customers outstanding products and services that improve vehicle safety and efficiency. The Company manufactures and markets conventional braking products, advanced braking systems, and other related air assisted products and systems which contribute to increase in road safety, reduction in environment pollution and savings in energy consumption in Medium & Heavy Commercial vehicles

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.
- a. Antilock Braking System (ABS)
  - b. Electronically Controlled Air Suspension (ECAS)
  - c. Automated Manual Transmission (AMT)
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): These products have resulted in substantial increase in road safety, reduction in environmental pollution and energy savings
3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Material Safety Data Sheet (MSDS's) and International Material Data System (IMDS) systems are adhered to for promoting safety, environmental friendly & sustainable procurement. Integrated supply chain operations ensure sustainable and best use of available resources. The Company is continuing on the initiatives to periodically train & educate its suppliers, employees & other stakeholders for creating awareness about usage of renewable energy, reduced consumption of natural resources and on various aspects related to sustainability. The Company also works closely with its vendors to use returnable packaging modes to reduce usage of non-recyclable packaging wherever possible. Over the period of time the company has transformed itself in using digital technologies for exchange of information thereby reducing consumption of paper drastically.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company puts continuous efforts towards localization and outsourcing. Localized vendors are preferred if they meet required quality specifications who are competitive as well as close to plant locations. Specific initiatives are in place to impart training to suppliers on quality. The Company demands high standards for safety, health and environmental practices from its suppliers. They must ensure excellence in the

## WABCO INDIA LIMITED

design, manufacturing, distribution, recycling and disposal of the products they create in full compliance with applicable legislations. Cluster training programs are conducted with the support of professional bodies like ACMA, QCFI & CII for training nearby MSME suppliers. Company product & quality experts continuously train and develop skill sets of nearby vendors on process knowledge and industry bench marking practices.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The company has sustainable processes in place to recycle the products and waste, post completion of the manufacturing life cycle. Each location is committed to promoting environment sustainability through Refuse, Reduce, Reuse, Repurpose and Recycle (i.e., 5 Rs). At every location, wastes are segregated based on their characteristics (i.e solid waste & hazardous waste etc.,) collected, stored and disposed appropriately. This is continuously improved with has resulted in recycling 80% of the waste generated.

### Principle 3: Businesses should promote the wellbeing of all Employees

The Company recognizes without a doubt that helping employees achieve their full potential is fundamental to the company's continued success. The company is committed to providing equal i.e. merit based opportunities both at the time of recruitment and during the course of employment irrespective of caste, creed, gender, race, religion, disability etc. At workplace, the company is committed to provide safe environment and hygienic conditions. Training during induction and periodic training on usage of protective equipment, identifying and eliminating unsafe working conditions are top priority.

Prevention of accidents is at the heart of what the company does in the commercial vehicle industry. That's also why "working safely" is a condition of employment. The company leads by example and works hard to nurture a culture of mutual responsibility towards health and safety among colleagues, customers and business partners. The Company has a policy for health and safety and expects its suppliers to adhere to in the same rigor.

The company continuously focuses and ensures skill development of employees through its structured training and competency development programs. The company provides subsidized food to its employees, medical insurance coverage including dependents, and has in-house medical centers with qualified medical practitioners. The company conducts various programs concerning well-being of employees and strives to employ and empower women employees and fosters a professional work environment with an objective of having inclusive growth.

1.	Total number of employees on rolls	1778 as on 31 <sup>st</sup> March 2019
2.	Total number of employees hired on temporary/ contractual / casual basis	3423 as on 31 <sup>st</sup> March 2019
3.	No. of permanent women employees	122 as on 31 <sup>st</sup> March 2019
4.	No. of permanent employees with disabilities	NIL
5.	Employee association that is recognized by management	There are recognised trade unions affiliated to various trade union bodies with which the Company's relationships are cordial
6.	Percentage of permanent employees who are members of this recognized employee association	Almost 100% of permanent employees in the workers grade(476) are members of recognized employee associations.

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No	Category	No. of Complaints filed during the financial year	No. of Complaints pending during the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

Your company has a robust system of prevention of sexual harassment of women in the Company. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. Percentage of the under mentioned employees were given safety & skill up-gradation training in the last year  
100% of the employees were given safety training last year. Please refer below the percentage of skill up-gradation training in the last year:

a.	Permanent Employees	:	100%
b.	Permanent Women Employees	:	100%
c.	Casual / Temporary / Contractual Employees	:	100%
d.	Employees with Disabilities	:	100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders?

Yes. The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, the government, regulatory authorities, trade unions and local community and follows a system of timely feedback and response from them.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified marginalized and disadvantaged groups in and around the plant locations by engaging with the local communities. The company's CSR policy drives initiatives towards the benefit of such marginalized, vulnerable and disadvantaged stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders especially those situated in and around the plant locations through its CSR policy driven initiatives. These initiatives are directed towards skill development, infrastructure, promoting safety and education. The Company continuously strives to achieve total inclusiveness by engaging with all stakeholders and encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from its CSR initiatives.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a separate Human Rights Policy. However, these principles are imbibed in the WABCO group's Code of Conduct and the Ethics policy which is applicable to all the employees thereby ensuring adherence and upholding of high level of standards contained therein. All employees including trainees were given training on code of conduct during the year. This module is a part of new joiner induction.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any stakeholder complaints during Financial Year 2018-19 under this principle

**Principle 6: Businesses should respect, promote and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures Suppliers/Contractors/NGOs/others?

The Company has a QEHS policy under which the top management is committed to environment protection. Commitment to Safety, Health & Environment is an integral part of all business processes.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Yes, The Company's environmental policy focuses using only permitted materials in material selection process, conservation of energy and reduction of waste. To support this commitment, all of WABCO's manufacturing plants are certified as ISO 14001 for the environment management systems and OHSAS 18001.

The Ambattur plant was certified as ISO 50001 (Energy management system) for systematic improvement in energy performance which resulted in reduction of carbon emissions. The Company has commissioned a 550 KW roof top Solar plant which has resulted in 10% reduction in carbon foot print.

The Company demands high standards for safety, health and environmental practices from the suppliers. Excellence in design, manufacturing, distribution, recycling and disposal are ensured in full compliance with applicable legislations and internal policies.

The Company also recognizes the significance of a greener belt. 210 saplings were planted across locations to reduce carbon foot print. The Company also continuously explores opportunities to use bio fuels, bio liquids, increased usage of solar power etc. which contributes in its endeavor to reduce carbon footprints.

3. Does the company identify and assess potential environmental risks?

Yes, the Company has a continuous mechanism to identify and assess potential environmental risks through the SHE FMEA methodology based on which mitigation plans are formulated and implemented for the identified risks.

4. Does the company have any project related to Clean Development Mechanism?

The Company periodically files returns to Pollution control board as per legal requirement. All the manufacturing locations of the company are ISO 14001 and OHSAS 18001 certified.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.?  
Innovative technologies are used to reduce the impact on the environment. In the entire chain of manufacturing, the emphasis is on preserving natural resources. Processes are designed to minimize the use of raw materials, conserve water and energy. Power consumption is tracked and reviewed periodically. Replacement of old pumps, optimization of energy consumption, with the usage of internet of things to track the energy performance, elimination of redundant processes and machines resulted in significant energy savings. Details on energy saving measures are given in the annexure to the Directors report.
6. Are the emissions/ wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes, the emissions / waste generated by the Company are within the permissible limits given by State Pollution Control Board. All statutory requirements are tracked periodically.
7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? Yes
- i) Confederation of Indian Industry
  - ii) Automotive Component Manufacturers' Association of India
  - iii) Madras Chamber of Commerce and Industry
  - iv) Madras Management Association
  - v) Indian Management Association
  - vi) Associated chambers of commerce and industry of India
  - vii) American Chamber of Commerce
  - viii) Indo-German Chamber of Commerce
  - ix) Indo-American Chamber of Commerce
  - x) Quality circle forum of India
  - xi) National Institute of quality & reliability
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?  
The company is not actively involved in lobbying. However as a responsible corporate citizen and as part of the industry makes recommendations, representations, views and opinions before regulators and associations broadly on promoting growth and technological progress, energy conservation, sustainability, road safety etc.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programs /initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.  
As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities were conducted through internal engagement of employees and resources, driving activities which would help the needy sections of the society as per the Company's CSR policy with specific focus towards areas surrounding the company's plant locations. The activities during the year were largely directed towards, skill development, promoting education, preventive healthcare, making available safe drinking water, environment protection, sanitation, safety education etc. Details are given in Annexure - 2 to the Directors report for the year 2018-19 and in the Management discussion and analysis report.
2. Have you done any impact assessment of your initiative?  
The Company believes that every activity should result in some impact which can be measured through parameters specific to the activity. These assessments are presently done internally on a periodic basis.
3. What is your company's direct contribution to community development projects and the details of the projects undertaken?  
The Company spent an amount of ₹ 86.63 lakhs on community development projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure - 2 to the Directors' Report.



## WABCO INDIA LIMITED

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As part of the Company's CSR initiatives, more than 5500 drivers & technicians across Tamilnadu, Kerala and Andhra Pradesh have been trained on Road Safety by creating awareness on vehicle safety & safe driving practices, advanced braking systems, etc. These projects were carried out in association with the Regional Transport Offices and State Transport Undertakings. The safety awareness camps are complemented with medical and eye check-up camps for the participants. Considering tremendous acceptance, response and impact of such programs the foundation plans to extend this Pan India. This has resulted in transforming the lives of drivers and mechanics which will, in turn, translate into safer roads.

As part of this important road safety objective, the Company has also collaborated with Praxair India, one of the world's largest Industrial Gas companies and State Transport authorities, to provide advanced driver training for drivers of hazardous cargo carriers, fuel carriers, etc. These programs are conducted by subject experts from the industry along with practical sessions for drivers. Over 500 drivers have been trained since inception in various modules through classroom and practical sessions including safe driving practices, rollover stability, the advantage of using ABS & EBS and other safety technologies. These programs have been well received and have helped the attendees to maintain zero accident levels. Drivers receive certification on successful completion of this course.

4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company ensures that its presence is established right from the commencement of the initiatives. It collaborates with the communities' right from need identification to project implementation phase and participate physically and financially.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

During the financial year ended March 31, 2019, no new cases were filed against the Company. No customer complaints were pending unresolved as on March 31, 2019.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes, WABCO India Limited produces parts to the prints and specifications provided by the customers. The Company displays product information as required by the customers. This is approved by them during the development process. Apart from the mandated declarations, additional declarations are furnished on the products / labels relating to the products and their usage.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There have been no cases relating to unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Customer satisfaction as a concept has matured into customer delight and is a continuous activity and ever present value imbibed in the Company's processes which in itself drives continuous feedback and improvement in the services. The Company has bagged many best supplier awards from its major customers which stand as a testimony to the focus provided for customer delight.

Chennai  
25<sup>th</sup> May 2019

P KANIAPPAN  
Managing Director

NARAYAN K SESHADRI  
Director

## Report on corporate Governance

### 1. Company's philosophy on code of governance

The Company as a good corporate citizen believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance. The Company constantly endeavors to improve on these aspects thereby paving the way for excellence.

### 2. Board of directors

#### 2.1 Composition and category of directors:

As of 31<sup>st</sup> March 2019, the total strength of the Board of Directors (the board) was eight directors. All the directors except the Managing Director are Non-Executive Directors. Out of the seven Non-Executive Directors, three Directors viz., Messrs. M Lakshminarayan (Chairman), Narayan K Seshadri and Dr. Lakshmi Venu are independent directors. The Chairman is not related to any promoter of the Company as defined under

Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulation). The number of Independent Directors is more than one third of Board's total strength. Thus, the Company meets with the requirements of composition of the board as per Listing Regulation.

#### 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 2018-19, the Board met 5 times on 17<sup>th</sup> May 2018, 28<sup>th</sup> May 2018, 26<sup>th</sup> July 2018, 5<sup>th</sup> November 2018 and 29<sup>th</sup> January 2019 and the gap between two meetings did not exceed 120 days.

#### 2.3 Attendance and other directorships:

The details of attendance of the Directors at the board meetings, during the year, and at the last Annual General Meeting held on 27<sup>th</sup> July 2018 and also the number of other directorships and committee membership's chairmanships as on 31<sup>st</sup> March 2019 are as follows:

Name of the director Messrs	Category	Attendance particulars		Number of directorships* and committee member! / chairmanships**		
		Board meeting	Last AGM	Other directorships	Committee memberships	Committee chairmanships
M Lakshminarayan	C-I	5	Yes	12	7	2
P Kaniappan	MD-NI	5	Yes	2	1	-
Narayan K Seshadri \$	NE-I	5	Yes	20	2	4
Dr. Lakshmi Venu \$	NE-I	4	Yes	8	1	-
Lisa Brown \$	NE-NI	4	Yes	38	-	1
Sean Deason	NE-NI	3	Yes	1	1	-
Jorge Solis \$ (upto 29.01.2019)	NE-NI	3	Yes	5	-	-
Shivaram Narayanaswami (upto 29.01.2019)	NE-NI	5	Yes	1	-	-
Philippe Colpron \$ (from 29.01.2019)	NE-NI	1	NA	1	-	-
Dr. Christian Brenneke \$ (from 29.01.2019)	NE-NI	1	NA	2	-	-

\* : includes private companies.

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

\$ : includes directorship in foreign companies.

! : Memberships and chairmanship of Audit and Stakeholders relationship committee

C-I : Chairman Independent

MD-NI : Managing Director - Non-Independent Director

NE-I : Non-Executive - Independent Director

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

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Names of other listed entities where the above directors hold directorship

Director	Name of the Listed company	Designation
M Lakshminarayan	Kirloskar Oil Engines Limited	Independent Director
	TVS Electronics Limited	Independent Director
	Rane (Madras) Limited	Independent Director
	Wendt India Limited	Independent Director
	ASM Technologies Limited	Non- Executive Director
Narayan K Seshadri	PI Industries Limited	Non- Executive Chairman
	Kalpataru Power Transmission Ltd	Independent Director
	Magma Fincorp Limited	Non- Executive Chairman
	AstraZeneca Pharma India Ltd	Non- Executive Chairman
	TVS Electronics Limited	Non-Independent Director
	CG Power and Industrial Solutions Ltd	Independent Director
Dr. Lakshmi Venu	TVS Motor Company Limited	Non- Executive Director
	Sundaram -Clayton Limited	Joint Managing Director

None of the Directors is a member in more than 10 board level committees or Chairman of more than 5 such committees of listed companies, as specified under Regulation 26 of the Listing Regulation.

#### 2.4 Access to information and updation to directors:

The board reviews all information provided periodically for discussion and consideration at its meetings in terms of Listing Regulation. Functional heads are present whenever necessary and apprise all the directors about the developments. They also make presentations to the board and audit committee of directors. Apart from this, the observations of audit carried out by the internal auditors is placed at the audit committee of the directors. The board also reviews the declarations made by the Managing Director and Company Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

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

The Company has in place the Code of Business Conduct and Ethics for Board and Senior Management personnel (the Code) approved by the board. The Code has been communicated to Directors and the members of the senior management. The Code has also been displayed on the Company's website [www.wabcoindia.com](http://www.wabcoindia.com). All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2019. The annual report contains a declaration to this effect signed by the Managing Director and Company Secretary of the Company as compliance officer for the Code.

#### 2.6 Appointment of directors:

In terms of Regulation 36(3) of the Listing Regulation, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and their relationships with other directors are provided in the notice convening the ensuing annual general meeting of the Company.

#### 2.7 Skills / expertise / competence matrix of the Board of Directors:

The following list of core skills / expertise / competencies were identified by the board of directors as required in the context of its business and sectors for it to function effectively. The matrix detailing the same along with those actually available with the board is given below

Required core skills / expertise / competencies	Actual Available
Strategy / Business Leadership.	Strategy / Business Leadership.
Experience & insight into the auto ancillary industry specifically in the Medium & Heavy Commercial Vehicles sector.	Experience & insight into the auto & auto ancillary industry Experience & insight in the Medium & Heavy Commercial Vehicles sector.
Knowledge & insight into automotive technology & software related to medium & heavy commercial vehicles.	Knowledge & insight into automotive technology & Knowledge & insight software related to medium & heavy commercial vehicles.
Technical skills like accounting, finance, Law, Sales & Marketing, Information technology, Human resource management, governance.	Technical skills like accounting, finance, Law, Sales & Marketing, Information technology, Human resource management, governance.
Behavioral competencies like collaboration, team playing, judgement, mentoring, effective communication, decision making.	Behavioral competencies like collaboration, team playing, judgement, mentoring, effective communication, decision making.

**3. Audit Committee**

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

**3.1 Brief description of terms of reference:**

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

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

that the financial statement is correct, sufficient and credible;

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

## WABCO INDIA LIMITED

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

- 23) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- 24) To review the functioning of the Whistle Blower mechanism;
- 25) To approve appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 26) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee from time to time. The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

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

The committee consists of the following directors:

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
M Lakshminarayan	Non-executive, Independent director
Sean Deason	Non-executive, Non-Independent director

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Audit Committee. Mr. M C Gokul, Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee was present at the annual general meeting held on 27<sup>th</sup> July 2018. Composition of the committee is in accordance with the requirements of Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
17 <sup>th</sup> May 2018	Narayan K Seshadri, M Lakshminarayan and Sean Deason
28 <sup>th</sup> May 2018	Narayan K Seshadri, M Lakshminarayan and Sean Deason

Date of the meeting	Members present Messrs
26 <sup>th</sup> July 2018	Narayan K Seshadri, M Lakshminarayan and Sean Deason
5 <sup>th</sup> November 2018	Narayan K Seshadri, M Lakshminarayan and Sean Deason
29 <sup>th</sup> January 2019	Narayan K Seshadri and M Lakshminarayan

## 4. Disclosures

- 4.1 The materially significant related party transactions entered into during the year as disclosed elsewhere in the report did not have potential conflict with the interests of company at large.
- 4.2 There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.
- 4.3 The Company has a Whistle Blower Policy and no personnel is denied the access to the audit committee.
- 4.4 Disclosure by senior management personnel: The senior management personnel have made disclosures to the board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the company at large.
- 4.5 The Managing Director (CEO) and Chief Financial Officer (CFO) of the company have certified to the board on financial and other matters in accordance with the Regulation 17(8) of the Listing Regulation pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March 2019.
- 4.6 Compliance with mandatory / non-mandatory requirements: The Company has complied with all applicable mandatory requirements in terms of Listing Regulation. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

## 5. Nomination and Remuneration Committee

The Board has constituted a Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013.

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

## WABCO INDIA LIMITED

The committee consists of the following directors:

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
M Lakshminarayan	Non-executive, Independent director
Lisa J Brown	Non-executive, Non-Independent director
Jorge Solis (upto 29.01.2019)	Non-executive, Non-Independent director
Sean Deason (from 29.01.2019)	Non-executive, Non-Independent director

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Nomination and Remuneration Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
17 <sup>th</sup> May 2018	Narayan. K Seshadri, M. Lakshminarayan, Lisa J Brown and Jorge Solis
29 <sup>th</sup> January 2019	Narayan K Seshadri, M. Lakshminarayan, and Lisa J Brown

Mr. Jorge Solis resigned from the Board effective from 29<sup>th</sup> January 2019 and hence has also resigned from the Nomination & Remuneration Committee with effect from that date. Consequently the Nomination & remuneration committee was reconstituted by appointing Mr. Sean Deason as the member of the committee with effect from 29<sup>th</sup> January 2019.

### 5.1 Brief description of the Terms of reference:

The Nomination & remuneration committee is entrusted with the following responsibilities

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and / or removal and ensure that succession plans for board and senior management personnel are in place.
- 2) To carry out evaluation of every director's performance.
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the

remuneration for the Directors, key managerial personnel and other employees.

- 4) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on his performance.
- 5) To recommend to the Board, all remuneration, in whatever form, payable to Directors, key managerial personnel and senior management.

### 5.2 Nomination and Remuneration Policy

As required under Section 178(3) of the Companies Act, 2013 and the Company's Nomination and Remuneration Policy is hosted in the website:

<http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations>

### 5.3 Remuneration to Non-Executive Directors

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

### 5.4 Particulars of remuneration paid to the Managing Director during the financial year 2018-19 (₹ in lakhs)

Name of the director Mr	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Total
P Kaniappan	131.61	9.90	100.37	107.18	349.06

Presently, the Company does not have a scheme for grant of any stock option either to the executive directors or employees. Benefit arising out of participation in M/s WABCO Holdings Inc., RSU / PSU schemes is included in value of perquisites.

### 5.5 Particulars of sitting fees and commission paid / payable to non-executive directors / non-executive independent directors and directors during the financial year 2018-19.

Name of the directors - Messrs	Sitting fee (₹)	Commission (₹)@	Total (₹)
M Lakshminarayan	260,000	14,00,000	16,60,000
Narayan K Seshadri	240,000	14,00,000	16,40,000
Dr. Lakshmi Venu	100,000	14,00,000	15,00,000
<b>Total</b>	<b>6,00,000</b>	<b>42,00,000</b>	<b>48,00,000</b>

@ will be paid after adoption of accounts at the ensuing annual general meeting

As approved by the shareholders through special resolution at the Annual General Meeting held on 22<sup>nd</sup> July 2014,

non-executive independent directors are being paid commission not exceeding 1% of the net profits of the Company.

The Board as its meeting dated 7<sup>th</sup> May 2019, has increased the commission paid to non-executive independent directors to ₹ 14,00,000. Other non-executive directors, Messrs, Lisa Brown, Sean Deason, Jorge Solis, Shivaram Narayanaswami, Philip Colpron and Dr. Christian Brenneke have waived the sitting fees payable to them.

Mr M Lakshminarayan holds 100 shares through himself and his relatives and other that him, none of the other directors 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 are related to each other.

#### 6. Stakeholders Relationship Committee:

The Board constituted a Stakeholder Relationship Committee in terms of Section 178 of the Companies Act, 2013.

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

The committee consists of the following directors:

Name of the directors - Messrs	Status
Lisa J Brown	Non-Executive, Non-Independent Director
M Lakshminarayan (From 29.01.2019)	Non-executive, Independent director
P Kaniappan	Executive-Non-Independent Director

Ms. Lisa Brown, is the Chairperson of the Stakeholders Relationship Committee. The Committee was reconstituted to include Mr. M Lakshminarayan, independent director as a member as per the requirements of the amended Securities Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015. As required by Securities and Exchange Board of India (SEBI), Mr. M C Gokul has been appointed as Compliance Officer. For any clarifications / complaints, the shareholders may contact Mr. M C Gokul, Company Secretary of the Company at [gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com). The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
17 <sup>th</sup> May 2018	P Kaniappan, Lisa Brown
26 <sup>th</sup> July 2018	P Kaniappan, Lisa Brown
29 <sup>th</sup> January 2019	P Kaniappan, Lisa Brown

The committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. The committee also looks into the redressal of investors' grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Company, as a matter of policy, disposes investor complaints within a span of seven days. Complaints received and redressed during the year 2018-19:

No. of complaints received during the year	4
No. of complaints resolved during the year	4
No. of complaints pending unresolved as on 31.03.2019	-

6.2 All the complaints were resolved and, as on 31<sup>st</sup> March 2019, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

#### 7. Risk Management Committee

The Company is among the top 500 listed companies as per the market cap as on 31<sup>st</sup> March 2019 and hence as per the requirements under the amended Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has constituted a Risk Management Committee at the meeting held on 29<sup>th</sup> January 2019.

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

The Committee consists of the following directors:

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
Sean Deason	Non-executive, Non-Independent director
P Kaniappan	Managing Director
R S Rajagopal Sastry	Chief Financial Officer
M S Ravikumar	Leader - Integrated Supply Chain
V Ramanathan	Leader - OE Sales & Marketing

Mr Narayan K Seshadri, Independent Director, is the Chairman of the Risk Management Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the Risk Management Committee.

The terms of reference of the committee includes monitoring / reviewing the risk management plan, the annual risk management framework, and periodically review the process for systematic identification and assessment of the business risks, critical risk exposures and report to the Board and develop recommend and review the Company's Risk Management Policy to the Board.

**8. Reconciliation of Share Capital Audit**

A qualified practicing company secretary has carried out reconciliation of share capital 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 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.

**9. Corporate Social Responsibility Committee (CSR Committee)**

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

Composition name of members and the chairman of the Committee.

As of date, the committee consists of the following directors:

Name of the directors - Messrs	Status
P Kaniappan	Managing director
Lisa J Brown	Non-executive, Non-Independent director
M Lakshminarayan	Non-Executive, Independent director
Dr. Lakshmi Venu	Non-executive, Independent director

Mr P Kaniappan, Managing Director, is the Chairman of the CSR Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the CSR Committee. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
17 <sup>th</sup> May 2018	M Lakshminarayan, P Kaniappan Dr. Lakshmi Venu and Lisa J Brown

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

**10. General body meeting:**

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

Year	Location	Date	Time
2015-16	The NaradaGana Sabha, (Sathguru Gnananandha Hall), No. 314,	29.07.2016	10.00 A.M.
2016-17	T.T.K. Road, Alwarpet, Chennai 600 018	18.09.2017	10.00 A.M.
2017-18		27.07.2018	9.30 A.M.

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

None of the subject placed before the shareholders in the last three annual General Meeting's requires a special resolution approval by the shareholders as mentioned above.

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

**11. Unclaimed Shares**

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 2,578 of ₹ 5/- each held by 44 equity shareholders were laying unclaimed (hereinafter referred to as "unclaimed shares") as required under the SEBI Regulations.

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

Details of Unclaimed suspense account	No. of Shareholders	No. of Shares
No. of shares in Unclaimed Suspense Account at the beginning of the year as on 01.4.2018	390	24,953
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	6	628
No. of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2019	6	628
Shares transferred to the IEPF Suspense account on 26 <sup>th</sup> September 2018	340	21,747
Aggregate number of shareholders and the outstanding shares lying in the suspense account on 31.3.2019	44	2,578

**12. Investor Education Protection Fund Suspense Account**

Pursuant to Section 124 and the rules thereunder of the Companies Act 2013, equity shares which were laying unclaimed and for which the dividend was also unclaimed for a continuous period of 7 years were dematerialized and transferred to Investor Education Protection Fund Suspense Account (hereinafter referred to as "IEPF suspense account") on behalf of the shareholders after providing due reminders and a public announcement in newspapers before transferring.



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

Details of IEPF suspense account	No. of Shareholders	No. of Shares
No. of shares in the IEPF Suspense Account at the beginning of the year as on 01.04.2018	236	13,387
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	6	630
No. of shareholders of whose shares were transferred from unclaimed suspense account during to the IEPF suspense account the year ended 31.03.2019	340	21,747
No. of shareholders whose shares were transferred to the IEPF suspense account during the year	69	5,378
No. of shares transferred from the IEPF suspense account during the year to the shareholders	-	-
Aggregate number of shareholders and the outstanding shares lying in the IEPF suspense account on 31.03.2019	645	40,512

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

Details are provided in the Principle 3 of Business Responsibility Report.

### 14. Means of communication

#### 14.1 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.

#### 14.2 Newspapers wherein results normally published:

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

#### 14.3 Website:

The Company has in place a functional web site addressed as [www.wabcoindia.com](http://www.wabcoindia.com). The unaudited results, quarterly compliance report on corporate governance and the quarterly shareholding pattern as filed with the Stock Exchanges are published in Company website. The Company makes use

of its website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

### 15. General shareholder information

#### 15.1 Annual General Meeting:

Date and time : Wednesday, 14<sup>th</sup> August 2019 at 09.30 A.M.

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

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

Financial calendar 2019-20 (Tentative) :

Financial reporting for the quarter ending : Financial calendar

30<sup>th</sup> June 2019 : between 15<sup>th</sup> July to 14<sup>th</sup> August 2019

30<sup>th</sup> September 2019 : between 15<sup>th</sup> October to 14<sup>th</sup> November 2019

31<sup>st</sup> December 2019 : between 15<sup>th</sup> January to 14<sup>th</sup> February 2020

31<sup>st</sup> March 2020 : between 15<sup>th</sup> to 30<sup>th</sup> May 2020

Annual General Meeting (next year) : July / August 2020

#### 15.3 Record Date : 7<sup>th</sup> August 2019

#### 15.4 Particulars of dividend payment

The board of directors had recommended a dividend of ₹ 9/- per share for the year 2018-19, absorbing a sum of ₹ 1,707.08 lakhs (excluding dividend tax) and subject to the approval of the shareholders in the ensuing annual general meeting. This dividend will be paid on or before 21<sup>st</sup> August 2019 to the shareholders as on record date.

#### 15.5 Listing on Stock Exchanges:

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

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

(Note: Annual listing fees for the year 2019-20 have been duly paid to the above stock exchanges).

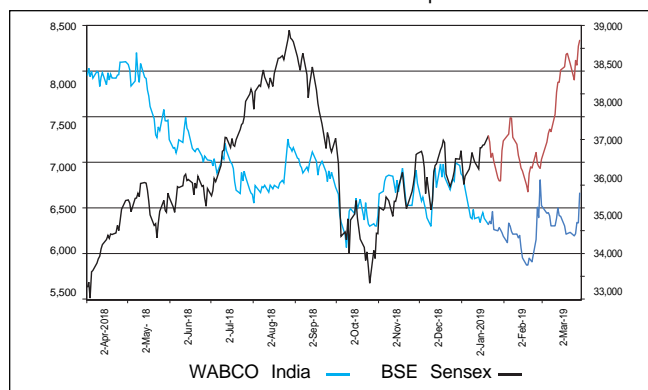
## WABCO INDIA LIMITED

### 15.6 Market Price Data: (Amount in ₹)

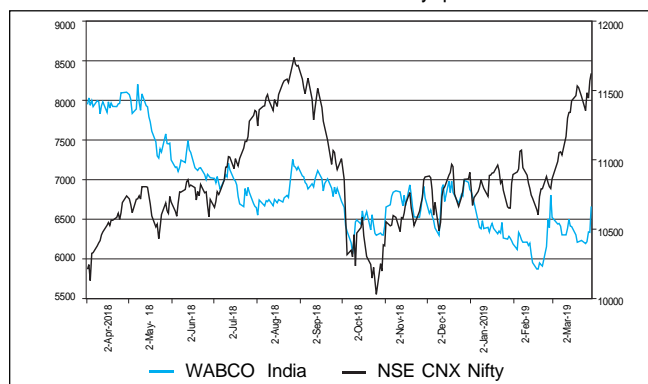
Month	National Stock Exchange		BSE	
	Share Price		Share Price	
	High	Low	High	Low
April-18	8,348	7,781	8,320	7,800
May-18	8,279	7,235	8,230	7,214
June-18	7,569	6,911	7,557	6,866
July-18	7,270	6,601	7,245	6,600
August-18	7,446	6,543	7,444	6,541
September-18	7,250	6,584	7,231	6,615
October-18	6,984	5,990	6,810	6,000
November-18	6,981	6,268	6,989	6,309
December-18	7,050	6,185	7,006	6,215
January-19	6,989	6,070	6,950	6,112
February-19	6,930	5,840	6,900	5,798
March-19	7,100	6,131	7,083	6,175

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

WABCO India Vs BSE Sensex performance



WABCO India Vs NSE CNX Nifty performance



### Share Transfer Agents (STA) and Share Transfer System:

- a) With a view to rendering prompt and efficient service to the investors, Messrs Sundaram-Clayton Limited (SCL), which has been registered with SEBI as the Share Transfer Agent (STA) in Category II, has been appointed as the STA of the Company. The shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- b) All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned elsewhere in this report.
- c) Shares lodged for transfer are within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmations are given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondences on change of address, mandates etc., are processed by the STA within 7 days.
- d) Shareholders are requested to note that SEBI has mandated that from 1<sup>st</sup> April 2019, the company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have been sent to all shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat the shares to avoid any issues in future.
- e) Pursuant to Regulation 40(9) of the Listing Regulation, certificates, on half-yearly basis, is issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.
- f) Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary in practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company is obtained.
- g) The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely [investorscomplaintssta@scl.co.in](mailto:investorscomplaintssta@scl.co.in) (share transfer agent)/ [gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com) (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h) 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.

15.8 Shareholding Pattern as on 31<sup>st</sup> March 2019 is available in the extract of annual return forming part of the Directors Report.

15.9 Distribution of Shareholding as on 31<sup>st</sup> March 2019:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	1,730,410	9.12	26,754	99.74
5,001 - 10,000	162,333	0.86	24	0.09
10,001 - 20,000	204,518	1.08	14	0.05
20,001 - 50,000	612,907	3.23	19	0.07
50,001 - 1,00,000	329,801	1.74	5	0.02
1,00,001 & above	15,927,615	83.97	7	0.03

15.10 Dematerialization of shares and liquidity:  
The entire promoter holding is in dematerialised form. Out of 47,41,900 shares held by persons other than promoters, 46,10,848 of shares have been dematerialised as on 31<sup>st</sup> March 2019 accounting for 97.23%.

15.11 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.

15.12 Details regarding plant locations is made available in the Business Responsibility Report.

15.13 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 "Jayalakshmi Estates" 29, Haddows Road, Chennai 600 006.

(ii) for any query on non-receipt of annual report; and  
Tel : 044 2828 4959  
044 2827 2233  
Fax : 044 2825 7121

(iii) for investors grievance & general correspondence Email :  
kr.raman@scl.co.in  
investorscomplaintssta@scl.co.in  
info.india@wabco-auto.com  
gokul.mc@wabco-auto.com

## 16. Non-mandatory disclosure

16.1 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](http://www.wabcoindia.com). The results are not sent to the shareholders individually.

16.2 Audit Qualifications:

The statutory financial statements of the Company are unqualified.

## 17. 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.

a. 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.

b. Transfer of shares in physical mode:

Shareholders are requested to note that as per SEBI Regulations, from 1<sup>st</sup> April 2019, the company cannot process any request for transfer of shares in received physical mode. Adequate communications in this regard have already been sent to the shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat the shares to avoid any issues in future.

c. 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.

d. Registration of Nominations:

Nomination in respect of shares - Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc. It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to the Company or STA. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

e. Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA to receive all communications promptly. Shareholders, holding shares in electronic form are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc.

f. SMS Alerts:

Shareholders are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility

## WABCO INDIA LIMITED

for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to shareholders. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com), respectively.

g. 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 (IEPF). As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons. Shareholders who have not encashed their dividend warrants in respect of dividends declared for the year ended 31<sup>st</sup> March, 2010 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 IEPF under Section 125 of the Companies Act, 2013. Shareholders are also requested to note that as per the Companies Act, 2013, unclaimed shares pertaining to unclaimed dividends for continuous period of seven years would be transferred to the IEPF suspense account.

h. Web based applications - SEBI / NSE / BSE

In line with the circular No. CIR/OIAE/2/2011 dated 3<sup>rd</sup> June 2011 from SEBI, the investors' complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically. In line with the circular No. NSE/LIST/C/2011 dated 29<sup>th</sup> September 2011 from the National Stock Exchange of India Ltd. (NSE) the Company now uploads its quarterly shareholding pattern, corporate governance report, financial results, corporate announcements through a web based application designed for corporates by NSE called as NEAPS and BSE called as BSE filing center. Information in respect of unclaimed dividends due for remittance into IEPF is given below:

### 18. PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2011-12	25.07.2012	30.08.2012	30.08.2019
2012-13	24.07.2013	24.08.2013	24.08.2020
2013-14	22.07.2014	25.08.2014	25.08.2021
2014-15	30.07.2015	30.08.2015	30.08.2022
2015-16	29.07.2016	29.08.2016	29.08.2023
2016-17	18.09.2017	18.10.2017	18.10.2024
2017-18	27.07.2018	27.08.2018	27.08.2025

### Declaration pursuant to clause D of Schedule III and 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Business Conduct and Ethics

To

The Shareholders of WABCO INDIA LIMITED

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the clause D of Schedule III and 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of directors for the year ended 31<sup>st</sup> March 2019.

Chennai  
25<sup>th</sup> May, 2019

P KANIAPPAN  
Managing Director

M C GOKUL  
Company Secretary

## **WABCO INDIA LIMITED**

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### **Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To

The Members of  
WABCO INDIA LIMITED

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

1. The Corporate Governance Report prepared by WABCO India Limited (hereinafter the "Company"), contains details as required in regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('reporting criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

#### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the reporting criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors' Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

## WABCO INDIA LIMITED

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- iv. Obtained and read the minutes of the following committee meetings held from April 01, 2018 to March 31, 2019:
    - (a) Board of Directors meeting;
    - (b) Audit committee;
    - (c) Annual General meeting;
    - (d) Nomination and remuneration committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Corporate Social Responsibility Committee;
    - (g) Independent directors meeting; and
    - (h) Risk management committee;
  - v. Obtained and read the policy adopted by the Company for Related Party transactions.
  - vi. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior to the audit committee
  - vii. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

### **Other matters and Restriction on Use**

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Per Bharath N S  
Partner  
Membership No. 210934  
UDIN: 19210934AAAAAR7353

Chennai  
25<sup>th</sup> May, 2019

**INDEPENDENT AUDITORS' REPORT**

To

The Members of **WABCO INDIA LIMITED**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of WABCO India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
Revenue recognition ( <i>refer note 2.2(c), note 2.2(s) and note 18 to the Ind AS financial statements</i> )	
The Company has several streams of revenue from multiple locations geographically spread across India. Revenue from each stream is recognised based on the accounting policies disclosed in the note 2 to the Ind AS financial statements. Revenue for the year ended March 31, 2019 amounted to ₹ 285,414 lakhs. Revenue from the sale of goods / services is recognized at the moment when control have been transferred to the buyer; and is	Our audit procedures included but not limited to: <ul style="list-style-type: none"> <li>• We obtained and read customer contracts and confirmed our understanding of the Company's sales process from initiation to collection of receivables, including design and implementation of controls and tested the operating effectiveness of these controls.</li> </ul>

## WABCO INDIA LIMITED

Key audit matters	How our audit addressed the key audit matter
<p>measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, and volume rebates. The Company uses a variety of shipment terms with customers across its operating markets and this has an impact on the timing of revenue recognition.</p> <p>Given the nature of industry in which the Company operates and given the fact that the Company measures performance of management based on revenue targets, ascertainment of timing of revenue recognition, is a key audit consideration for sales transactions occurring at or near to the year end.</p>	<ul style="list-style-type: none"> <li>• We read and understood the Company's accounting policy for recognition of revenue for each stream as per Ind AS 115.</li> <li>• We performed transactions testing based on a representative sampling of the sales orders to assess revenue recognition and recognition of trade receivables including transactions occurring at or near the year end.</li> <li>• We performed cut off testing for sales made near the reporting date and tested whether the revenue was recognised in the appropriate period by testing shipping records and sales invoices for sample transactions and tested the management assessment involved in this process, wherever applicable.</li> <li>• We requested for and obtained independent balance confirmations from the Company's customers on sample basis.</li> <li>• We performed analytical procedures of disaggregated data of revenue transactions during the audit period to identify any unusual trends warranting additional audit procedures.</li> </ul>
<p><b>Existence of inventory and significant judgments and estimates relating to provision for obsolescence of slow and non-moving inventory (refer note 2.2(e) and note 7 to the Ind AS financial statements)</b></p>	
<p>At March 31, 2019, the Company held inventories of 15,104 Lakhs. Given the nature of industry in which the Company operates, considering the control deficiencies identified in the past around inventory management including correction of books to physical differences and due to significant judgment and estimates involved in assessing provision for stock obsolescence including slow-moving / non-moving inventory and inventory shrinkage losses, Existence of inventory and significant judgments and estimates relating to provision for obsolescence of slow and non-moving inventory, is considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We read and understood the Company's accounting policy for inventory valuation.</li> <li>• Observed the physical stock count process on a sample basis for selected locations both for cycle counts and period end counts. Tested that all material inventory and locations, are covered as a part of physical stock count process. Further, tested the design and operating effectiveness of the physical stock count process, including the process of identification of excess / short inventory and timely rectification of identified differences.</li> <li>• Performed physical inventory counts on sample items and compared the results with book balance. Tested whether necessary adjustments are recorded in the financial statements for all material differences arising from physical stock counts.</li> <li>• We tested the basis of computation of net realisable value and allowance for slow or non-moving inventory and obsolescence at the reporting date is appropriate, by assessing the methodology and assumptions adopted by management supported by analysis of historical data.</li> <li>• We obtained understanding of the inventory process, and the assumptions used by the management in the</li> </ul>



## WABCO INDIA LIMITED

Key audit matters	How our audit addressed the key audit matter
	<p>process of calculation of inventory provision, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls.</p> <ul style="list-style-type: none"> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the inventory provision calculations for slow-moving, obsolete and non-moving inventory.</li> <li>• We also tested accuracy of inventory aging data on a sample basis for forming basis of estimation of inventory provision.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

## WABCO INDIA LIMITED

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

## WABCO INDIA LIMITED

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- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 35 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Per Bharath N S  
Partner  
Membership No. 210934

Chennai  
25<sup>th</sup> May, 2019

## WABCO INDIA LIMITED

### ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: WABCO INDIA LIMITED ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Property, plant and equipment have been physically verified by the management during the year in accordance with its plan of verifying in a phased manner and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans and advances given, investments made and, guarantees and securities given, provisions of Section 186 of the Companies Act, 2013 have been complied with by the Company. There are no loans granted in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence reporting under clause 3(iii) insofar as it relates to Section 185 is not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 relating to certain products of the Company to which such rules apply, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it though there has been slight delays in cases relating to remittance of goods and service tax, income-tax, and provident fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Period to which the amount relates	Demand amount (₹ In lakhs)	Unpaid amount (₹ In lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2010-11 To 2014-15	1,099.95	1,099.95	Commissioner of Income tax (Appeals), Chennai
Income Tax Act, 1961	Income Tax	2015-16	584.81	584.81	Income Tax Appellate Tribunal

**WABCO INDIA LIMITED**

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

Re: WABCO INDIA LIMITED ('the Company')

Name of the statute	Nature of dues	Period to which the amount relates	Demand amount (₹ In lakhs)	Unpaid amount (₹ In lakhs)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty - CENVAT	2012-13 To 2015-16	52.61	52.15	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Excise duty - CENVAT	2015-16 & 2016-17	160.79	160.79	Joint Commissioner of Central Excise, Chennai
Central Excise Act, 1944	Excise duty - CENVAT	2016-17 & 2017-18	51.56	51.56	Assistant Commissioner of GST and Central Excise, Chennai
Finance Act, 1994	Service tax	2008-09	0.88	0.88	Commissioner of Central Excise (Appeals), Chennai
Finance Act, 1994	Service tax	2005-08	21.62	21.62	The Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service tax	2016-17	3.92	3.92	Commissioner of GST and Central Excise (Appeals), Chennai
The Central Sales Tax Act, 1956	Input tax credit reversal for CST sales without C Forms	2008-09 2009-10 2010-11 2012-13 2013-14	1,356.36	787.38	Assistant Commissioner, (Commercial Taxes), Chennai
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	2009-10 To 2015- 16	18,717.16*	16,845.44	Madras High Court

\* - excludes penalty of INR. 28,076 Lakhs.

\*\* - net of amount paid under protest.

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the

financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

## WABCO INDIA LIMITED

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

Re: WABCO INDIA LIMITED ('the Company')

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Bharath N S  
Partner  
Place : Chennai  
Date : May 25, 2019  
Membership No. 210934

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

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

To

The Members of **WABCO INDIA LIMITED**

We have audited the internal financial controls over financial reporting of WABCO INDIA LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

## WABCO INDIA LIMITED

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

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai  
Date : May 25, 2019

per S Bharath N S  
Partner  
Membership No. 210934



## WABCO INDIA LIMITED

### Balance Sheet as at 31<sup>st</sup> March 2019

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

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3.1	43,724.26	35,665.57
Capital work-in-progress	3.2	1,930.60	5,238.11
Intangible assets	3.1	271.25	229.87
Financial assets			
(i) Loans	4.2	710.96	673.08
(ii) Other financial assets	4.3	344.45	122.04
Other non-current assets	5	6,639.44	4,487.06
Non-current tax assets (Net)	6	3,575.59	2,880.36
<b>Total-non-current assets</b>		<u>57,196.55</u>	<u>49,296.09</u>
<b>Current assets</b>			
Inventories	7	15,104.37	13,238.42
Financial assets			
(i) Investments	4.1	31,342.75	44,565.02
(ii) Trade receivables	8	63,400.27	64,834.14
(iii) Cash and cash equivalents	9	4,932.26	34,630.75
(iv) Bank balances other than (iii) above	9.1	50,033.20	977.04
(v) Loans	4.2	20.35	22.60
(vi) Others	4.3	1,311.49	626.75
Other current assets	5	10,091.14	8,703.17
<b>Total- current assets</b>		<u>1,76,235.83</u>	<u>1,67,597.89</u>
<b>Total assets</b>		<u>2,33,432.38</u>	<u>2,16,893.98</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	948.38	948.38
Other equity	11	1,77,049.29	1,51,640.44
<b>Total equity</b>		<u>1,77,997.67</u>	<u>1,52,588.82</u>
<b>Non-current liabilities</b>			
Provisions	12	3,114.66	2,653.91
Government grants	13	4.18	4.64
Deferred tax liabilities (net)	14	395.57	375.79
<b>Total non- current liabilities</b>		<u>3,514.41</u>	<u>3,034.34</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	15		
- Dues to Micro, & Small Enterprises		1,333.14	2,005.69
- Dues to other than Micro, & Small Enterprises		39,881.42	51,237.42
(ii) Other financial liabilities	16	33.20	30.18
Provisions	12	4,380.89	3,393.10
Other current liabilities	17	6,291.65	4,604.43
<b>Total current liabilities</b>		<u>51,920.30</u>	<u>61,270.82</u>
<b>Total equity and liabilities</b>		<u>2,33,432.38</u>	<u>2,16,893.98</u>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the Financial Statements.

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

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

NARAYAN K. SESHADRI  
Director

P KANIAPPAN  
Managing Director

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Per BHARATH N S  
Partner  
Membership No. 210934

Place : Chennai  
Date : May 25, 2019

## WABCO INDIA LIMITED

### Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2019

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

	Notes	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Revenue from contracts with customers	18	2,85,413.56	2,61,384.81
Other income	19	4,893.61	3,321.85
Finance income	20	2,353.92	1,330.93
<b>Total income</b>		<b>2,92,661.09</b>	<b>2,66,037.59</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	21	1,83,454.22	1,55,143.27
Changes in inventories of finished goods and work-in-progress	22	(1,237.27)	5,046.57
Excise duty on sale of goods (Refer note 18)		-	4,051.58
Employee benefits expense	23	25,364.41	22,909.87
Depreciation and amortisation expense	24	7,143.69	6,173.69
Finance costs	25	-	161.74
Other expenses	26	36,844.63	34,372.45
<b>Total expense</b>		<b>2,51,569.68</b>	<b>2,27,859.17</b>
<b>Profit before tax</b>		<b>41,091.41</b>	<b>38,178.42</b>
Income tax	28		
- Current tax		12,753.78	11,089.19
- Adjustment of tax relating to earlier years		(5.40)	251.00
- Deferred tax		126.10	(444.40)
		<b>12,874.48</b>	<b>10,895.79</b>
<b>Profit for the year (I)</b>		<b>28,216.93</b>	<b>27,282.63</b>
Other comprehensive income:	29		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(304.29)	(112.43)
Income tax effect		106.33	38.91
		<b>(197.96)</b>	<b>(73.52)</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(197.96)</b>	<b>(73.52)</b>
<b>Other comprehensive income / (loss) for the year, net of tax (II)</b>		<b>(197.96)</b>	<b>(73.52)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>28,018.97</b>	<b>27,209.11</b>
Earnings per equity share of INR 5 each	30		
Basic		148.76	143.84
Diluted		148.76	143.84

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Financial Statements

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

NARAYAN K. SESHADRI  
Director

P KANIAPPAN  
Managing Director

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

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Per BHARATH N S  
Partner

Place : Chennai  
Date : May 25, 2019

Membership No. 210934

## WABCO INDIA LIMITED

Statement of changes in equity for the year ended March 31, 2019  
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

**a Equity Share Capital**

	No. of shares	INR
Equity shares of INR 5 each issued, subscribed and fully paid		
<b>At April 1, 2017</b>	18,967,584	948.38
Issue of share capital	-	-
<b>At March 31, 2018</b>	18,967,584	948.38
Issue of share capital	-	-
<b>At March 31, 2019</b>	18,967,584	948.38

**b Other equity**

For the year ended March 31, 2019

Particulars	Reserves & Surplus					Total Equity
	General reserve	Capital reorganisation reserve	Special Economic zone Re-investment Reserve	Retained earnings	Share Based payments	
<b>At April 1, 2018</b>	24,776.38	5.00	663.43	1,25,414.82	780.81	1,51,640.40
Profit for the year	-	-	-	28,216.93	-	28,216.93
Other comprehensive income (Note 28)	-	-	-	(197.96)	-	(197.96)
<b>Total</b>	<b>24,776.38</b>	<b>5.00</b>	<b>663.43</b>	<b>1,53,433.79</b>	<b>780.81</b>	<b>1,79,659.41</b>
Stock units granted	-	-	-	-	-	-
Stock compensation transferred to payable	-	-	-	-	(780.81)	(780.81)
Cash dividends	-	-	-	(1,517.41)	-	(1,517.40)
Dividend distribution tax on cash dividend	-	-	-	(311.91)	-	(311.91)
Special Economic Zone Re-investment Allowance Reserve	-	-	778.94	(778.94)	-	-
<b>At March 31, 2019</b>	<b>24,776.38</b>	<b>5.00</b>	<b>1,442.37</b>	<b>1,50,825.53</b>	<b>-</b>	<b>1,77,049.29</b>

For the year ended March 31, 2018

Particulars	Reserves & Surplus					Total Equity
	General reserve	Capital reorganisation reserve	Special Economic zone Re-investment Reserve	Retained earnings	Share Based payments	
<b>At April 1, 2017</b>	24,776.38	5.00	-	1,00,467.99	444.96	1,25,694.33
Profit for the year	-	-	-	27,282.63	-	27,282.63
Other comprehensive income (Note 28)	-	-	-	(73.52)	-	(73.52)
<b>Total</b>	<b>24,776.38</b>	<b>5.00</b>	<b>-</b>	<b>1,27,677.10</b>	<b>444.96</b>	<b>1,52,903.44</b>
Stock units granted	-	-	-	-	335.85	335.85
Cash dividends	-	-	-	(1,327.74)	-	(1,327.75)
Dividend distribution tax on cash dividend	-	-	-	(271.11)	-	(271.11)
Special Economic Zone Re-investment Allowance Reserve	-	-	663.43	(663.43)	-	-
<b>At March 31, 2018</b>	<b>24,776.38</b>	<b>5.00</b>	<b>663.43</b>	<b>1,25,414.82</b>	<b>780.81</b>	<b>1,51,640.44</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Financial Statements

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

NARAYAN K. SESHADRI  
Director

P KANIAPPAN  
Managing Director

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Place : Chennai  
Date : May 25, 2019

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

Per BHARATH N S  
Partner  
Membership No. 210934

## WABCO INDIA LIMITED

### Statement of Cash Flow for the year ended 31<sup>st</sup> March 2019

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

Particulars	March 31, 2019	March 31, 2018
<b>A. CASH FLOW FROM / (USED) IN OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>41,091.41</b>	<b>38,178.42</b>
Adjustments to reconcile profit before tax to net cash flow		
Depreciation of Property, plant and equipment	<b>6,954.16</b>	5,845.98
Amortisation of intangible assets	<b>189.53</b>	327.71
Share based payments	-	335.85
(Profit)/ loss on Property plant and equipment sold / discarded (net)	<b>92.71</b>	24.01
(Profit)/ loss on sale of financial instruments (net)	<b>(3,075.87)</b>	(2,494.54)
Provision / (release of provision) for doubtful trade receivables (net)	<b>1,308.57</b>	577.47
Finance / other income (including fair value changes in financial instruments)	<b>(2,396.67)</b>	(1,395.49)
Finance costs (including fair value changes in financial instruments)	-	161.74
Net foreign exchange differences	<b>238.57</b>	(330.03)
<b>Operating profit before working capital / other changes</b>	<b>44,402.41</b>	<b>41,231.12</b>
Adjustments for :		
(Increase) / decrease in inventories	<b>(1,865.95)</b>	1,296.02
(Increase) / decrease in trade receivables and current assets	<b>(1,266.59)</b>	(13,993.34)
(Increase) / decrease in loans and other financial assets	<b>(345.69)</b>	(429.33)
(Increase) / decrease in other assets	<b>(51,208.54)</b>	(3,119.93)
Increase / (decrease) in provisions, gratuity and government grants	<b>771.22</b>	(4,420.47)
Increase / (decrease) in trade payables and current liabilities	<b>(11,097.20)</b>	21,226.99
Cash generated from operations	<b>(20,610.34)</b>	41,791.06
Income tax paid	<b>(13,449.62)</b>	(10,712.96)
<b>Net cash flow from / (used) in operating activities</b>	<b>(34,059.96)</b>	<b>(31,078.10)</b>
<b>B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES:</b>		
Purchase of Property, plant and equipment (including capital work in progress and capital advances)	<b>(11,828.29)</b>	(9,516.09)
Sale of Property plant and equipment	-	7.36
Assets written off	<b>(92.71)</b>	-
Purchase of FVTPL investments (current investments)	<b>(5,10,476.72)</b>	(5,24,750.00)
Proceeds from sale of FVTPL investments (current investments)	<b>5,26,831.68</b>	5,12,558.39
Finance income	<b>1,756.83</b>	1,180.35
<b>Net cash flow / (used) in investing activities</b>	<b>6,190.79</b>	<b>(20,519.99)</b>

**WABCO INDIA LIMITED**

**Statement of Cash Flow for the year ended 31<sup>st</sup> March 2019**

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

Particulars	March 31, 2019	March 31, 2018
<b>C. CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES</b>		
Dividends paid	(1,517.41)	(1,327.73)
Dividend distribution tax	(311.91)	(271.11)
Finance cost	-	(161.74)
<b>Net cash from / (used) in financing activities</b>	<b><u>(1,829.32)</u></b>	<b><u>(1,760.58)</u></b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		
	<b><u>(29,698.49)</u></b>	<b><u>8,797.53</u></b>
Cash and cash equivalents at the beginning of the year	<b>34,630.75</b>	25,833.22
Cash and cash equivalents as at end of the year	<b>4,932.26</b>	34,630.75
Components of cash and cash equivalents		
i) Cash on hand	<b>3.87</b>	7.95
ii) On current accounts	<b>4,928.39</b>	9,522.80
iii) Deposits	-	25,100.00
Cash and cash equivalents as per balance sheet (refer note 9)	<b><u>4,932.26</u></b>	<b><u>34,630.75</u></b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Financial Statements.

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

NARAYAN K. SESHADRI  
Director

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 25, 2019

P KANIAPPAN  
Managing Director

R S RAJAGOPAL SASTRY  
Chief Financial Officer

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

Per BHARATH N S  
Partner  
Membership No. 210934

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

#### 1. CORPORATE INFORMATION

WABCO INDIA LIMITED ("Company", "WABCO") was incorporated originally as Auto (India) Engineering Limited on November 18, 2004. The name of the Company was changed to WABCO INDIA LIMITED on August 2, 2011. The Company is a public limited company domiciled in India and has its primary listings on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Plant 1, Plot No.3, (SP), III Main Road, Ambattur Industrial Estate, Chennai -600 058, India. The Company is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The Company also provides software development and other services to its group companies.

The financial statements were authorized for issue in accordance with a resolution of the Board of directors at the meeting held on May 25, 2019.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied for all the years presented, unless otherwise stated.

##### 2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015(as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR (the functional currency of the Company) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

##### 2.2 Summary of Significant Accounting Policies

###### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

###### (b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

**(c) Revenue from contract with Customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

In line with IND AS 115, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However Sales tax / Value Added Tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is the tax collected on value added on the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Revenue recognised by the Company is net of price revision and claims. The specific revenue recognition criteria described below, must also be met before revenue is recognised.

**(i) Sale of products / goods**

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is in the range of 30 to 90 days upon delivery except for some customers who are on advance payment term. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

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

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019****Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

**Volume rebates / Discounts**

Most OEM contracts include a provision for volume rebates / discounts. In those instances where there is a valid expectation from the customers to receive a discount, the amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. The Company applies the most likely amount method for determining the discount.

**(ii) Revenue from Sale of services****1. Revenue from software services**

Revenue from sale of services is recognized as and when related costs are incurred and services are performed in accordance with the terms of specific contracts.

**2. Revenue from research and development services**

Revenue relating to research & development services are recognized on a fixed hourly basis as per the contractual terms.

**3. Revenue from business support services and other service income**

Revenue from sale of services is recognized as related costs are incurred and services are performed in accordance with the terms of specific contracts.

Revenue from test track usage income is recognised as and when the services are performed in accordance with contractual terms.

**Contract balances***Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

*Trade receivables*

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) financial instruments - initial recognition and subsequent measurement.

*Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**(iii) Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash



Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**(iv) Profit on sale of investments**

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

**(d) Foreign currency transactions and balances**

The Company's Financial Statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currencies are initially recorded in the functional currency using the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary item are recognised in statement of profit or loss.

**(e) Inventories**

Inventories are valued at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Raw materials:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

**Finished goods, work in progress and contract work in progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

**Traded goods, Stores and Spare parts:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

**(f) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Warranty**

Provisions for warranty related costs are recognized as and when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually. A provision is recognized for expected warranty claims on products sold, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns. The Company generally offers 18 - 24 months of warranty for its products.

**(g) 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.

**(h) Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**(i) Taxes**

**Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 taxes relate to the same taxable entity and the same taxation authority.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

**(j) Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(k) Property, plant and equipment**

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. The cost of Property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, plant and equipment 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 derecognized.

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013. The useful life estimate for major classes of assets are as follows:

<b>Asset block</b>	<b>Useful life of the assets (years)</b>
Buildings	10-30
Plant and Machinery	10-21
Tooling	3
Computers	3
Office & other equipments	5
Furniture, fixtures and equipments	10
Vehicles	6

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building, plant and machinery over estimated useful lives and residual value which are different from the useful life and residual values prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold lands classified as finance lease are amortised on a straight line basis over the primary lease period of 99 years. The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

**Intangible assets**

Intangible assets with finite useful lives that are acquired separately, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2 / 3 years, or over the license period of the software, whichever is shorter.

**De-recognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss when the asset is derecognised.

**Impairment of tangible and intangible assets carried at cost**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal 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 only for change in assumptions or internal/external factors. 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.

**(l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company' general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(n) Retirement and other employee benefits****i. Defined benefit plan.****1. Provident Fund**

Eligible employees of WABCO receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the WABCO India Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by extant Indian laws and regulations. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any between the return from the investments of the Trust and the notified interest rate.

**2. Gratuity and Pension**

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The Company also operates a pension plan for selected employees, the eligibility and the terms and conditions of payment are at the discretion of the Company. Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation done as per the projected unit credit method as at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

**ii. Other employment benefits****Compensated absence**

Short term compensated absences are provided for based on estimates. Long term compensated absences in the nature of defined benefit plan are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Re-measurement gain or loss is taken to the statement of Profit and loss and are not deferred.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and

The date that the Company recognises related restructuring costs.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and Net interest expense or income.

**iii. Defined contribution plan.**

**Employees' State Insurance**

Retirement benefits in the form of 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.

**iv. Termination benefits**

**Voluntary retirement**

The Company has a scheme of voluntary retirement applicable to certain employees. The amount payable under such scheme is recognised earlier of when the employee accepts the offer or when a restriction of the entity's ability to accept the offer takes effect.

**(o) Share based payments**

Employees (including senior executives) of the Company receive compensation under the scheme of the ultimate holding Company, WABCO Holdings Inc., USA in the form of stock units, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Performance stock units (PSUs), the vesting of which would occur at levels ranging from none to 200% of the number of granted PSUs depending upon the achievement of three year cumulative earnings per share goals approved by the Compensation, Nominating and Governance Committee of the Board of Directors of WABCO Holdings Inc., USA. The Company assesses expected achievement levels at the end of each reporting period.

Restricted stock units(RSU's) vests to the employees on a proportionate basis over the period of 3 years provided the employees continues in employment.

The Company measures and recognizes the expense associated with all share-based payment awards made to employees including RSUs, PSUs based on estimated fair values obtained by the ultimate holding Company being the administrator of the scheme.

The cost was recognised, together with a corresponding increase in employee stock units reserves in equity upto December 31, 2017, W.e.f January 1, 2018 pursuant to the agreement entered with ultimate holding Company, Wabco Holdings Inc., USA the Company has agreed to pay to the ultimate parent the amount equal to the fair market value of the parent shares for the underlying stock units. Consequently the employee stock unit reserves has now been reclassified to outstanding liability payable to the Group Company.

**(p) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019****Financial Assets****Initial recognitions and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

Debt instruments at amortised cost

Debt instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

**Trade receivables**

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Profit and Loss at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(q) Cash dividend and cash distribution to equity holders**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

**(r) Earnings Per Share**

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

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

**(s) Changes in accounting policies and disclosures**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the year 2018-19, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 1, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application was not significant. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18. The application of Ind AS 115 did not have a material impact on the financial statements of the Company.

**(t) Standards issued but not yet effective**

The amendments to Standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretation. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and require sales see to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company has established an implementation team to implement Ind AS 116 related to Leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company has initiated steps to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

**Amendment to Ind AS 12 - Income taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### Amendment to Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any significant impact on account of this amendment.

#### 3.1 Property plant and equipments

(₹ in lakhs)

Description	Property plant and equipments							Intangible Assets		
	Freehold Land	Leasehold Land*	Buildings	Plant & Machinery, Dies & Jigs	Furniture & Fixtures	Office & other equipments	Vehicles	Total	Computer Software and licences	Total
<b>Cost or valuation</b>										
As at April 1, 2017	1,829.06	426.48	7,816.05	30,203.24	239.71	1,612.22	194.65	<b>42,321.41</b>	1,174.17	<b>1,174.17</b>
Add: Additions	–	–	934.29	8,376.80	50.35	700.01	52.90	<b>10,114.35</b>	192.63	<b>192.63</b>
Less: Disposals	–	–	8.87	88.39	0.43	260.62	32.54	<b>390.85</b>	–	–
<b>As at March 31, 2018</b>	<b>1,829.06</b>	<b>426.48</b>	<b>8,741.47</b>	<b>38,491.66</b>	<b>289.63</b>	<b>2051.61</b>	<b>215.01</b>	<b>52,044.92</b>	<b>1,366.80</b>	<b>1,366.80</b>
Add: Additions	–	–	232.27	13,193.16	59.68	1,366.45	175.32	<b>15,026.88</b>	230.91	<b>230.91</b>
Less: Disposals	–	0.45	–	107.08	–	–	–	<b>107.53</b>	–	–
<b>As at March 31, 2019</b>	<b>1,829.06</b>	<b>426.03</b>	<b>8,973.74</b>	<b>51,577.74</b>	<b>349.31</b>	<b>3,418.06</b>	<b>390.33</b>	<b>66,964.27</b>	<b>1,597.71</b>	<b>1,597.71</b>
<b>Depreciation</b>										
As at April 1, 2017	–	8.99	908.30	9,101.98	62.55	744.28	66.74	<b>10,892.84</b>	809.22	809.22
Add : Charge for the year	–	4.85	463.78	4,871.17	31.32	439.21	35.65	<b>5,845.98</b>	327.71	327.71
Less : On assets disposed during the year	–	–	2.62	81.19	0.40	248.57	26.69	<b>359.47</b>	–	–
<b>As at March 31, 2018</b>	<b>–</b>	<b>13.84</b>	<b>1,369.46</b>	<b>13,891.96</b>	<b>93.47</b>	<b>934.92</b>	<b>75.70</b>	<b>16,379.35</b>	<b>1,136.93</b>	<b>1,136.93</b>
Add : Charge for the year	–	4.85	432.30	5,799.54	39.56	630.8	47.12	<b>6,954.17</b>	189.53	<b>189.53</b>
Less : On assets disposed during the year	–	–	–	93.50	–	–	–	93.50	–	–
<b>As at March 31, 2019</b>	<b>–</b>	<b>18.69</b>	<b>1801.76</b>	<b>19,598.00</b>	<b>133.03</b>	<b>1,565.72</b>	<b>122.82</b>	<b>23,240.02</b>	<b>1,326.46</b>	<b>1326.46</b>
<b>Written down value</b>										
As at March 31, 2018	1,829.06	412.64	7,372.01	24,599.70	196.16	1,116.69	139.31	35,665.57	229.87	229.87
<b>As at March 31, 2019</b>	<b>1,829.06</b>	<b>407.34</b>	<b>7,171.98</b>	<b>31,979.74</b>	<b>216.28</b>	<b>1,852.34</b>	<b>267.51</b>	<b>43,724.26</b>	<b>271.25</b>	<b>271.25</b>

\* Represents land at Chennai taken on 99 years lease from Mahindra Industrial Park Limited and land at Panthnagar taken on 90 years lease from State Infrastructure & Industrial development corporation Uttarakhand Limited

#### 3.2 Capital work in progress

Capital work in progress as at March 31, 2019 comprises expenditure for the plant in various stages of installation. Total amount of Capital work in progress is INR 1,930.60 lakhs (March 31, 2018: INR 5,238.11 lakhs)

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>4. FINANCIAL ASSETS</b>		
<b>4.1 Investments</b>		
<b>Current</b>		
<b>Investments at fair value through profit or loss (fully paid)</b>		
<b>Investment in non-group companies</b>		
Quoted mutual funds	31,342.75	44,565.02
<b>Total FVTPL investments</b>	31,342.75	44,565.02
Aggregate market value of quoted investments	31,342.75	44,565.02
<b>4.2 Loans (considered good unless otherwise stated)</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Non-Current</b>		
Security deposit	710.96	673.08
Total	710.96	673.08
<b>Current</b>		
Loans to employees	20.35	22.60
Total	20.35	22.60
<b>4.3 Other financial assets</b>		
<b>Non-current</b>		
Non-current bank balances (refer note below)	344.45	122.04
Total	344.45	122.04
Represents deposits placed with Banks as Margin money towards guarantees provided by the Banks on behalf of the Company.		
<b>Current</b>		
Accrued income	384.60	296.95
Interest accrued on fixed deposits	926.89	329.80
Total	1,311.49	626.75
<b>5. OTHER ASSETS</b>		
<b>Non-current</b>		
Capital advances	1,683.64	1,427.07
Amount paid under protest	2,557.83	2,585.84
Grant receivable (export incentive/subsidy)	2,397.97	474.15
Total	6,639.44	4,487.06
<b>Current</b>		
Advances to vendors (Unsecured considered good) *	6,068.40	6,949.57
Advances to vendors (Unsecured considered doubtful) *	405.61	490.04
Less: Provision for doubtful advances	(405.61)	(490.04)
	6,068.40	6,949.57
Grant receivable (export incentive/subsidy)	2,418.69	554.73
Prepaid expenses	426.97	454.43
Other assets	342.82	193.93
Balance with customs, excise and sales tax authorities	834.26	550.51
Total	10,091.14	8,703.17

\* For amount outstanding from related parties and the terms and conditions relating to that, refer Note 36.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>6. TAX ASSETS</b>		
Advance income tax (net of provision for tax)	<b>3,575.59</b>	2,880.36
Current	–	–
Non-current	<u>3,575.59</u>	<u>2,880.36</u>
<b>7. INVENTORIES (lower of cost and net realisable value)</b>	<b>March 31, 2019</b>	March 31, 2018
Raw materials *	<b>9,699.86</b>	8,732.59
Work-in-progress	<b>383.65</b>	428.53
Finished goods	<b>4,348.50</b>	3,066.35
Stores and spare parts	<b>672.36</b>	1,010.95
Total inventories	<u>15,104.37</u>	<u>13,238.42</u>
*Includes goods in transit	<u>3,635.06</u>	<u>2,821.22</u>
During the year ended March 31, 2019: INR 256.74 lakhs (March 31, 2018: INR 109.57 lakhs) was recognised as an expense for inventories carried at net realisable value.		
<b>8. TRADE RECEIVABLES</b>	<b>March 31, 2019</b>	March 31, 2018
<b>Trade and other receivables</b>		
Trade receivables		
Unsecured, considered good	<b>63,400.27</b>	64,834.14
Doubtful	<b>1,210.27</b>	741.96
	<u>64,610.54</u>	<u>65,576.10</u>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	–	–
Doubtful	<b>(1,210.27)</b>	(741.96)
	<u>(1,210.27)</u>	<u>(741.96)</u>
Total trade receivables	<u>63,400.27</u>	<u>64,834.14</u>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For amount outstanding from related parties and the terms and conditions relating to that, refer Note 36.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days depending on the type of the customer.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	3.87	7.95
Balances with banks:		
- On current accounts	4,928.39	9,522.80
- Deposits with original maturity of less than three months	-	25,100.00
<b>Total cash and cash equivalents</b>	<b>4,932.26</b>	<b>34,630.75</b>
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) Cash on hand	3.87	7.95
ii) On current accounts	4,928.39	9,522.80
iii) Deposits	-	25,100.00
	<b>4,932.26</b>	<b>34,630.75</b>
<b>9.1. Other bank balances</b>		
In unpaid dividend accounts	33.20	30.18
Current deposits with maturity greater than 3 months, less than 12 months	50,000.00	946.86
	<b>50,033.20</b>	<b>977.04</b>
<b>Break up of financial assets carried at amortised cost</b>		
Loans (note 4.2)	731.31	695.68
Trade receivables (note 8)	63,400.27	64,834.14
Cash and cash equivalents (note 9)	4,932.26	34,630.75
Bank balances other than cash and cash equivalents (note 9.1)	5,0033.20	977.04
Other financial assets (note 4.3)	1,655.94	748.79
<b>Total financial assets at amortised cost</b>	<b>1,20,752.98</b>	<b>101,886.40</b>
<b>10. EQUITY SHARE CAPITAL</b>		
Authorised capital		
2,00,00,000 Equity shares of ₹ 5/- each (March 31, 2018 : 2,00,00,000)	1,000.00	1,000.00
Increase during the year	-	-
	<b>1,000.00</b>	<b>1,000.00</b>
Issued, subscribed and fully paid-up capital		
1,89,67,584 (March 31, 2018 : 1,89,67,584) Equity shares of ₹ 5/- each	948.38	948.38
	<b>948.38</b>	<b>948.38</b>

#### Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed as distributions to equity shareholders is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company, in proportion to the number of equity shares held by the shareholders.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	No. of shares	Amount
At April 01, 2017	1,89,67,584	948.38
Issued during the period	—	—
At March 31, 2018	<u>1,89,67,584</u>	<u>948.38</u>
Issued during the period	—	—
At March 31, 2019	<u>1,89,67,584</u>	<u>948.38</u>

#### Shares held by holding company

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

Name of the Shareholder	March 31, 2019	March 31, 2018
WABCO Asia Private Limited, Singapore	<u>711.28</u>	<u>711.28</u>

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

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	In numbers	% holding in the class	In numbers	% holding in the class
Equity shares of ₹5 each fully paid				
WABCO Asia Private Limited, Singapore	<b>1,42,25,684</b>	<b>75%</b>	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.

#### 11. OTHER EQUITY

	March 31, 2019	March 31, 2018
General reserve	<b>24,776.38</b>	24,776.38
<b>Other reserves</b>		
Capital reorganisation reserve	<b>5.00</b>	5.00
Share Based Payments	—	780.81
Retained earnings	<b>1,50,825.54</b>	1,25,414.82
Special Economic Zone Re-investment Allowance Reserve	<u>1,442.37</u>	<u>663.43</u>
<b>Total other equity</b>	<b>1,77,049.29</b>	<b>1,51,640.44</b>

**General reserve** - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Capital reorganisation reserve** - Amount represents a reserve created during the demerger of brakes division from Sundaram Clayton Limited.

	March 31, 2019	March 31, 2018
Capital reorganisation reserve		
Opening	<b>5.00</b>	5.00
Add / (Less) : Movement during the year	—	—
Closing Balance	<u>5.00</u>	<u>5.00</u>

**Share Based Payments** - Amount represents a reserve created on account of the stock units provided to eligible employees under the global compensation plan announced and administered by WABCO Holdings Inc., USA, the ultimate holding company (also refer note 33.2).

	March 31, 2019	March 31, 2018
Share Based Payments		
Opening	<b>780.81</b>	444.96
Add / (Less) : Movement during the year	<u>(780.81)</u>	<u>335.85</u>
Closing Balance	—	<u>780.81</u>

**Retained Earnings** - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

**Special Economic Zone Re-investment Allowance Reserve** - Amount represents a reserve created as per Section 10 AA of Income Tax Act, 1961 in order to avail the deduction under the Act for its plant location in Special Economic Zone. The reserve is to be utilised as per the conditions of the said section.



## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>Special Economic Zone Re-investment Allowance Reserve</b>		
Opening	663.43	–
Add / (Less) : Movement during the year	778.94	663.43
Closing Balance	<u>1,442.37</u>	<u>663.43</u>
<b>11.1 Distribution made and proposed</b>		
<b>Cash dividend on equity share declared and paid:</b>		
Final dividend for the year ended March 31, 2018: ₹ 8 per share (March 31, 2017: ₹ 7 per share)	1,517.41	1327.74
DDT on final dividend	311.91	271.11
Total distribution	<u>1,829.32</u>	<u>1598.85</u>
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2019: Rs.9 per share (March 31, 2018: Rs.8 per share)	1,707.08	1517.41
DDT on proposed dividend	350.90	308.91
	<u>2,057.98</u>	<u>1826.32</u>

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2019.

### 12. PROVISIONS

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Provision for employee benefits (Refer note 33)		
Provision for leave benefits / compensated absences	580.01	832.55
Provision for pension	1302.73	1297.84
Provision for Gratuity	–	–
<b>Other provisions</b>		
Provision for warranties	1231.92	523.52
<b>Total</b>	<u>3114.66</u>	<u>2653.91</u>
<b>Current</b>		
Provision for employee benefits (Refer note 33)		
Provision for leave benefits / compensated absences	240.76	136.58
Provision for pension	240.25	108.54
Provision for Gratuity	372.57	–
<b>Other provisions</b>		
Provision for warranties	575.83	785.29
Provision for price adjustments	2,951.48	2,362.69
<b>Total</b>	<u>4,380.89</u>	<u>3,393.10</u>
<b>Provision for warranties</b>		
At the beginning of the year	1,308.81	833.4
Created during the year	985.52	840.66
Utilized during the year	(486.58)	(365.25)
At the end of the year	<u>1,807.75</u>	<u>1,308.81</u>

The estimated provision for warranty obligations is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is the balance unexpired period of the respective warranties on the various products which range from 18 to 24 months.

#### Provision for price adjustments

At the beginning of the year	2,362.69	7638.12
Created during the year	7,374.07	4717.54
Utilized during the year	(6,248.45)	(9459.84)
Reversal during the year	(536.83)	(533.14)
At the end of the year	<u>2,951.48</u>	<u>2362.69</u>

Provision for price adjustments is recognised when there is a reasonable certainty that the amounts will be settled. The estimate takes into account the expected claim and the historical information regarding settlement of such claims. The outstanding provision represents the amounts that are yet to be settled in relation to the products that were sold.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>13. GOVERNMENT GRANTS</b>		
Opening balance	4.64	5.10
Received during the year	-	-
Released to the statement of profit and loss	(0.46)	(0.46)
Closing balance	<u>4.18</u>	<u>4.64</u>

### 14. DEFERRED TAX LIABILITIES

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Deferred tax liabilities</b>				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	2,903.57	2,346.42	557.145	(283.16)
<b>Total (A)</b>	<u>2,903.57</u>	<u>2,346.42</u>	<u>557.145</u>	<u>(283.16)</u>
<b>Deferred tax assets</b>				
Provision for doubtful trade receivables	564.65	401.96	162.69	185.17
Provision for employee benefits and others	956.18	1,148.54	(192.36)	146.72
Provision for warranty	631.70	164.54	467.16	(123.87)
Others	3,55.47	255.59	99.88	(7.87)
<b>Total (B)</b>	<u>2,508.00</u>	<u>1,970.63</u>	<u>537.37</u>	<u>200.15</u>
Deferred tax expenses/(income) (A+B)			19.78	(483.31)
Net deferred tax (liabilities)/assets (A-B)	(395.57)	(375.79)		

	March 31, 2019	March 31, 2018
Reconciliation of deferred tax liabilities(net)		
As on April 1	375.79	859.10
Tax (income)/expense during the period recognised in profit and loss	126.10	(444.40)
Tax (income)/expense during the period recognised in OCI	(106.33)	(38.91)
As on March 31	<u>395.57</u>	<u>375.79</u>

### 15. TRADE PAYABLES

	March 31, 2019	March 31, 2018
<b>Trade Payables</b>		
- Dues to Micro, & Small Enterprises (See Note below)	1,333.14	2,005.69
- Dues to other than Micro, & Small Enterprises	39,881.42	51,237.42
<b>Total trade payables</b>	<u>41,214.56</u>	<u>53,243.11</u>
For amount outstanding to related parties and the terms and conditions relating to that, refer Note 36.		
Principal amount due to suppliers under MSMED Act	1333.14	2005.69
Interest accrued and due to suppliers under MSMED Act, on the above amount	5.53	10.74
Payment made to suppliers (other than interest) beyond the appointed day, during the year	750.45	950.82
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	9.81	15.91
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	41.95	36.43

### 16. OTHER FINANCIAL LIABILITIES

	March 31, 2019	March 31, 2018
<b>Other financial liabilities at amortised cost</b>		
Unpaid dividends	33.20	30.18
<b>Total other financial liabilities at amortised cost</b>	<u>33.20</u>	<u>30.18</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>17. OTHER CURRENT LIABILITIES</b>		
Advance from customers	1,160.34	881.34
Statutory dues payable		
- Income tax deducted at source payable	314.17	94.02
- Employees' provident fund payable	146.32	128.72
- Employees' state insurance payable	19.13	18.81
- Employees' family pension fund deductions payable	95.38	46.61
- Sales tax payable	1,920.36	1,386.87
Employee payables	1,810.95	2,048.06
Others	825.00	-
<b>Total current liabilities</b>	<b>6,291.65</b>	<b>4,604.43</b>
For amount outstanding to related parties and the terms and conditions relating to that, refer Note 36.		
<b>Break up of financial liabilities carried at amortised cost</b>		
Trade payables (note 15)	41,214.56	53,243.11
Other financial liabilities (note 16)	33.20	30.18
Total financial liabilities at amortised cost	<b>41,247.76</b>	<b>53,273.29</b>
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Sale of products (including excise duty)</b>		
Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	2,35,256.11	2,19,195.63
Spares	29,808.82	28,475.76
Sale of products (A)	<b>2,65,064.93</b>	<b>2,47,671.39</b>
<b>Sale / rendering of services</b>		
Software services	6,264.91	5,573.19
Research and development services	1,620.97	1,474.50
Business support services	4,230.94	3,963.63
Other service income	1,099.13	243.18
Sale / rendering of services (B)	<b>13,215.95</b>	<b>11,254.04</b>
<b>Other operating revenue</b>		
Scrap sales	1,283.90	1,124.03
Government grant (Export incentives - Refer note below)	4,660.77	443.60
Test Track usage income	1,188.01	891.75
Other operating revenue (C)	7,132.68	2,459.38
<b>Total (A+B+C)</b>	<b>2,85,413.56</b>	<b>2,61,384.81</b>
Revenue from operations for periods up to June 30, 2017 includes excise duty. Effective July 1, 2017, Excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations post implementation of GST. Sale of goods includes excise duty collected from customers of INR Nil (March 31, 2018: INR 4,051.58 Lakhs). Sale of goods net of excise duty is INR 265,141.20 Lakhs (March 31, 2018: INR 2,43,619.81 Lakhs).		
Government grants represent export incentives that the Company is eligible for. There are no unfulfilled conditions or contingencies attached to these grants. Government grant includes Merchandise Exports from India Scheme ("MEIS") ₹ 4,548.61 lakhs of which ₹ 2,595.02 lakhs relates to earlier periods recognised in the current year upon achieving certainty of ultimate collectability on the basis of past trends.		
<b>Disaggregated information</b>		
<b>Timing of revenue recognition</b>		
Goods / services transferred at a point in time	2,67,536.84	2,49,687.17
Services transferred over time	13,215.95	11,254.04
	<b>2,80,752.79</b>	<b>2,60,941.21</b>
<b>Contract balances</b>		
Trade receivables	63,400.27	64,834.14
Contract assets	384.6	296.95
Contract liabilities	4,111.82	3,244.03

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets are recognized over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the Company. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

	March 31, 2019	March 31, 2018
<b>Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contract price	2,86,153.23	2,65,349.71
Adjustments		
Discounts	5,400.44	4,408.5
Revenue from contract with customers	2,80,752.79	2,60,941.21
<b>19. OTHER INCOME</b>		
Net gain on sale of current investments	3,075.87	2,494.54
Liability no longer required - written back	241	-
Gain on foreign transactions	914.58	761.83
Gain / (loss) on investments carried at fair value through profit or loss	42.75	65.02
Others	619.41	0.46
Total other income	4,893.61	3,321.85
<b>20. FINANCE INCOME</b>		
Interest income on Fixed Deposits with Banks	2,325.95	1257.42
Unwinding of discount on financial asset carried at amortised cost	8.83	5.48
Interest income from financial assets at amortised cost	19.14	68.03
	2,353.92	1330.93
<b>21. COST OF MATERIAL &amp; COMPONENTS CONSUMED</b>		
Inventories at the beginning of the year	5,911.37	1,481.19
Add: Purchases	1,83,607.65	1,59,573.45
Less: Inventories at the end of the year	6064.8	5,911.37
<b>Cost of raw material and components consumed</b>	<b>1,83,454.22</b>	<b>1,55,143.27</b>
<b>22. CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS</b>		
<b>Opening stock</b>		
Work-in-progress	428.53	334.62
Finished goods	3,066.35	8,206.83
	3,494.88	8,541.45
<b>Closing Stock</b>		
Work-in-progress	383.65	428.53
Finished goods	4,348.50	3,066.35
	4,732.15	3,494.88
	(1,237.27)	5,046.57

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	21,351.50	19,074.24
Contribution to provident and other funds	1,568.14	1,412.45
Employee's share based payments cost	354.22	335.85
Staff welfare expenses	2,090.55	2,087.33
	<u>25,364.41</u>	<u>22,909.87</u>
<b>24. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets (Note 3)	6,954.16	5,845.98
Amortization of intangible assets (Note 3)	189.53	327.71
	<u>7,143.69</u>	<u>6,173.69</u>
<b>25. FINANCE COSTS</b>		
Interest - Others	-	161.74
	<u>-</u>	<u>161.74</u>
<b>26. OTHER EXPENSE</b>		
Consumption of stores and spares	5,953.97	6,281.26
Power and fuel	2,183.63	2,073.33
Rent	919.59	1,246.30
Repairs to buildings	1,232.26	1,174.13
Repairs to machinery	1,402.91	1,356.72
Repairs others	62.04	60.18
Insurance	230.82	120.16
Rates and taxes	327.02	300.62
Professional fees (Refer note (a) below for payment to auditors)	2,334.53	1,521.14
Travelling and conveyance	1,652.73	1,570.43
Freight, delivery and shipping charges	7,587.14	6,718.84
Research and development expenses	649.79	439.49
Impairment allowance / reversal for bad and doubtful debts	1,308.57	577.47
Directors' sitting fees	6.30	5.74
Information technology expenses	542.07	590.75
CSR expenditure (refer details below)	86.63	56.39
Royalty	7,465.19	7,660.01
Loss on sale / scrapping of assets	92.71	24.01
Warranty	1,604.45	1,215.80
Other expenses (including commission to independent directors)	1,202.28	1,379.67
	<u>36,844.63</u>	<u>34,372.45</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>(a) Auditor's remuneration*</b>		
<b>As auditor:</b>		
Audit fee #	53.00	25.00
Tax audit fee	4.00	4.00
Limited review	9.00	9.00
<b>In other capacity:</b>		
Other services (Certification fees)	2.00	2.00
Reimbursement of expenses	3.45	5.30
	<u>71.45</u>	<u>45.3</u>

\* Excludes Service tax / GST

# Expenses for the year March 31, 2019 includes one time fee of INR. 30 lakhs (including INR. 17 Lakhs for the year ended March 31, 2019 and INR. 13 lakhs relating to March 31, 2018).

#### Details of CSR expenditure:

(a) Gross amount required to be spent by the Company during the year	635.05	498.28
<b>(b) Amount spent during the year ending on March 31, 2019:</b>		

	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	86.63	-	86.63
<b>(c) Amount spent during the year ending on March 31, 2018:</b>			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	56.39	-	56.39

## 27. RESEARCH AND DEVELOPMENT COST

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate INR. 2,706.22 Lakhs (March 31, 2018 : Rs. 2,551.26 Lakhs). The capital expenditure incurred during the year for research and development purposes aggregate INR. 387.33 Lakhs (March 31, 2018 : INR. 585.15 Lakhs).

For the year ended March 31, 2017 - Revenue expenditure on research and development incurred aggregate to INR. 2,184.69 Lakhs and capital expenditure on research and development incurred aggregate to INR. 305.53 Lakhs.

For the year ended March 31, 2016 - Revenue expenditure on research and development incurred aggregate to INR. 2,302.52 Lakhs and capital expenditure on research and development incurred aggregate to INR. 288.83 Lakhs.

## 28. INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

#### Profit or loss section

##### Current Tax:

Current income tax charge	12,753.78	11089.19
Adjustment in respect of current income tax of previous year	(5.40)	251

##### Deferred Tax:

Relating to the origination and reversal of temporary differences	126.10	(444.40)
Income tax expense reported in the statement of profit and loss	<u>12,874.48</u>	<u>10895.79</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
<b>Other comprehensive income(OCI) section</b>		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains and (losses) on defined benefit obligations (net)	106.33	38.91
<b>Income tax charged to OCI</b>	<b>106.33</b>	<b>38.91</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:</b>		
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:		
<b>Accounting Profit before income tax</b>	<b>41,091.41</b>	38,178.42
Enacted tax rate in India	<b>34.94%</b>	34.61%
Profit before income tax multiplied by enacted tax rate	<b>14,358.99</b>	13,212.79
Effects of:		
Exempt income (income from tax holiday units)	<b>(1,904.98)</b>	(3,177.01)
Additional deduction on research and development expenses	<b>(392.64)</b>	(464.05)
DTL on timing differences to be reversed in Tax holiday period	<b>33.80</b>	278.09
Opening Adjustments	-	160.99
Non deductible expenses	<b>53.79</b>	25.79
Overseas taxes	<b>624.60</b>	569.28
Adjustment in respect of current income tax of previous year	<b>(5.40)</b>	251.00
<b>Net effective income tax</b>	<b>12,768.15</b>	<b>10,856.88</b>

During the year ended March 31, 2019 and March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

	FVTOCI	Total
<b>29. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)</b>		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
<b>During the year ended March 31, 2019</b>		
Re-measurement gains (losses) on defined benefit plans	<b>(197.96)</b>	(197.96)
	<b>(197.96)</b>	(197.96)
<b>During the year ended March 31, 2018</b>		
Re-measurement gains (losses) on defined benefit plans	<b>(73.52)</b>	(73.52)
	<b>(73.52)</b>	(73.52)

### 30. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

	March 31, 2019	March 31, 2018
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit after tax	28,216.93	27,282.63
Weighted average number of shares		
- Basic	1,89,67,584	1,89,67,584
- Diluted	1,89,67,584	1,89,67,584
Earning per share of ₹ 5 each		
- Basic	148.76	143.84
- Diluted	148.76	143.84

### 31. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Key Judgements estimates and assumptions

In the process of applying the Company's accounting policies, management has made the following key judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

#### Revenue from Contract with Customers

The Company applied judgements in determining the amount and timing of revenue from contracts with customers, including determining variable considerations.

#### Provision and contingent liability

On an on going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable. The management estimates likely outcome of any pending cases and other contingencies based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements.

#### Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 33.



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

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

**32. EMPLOYEE BENEFITS OBLIGATION**

**Defined Benefit Plan**

**a. Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. .

**Risk exposure and asset liability matching**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

**1) Liability Risks**

**a) Asset-Liability Mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

**b) Discount Rate Risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

**c) Future Salary Escalation and Inflation Risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities specially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**2) Asset Risks**

All plan assets are maintained in a trust fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

**b. Provident Fund**

In respect of employees covered under Company's Employees Provident Fund Trust contributions to the Company's Employee Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government."In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, determined based on an actuarial valuation, as an expense."The details of the defined benefit plan based on actuarial valuation report are as follows:

**1) Liability risks:**

**a) Asset-liability mismatch risk**

Risk which arises if there is a mis match in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successful able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

**b) Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**c) Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
-------------	------------------------------	------------------------------

### 33. DEFINED BENEFIT PLAN

#### A. Gratuity Plan

Current service cost	225.60	179.18
Past service cost	-	251.34
Net interest expense	<u>(1.68)</u>	<u>(11.98)</u>
Components of defined benefit cost recognised in profit or loss	<u>223.92</u>	<u>418.54</u>

#### Re-measurement on the net defined benefit liability comprising:

Actuarial gains / (losses) changes arising from changes in demographic assumptions	107.11	-
Actuarial gains/(losses) changes arising from changes in financial assumptions	22.53	45.92
Actuarial gains/(losses) changes arising from experience adjustments	22.02	(197.59)
Return on plan assets (excluding amounts included in net interest expense)	18.83	44.74
Components of defined benefit cost recognised in other comprehensive income	<u>170.49</u>	<u>(106.93)</u>
Total	<u>394.41</u>	<u>311.61</u>

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	1,838.10	1,459.30
Fair value of plan assets	1,465.53	1,481.14
<b>Net assets / (liabilities) from defined benefit obligation*</b>	<u>(372.57)</u>	<u>21.84</u>

\* The net asset in respect of gratuity plan is not recognized as it is lying in an irrecoverable trust fund approved by Income tax authorities.

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	1,459.30	1,242.32
Current service cost	225.60	179.18
Past service cost	-	251.34
Interest cost	112.58	81.93
Actuarial gains / (losses) changes arising from changes in demographic assumptions	107.11	-
Actuarial gains / (losses) changes arising from changes in financial assumptions	22.53	45.92
Actuarial gains / (losses) changes arising from experience adjustments	22.02	(197.59)
Benefits paid	<u>(111.06)</u>	<u>(143.80)</u>
<b>Closing defined benefit obligation</b>	<u>1,838.10</u>	<u>1,459.30</u>

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	1,481.14	1,251.20
Interest Income	114.26	93.91
Return on plan assets (excluding amounts included in net interest expense)	(18.83)	(44.74)
Contributions	-	324.57
Benefits paid	<u>(111.06)</u>	<u>(143.8)</u>
Actuarial gain / (loss)	-	-
Closing fair value of plan assets	<u>1,465.53</u>	<u>1,481.14</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### B. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the Employees' Provident Fund Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned has been higher in the past years. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2019.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Present value of defined benefit obligation	9,834.88	8,186.95
Fair value of plan assets	9,983.90	8,230.08
Net assets/(liabilities) from defined benefit obligation*	<u>149.02</u>	<u>43.13</u>

\* The net asset in respect of plan is not recognized as it is lying in an irrecoverable trust fund approved by Income tax authorities.

#### C. Pension

Current service cost	-	0
Net interest expense	98.38	99.06
Components of defined benefit cost recognised in profit or loss	98.38	99.06

##### Re-measurement on the net defined benefit liability comprising:

Actuarial gains / (losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains / (losses) changes arising from changes in financial assumptions	(28.76)	(4.58)
Actuarial gains / (losses) changes arising from experience adjustments	162.56	5.42
Return on plan assets (excluding amounts included in net interest expense)	0	(6.35)
Components of defined benefit cost recognised in other comprehensive income	133.80	(5.51)
Total	<u>232.18</u>	<u>93.55</u>

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Present value of defined benefit obligation	1,827.25	1,687.66
Fair value of plan assets	284.27	281.28
Net assets/(liabilities) from defined benefit obligation*	<u>(1,542.98)</u>	<u>(1,406.38)</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Opening defined benefit obligation	1,687.66	1,679.87
Current service cost	-	-
Interest cost	118.05	117.59
Actuarial gains / (losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains / (losses) changes arising from changes in financial assumptions	(28.75)	(4.58)
Actuarial gains / (losses) changes arising from experience adjustments	162.56	5.42
Benefits paid	(112.27)	(110.64)
Closing defined benefit obligation	<u>1,827.25</u>	<u>1,687.66</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	281.28	273.10
Interest Income	19.68	18.53
Return on plan assets (excluding amounts included in net interest expense)	-	6.35
Contributions	-	93.94
Benefits paid	(16.69)	(110.64)
Actuarial gain/(loss)	-	-
<b>Closing fair value of plan assets</b>	<b>284.27</b>	<b>281.28</b>

33.1 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity	
	March 31, 2019	March 31, 2018
<b>Investments details:</b>		
Investment with insurer	1,465.53	1,481.14
Total	1,465.53	1,481.14
	Provident Fund	
	March 31, 2019	March 31, 2018
Others	9,983.90	8,230.08
Total	9,983.90	8,230.08
	Pension Plan	
	March 31, 2019	March 31, 2018
Investment with insurer	284.27	281.28
Total	284.27	281.28

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	March 31, 2019	March 31, 2018
	%	%
Discount rate:		
Gratuity plan	7.60	7.72
Leave Encashment Plan	7.60	7.72
Provident Fund plan	7.60	7.71
Pension plan	7.40	7.00
Future salary increases:		
Gratuity plan	6.00	6.00
Pension plan	5.00	5.00
Leave Encashment Plan	6.00	6.00
Attrition rate		
Gratuity plan	10.00	3.00
Leave Encashment Plan	10.00	3.00

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

**Gratuity plan:**

	March 31, 2019		March 31, 2018	
	Discount rate		Discount rate	
<b>Assumptions</b>				
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(57.56)	61.23	(75.41)	82.60
	March 31, 2019		March 31, 2018	
<b>Assumptions</b>	Future salary increases		Future salary increases	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	61.88	(58.67)	83.60	(76.92)

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

Assumptions	March 31, 2019		March 31, 2018	
	Attrition rate		Attrition rate	
Sensitivity Level	<b>0.5% increase</b>	<b>0.5% decrease</b>	0.5% increase	0.5% decrease
Impact on defined benefit obligation	<b>4.05</b>	<b>(4.39)</b>	3.59	(3.68)

Assumptions	March 31, 2019		March 31, 2018	
	Discount rate		Discount rate	
Sensitivity Level	<b>0.5% increase</b>	<b>0.5% decrease</b>	0.5% increase	0.5% decrease
Impact on defined benefit obligation	<b>(1.10)</b>	<b>1.13</b>	(0.18)	0.17

**Pension:**

Assumptions	March 31, 2019		March 31, 2018	
	Discount rate		Discount rate	
Sensitivity Level	<b>0.5% increase</b>	<b>0.5% decrease</b>	0.5% increase	0.5% decrease
Impact on defined benefit obligation	<b>(120.99)</b>	<b>138.97</b>	(91.28)	104.46

Assumptions	March 31, 2019		March 31, 2018	
	Future salary increase		Future salary increase	
Sensitivity Level	<b>0.5% increase</b>	<b>0.5% decrease</b>	0.5% increase	0.5% decrease
Impact on defined benefit obligation	<b>-</b>	<b>-</b>	60.19	(97.75)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

\* Sensitivity disclosures are nil as employees governed under the pension plan will retire as per the retirement policy of the Company in the next year.

**The following payments are expected contributions to the defined benefit plan in future years:**

	Gratuity	
	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	<b>383.25</b>	154.43
Between 2 and 5 years	<b>792.24</b>	378.60
Beyond 5 years	<b>2,275.20</b>	487.82
Total expected payments	<b>3,450.69</b>	1,020.85

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.00 years (March 31, 2018: 18.32 years).

**The following payments are expected contributions to the defined benefit plan in future years:**

	Pension	
	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	<b>1,586.99</b>	112.28
Between 2 and 5 years	<b>645.52</b>	675.19
Beyond 5 years	<b>2,836.52</b>	843.99
Total expected payments	<b>5,069.03</b>	1,631.46

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.00 years (March 31, 2018: 1.50 years).

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### 32.2 Share based payments

Under a global compensation plan announced and administered by WABCO Holdings Inc., USA, the ultimate holding company, some of the employees are eligible for compensation in form of stock units viz., Performance Stock Units ("PSU") and Restricted Stock Units ("RSU").

PSUs vesting of which would occur at levels ranging from none to 200% of the number of granted PSUs depending upon the achievement of three year cumulative earnings per share goals approved by the Compensation, Nominating and Governance Committee of the Board of Directors of the ultimate holding company. The ultimate holding company assesses expected achievement levels at the end of each reporting period. As of March 31, 2019, the Company believes it is probable that the performance conditions will be met and has accrued for the compensation expense accordingly which is in line with the estimates made by the ultimate holding company.

RSU's vests to the employees on a proportionate basis over the period of 3 years provided the employees continues in employment.

The Company records a stock based compensation based on the estimated fair value of the award at the grant date and is recognised as an expense in the statement of profit or loss over the requisite period.

The following table summarize the stock options, RSUs and PSUs for each of the years presented:

	March 31, 2019	March 31, 2018
	Number	Number
Outstanding at April 1	13,268	10,706
Granted during the year	4,790	6,300
Forfeited during the year	1,077	365
Exercised during the year	4,339	3,373
Outstanding at March 31	<u>12,642</u>	<u>13,268</u>
Exercisable at March 31	<u>12,642</u>	<u>13,268</u>

The expected term of the RSU/PSU is determined based on the vesting term and contractual term of the RSU/PSU, as well as expected exercise behaviour of the employee who receives the RSU/PSU.

Expected volatility during the expected term of the RSU/PSU is based on historical volatility of the observed market prices of WABCO Holding Inc., USA publicly traded equity shares during a period equivalent to the expected term of the RSU/PSU.

#### 34. LEASE COMMITMENTS

##### Operating leases:

The Company has leased certain office premises under operating lease for a non-cancellable period which ranges from 5 to 6 years. The lease arrangements carry an escalation clause and does not impose significant restrictions. Lease rentals incurred during the current year have been charged as an expense in the statement of profit and loss. The future lease rental payables as follows:

Particulars	March 31, 2019	March 31, 2018
Within one year	703.51	658.68
After one year but not more than five years	1,611.86	2,196.04
More than five years	-	-
<b>Total</b>	<b>2,315.37</b>	<b>2,854.72</b>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### 35. COMMITMENT AND CONTINGENCIES

##### A) Contingent Liabilities

In respect of all the matters mentioned below, based on the legal advice obtained, the management is of the view that the claims are not tenable and the same can be successfully contested. Hence, no provision has been considered necessary in the financial statements.

	March 31, 2019	March 31, 2018
a) In respect of CENVAT and Service tax matters	4.79	85.13
b) In respect of Income tax matters	51.43	57.58
c) In respect of Infrastructure and amenities charges	-	49.25
d) In respect of Property tax matters	32.40	91.68
e) In respect of Custom duty matters	20.73	20.73
f) In respect of Sales tax matters *	18,717.16	18,717.16
g) In respect of Labour law disputes	7.67	7.67
h) In respect of Property matters	6.09	6.09

\* - excludes penalty of INR 28,076 Lakhs (March 31, 2018: 28,076 Lakhs)

The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

The Supreme Court (SC) had passed judgement on 28<sup>th</sup> February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the SC judgement on PF as mentioned above. As a matter of caution, the Company has made a provision on a prospective basis from the date of SC order. The Company will update its provision on receiving further clarity on the subject.

##### B) Commitments

a) Capital commitments not provided for	4,793.76	3,869.02
b) The Company has commitments in the nature of non-cancellable operating leases. The future minimum lease payments expected to be incurred over the remaining lease term are detailed in Note 34.		

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

##### 1) Where control exists

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

##### Related parties with whom transactions have taken place during the year

2) Fellow Subsidiary companies	1 WABCO Vertriebs, GmbH & Co., Germany (formerly WABCO Fahrzeugsysteme, GmbH, Germany)
	2 WABCO China Co Ltd, China
	3 WABCO France SAS, France
	4 Meritor WABCO Vehicle Control Systems, USA
	5 Shandong WABCO Automotive Products Co. Ltd, China
	6 WABCO (Shanghai) Management Co Limited, China
	7 WABCO Automotive South Africa

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

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



## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

- 53 WABCO Logistics (Qingdao) Co. Ltd, China
- 54 WABCO North America LLC, USA
- 55 WABCO Expats Inc.
- 56 WABCO (Thailand) Limited
- 57 Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
- 58 Ephicas BV, Netherlands
- 59 WABCO Foundation Brakes Private Limited, Chennai
- 60 WABCO International LLC, USA
- 61 WABCO Europe Holdings LLC, USA
- 62 Ephicas Patents BVBA;
- 63 WABCO France S.A.S.
- 64 WABCO Services S.A.S, France
- 65 WABCOWURTH Workshop Services GmbH
- 66 WABCO Testbahn GmbH, Germany
- 67 WABCO Holding GmbH, Germany
- 68 WABCO Systeme GmbH, Germany
- 69 WABCO Holdings B.V., Netherlands
- 70 WABCO Sandown B.V., Netherlands
- 71 WABCO CV, Netherlands
- 72 WABCO RUS LLC.
- 73 WABCO Vostok LLC, Russia
- 74 WABCO Centro de Distribuicao de pecas Automotives Ltda, Brazil
- 75 Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands
- 76 WABCO Automotive Pensions Trustees Limited, UK
- 77 WABCO Automotive U.K. Limited, UK
- 78 WABCO Reman Solutions
- 79 WABCO Vehicle Control systems, Poland
- 80 WABCO Vehicle Control Systems, USA
- 81 R.H. Sheppard Co., Inc.
- 82 Asset Trackr Private Limited

#### 3) Others

##### Key Management Personnel

- 1 WABCO India Limited Employees' Provident Fund Trust
- Mr. P Kaniappan - Managing Director  
Mr. RS Raja Gopal Sastry - Chief Financial Officer  
Mr. M C Gokul- Company Secretary  
Mr. Sean Deason - Non-executive Director  
Ms. Lisa J Brown - Non-executive Director  
Mr. Jorge Solis - Non-executive Director (resigned w.e.f 29-01-2019)  
Mr. Shivaram Narayanaswami - Non-executive Director (resigned w.e.f 29-01-2019)  
Dr. Christian Brenneke - Non-executive Director (w.e.f. 29-01-2019)  
Mr. Philippe Colpron - Non-executive Director (w.e.f. 29-01-2019)  
Mr. M Lakshminarayan - Chairman and independent Director  
Dr. Lakshmi Venu- Independent Director  
Mr. Narayan K Seshadri- Independent Director

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### 36.2. RELATED PARTY TRANSACTIONS

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel	
			Year ended		Year ended	
			31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
1	<b>Purchase of goods</b>	WABCO Vertriebs, GmbH & Co., Germany	<b>5,042.75</b>	3,521.09	-	-
		R.H. Sheppard Co., Inc.	<b>1,883.33</b>	3,195.02	-	-
		WABCO China Co Ltd, China	<b>1,345.57</b>	1,274.06	-	-
		WABCO Vehicle Control Systems, USA	<b>313.93</b>	-	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	<b>213.45</b>	110.03	-	-
		WABCO France SAS, France	<b>185.37</b>	525.37	-	-
		WABCO Compressor Manufacturing Co. USA	<b>76.31</b>	-	-	-
		WABCO Radbremesen GmbH, Germany	<b>13.24</b>	-	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	<b>4.01</b>	8.27	-	-
		WABCO North America LLC, USA	<b>3.69</b>	0.40	-	-
		WABCO (Thailand) Limited	<b>1.06</b>	2.10	-	-
		Shandong WABCO Automotive Products Co. Ltd, China	-	26.56	-	-
		WABCO Automotive UK Ltd, United Kingdom	-	20.53	-	-
		WABCO Polska Sp. z o.o. Poland	-	2.54	-	-
		WABCO GmbH, Germany	-	0.24	-	-
		<b>TOTAL</b>	<b>9,082.71</b>	8,686.21	-	-
		2	<b>Services received</b>	Royalty		
WABCO Europe BVBA, Belgium	<b>7342.42</b>			7029.80	-	-
Royalty						
WABCO IP Holdings LLC, USA	<b>122.77</b>			630.20	-	-
Software services	Asset Trackr Private Limited	<b>5.92</b>	28.75	-	-	
<b>TOTAL</b>	<b>7471.11</b>	7688.75	-	-		
3	<b>Sale of products</b>	WABCO Europe BVBA, Belgium	<b>30,989.05</b>	28,034.29	-	-
		WABCO North America LLC, USA	<b>12,656.76</b>	13,017.92	-	-
		Meritor WABCO Vehicle Control Systems, USA	<b>11,349.67</b>	9,886.30	-	-
		WABCO Compressor Manufacturing Co. USA	<b>4,186.69</b>	4,620.83	-	-
		WABCO Automotive B.V, Netherlands	<b>3,257.55</b>	1,826.38	-	-
		WABCO Polska Sp. z o.o. Poland	<b>1,602.22</b>	1,357.53	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	<b>1,688.79</b>	816.21	-	-
		WABCO Logistik GmbH, Germany	<b>1,556.66</b>	1,464.02	-	-
		WABCO Japan Inc, Japan	<b>1,439.24</b>	1,559.23	-	-
		WABCO China Co Ltd, China	<b>1,303.82</b>	1,747.44	-	-
		WABCO (Thailand) Limited	<b>780.56</b>	710.58	-	-
		WABCO Middle East and Africa FZCO, Dubai	<b>730.54</b>	266.89	-	-
		WABCO Reman Solutions	<b>536.74</b>	533.16	-	-
		WABCO Asia Private Limited, Singapore	<b>369.26</b>	277.31	-	-
		WABCO Korea Ltd, Korea	<b>41.81</b>	58.01	-	-
		WABCO Radbremesen GmbH, Germany	<b>12.24</b>	0.50	-	-
		WABCO Automotive South Africa	<b>7.70</b>	9.44	-	-
		WABCO France SAS, France	<b>(22.05)</b>	15.07	-	-
		<b>TOTAL</b>	<b>72,487.24</b>	66201.11	-	-

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

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

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel	
			Year ended		Year ended	
			31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
4	<b>Rendering of Services</b>					
	Software services	WABCO Europe BVBA, Belgium	6,264.91	5,573.19	-	-
	Global Business Services	WABCO Europe BVBA, Belgium	4230.94	3,963.63	-	-
	Research and development services	WABCO Europe BVBA, Belgium	1,620.97	1,474.50	-	-
	Other service income	WABCO North America LLC, USA	936.36	-	-	-
	Tool development	WABCO Polska Sp. z o.o. Poland	65.99	-	-	-
	Tool development	Meritor WABCO Vehicle Control Systems, USA	-	116.31	-	-
	Tool development	WABCO China Co Ltd, China	-	1.97	-	-
	Tool development	WABCO North America LLC, USA	-	3.91	-	-
		<b>TOTAL</b>	<b>13,119.17</b>	<b>11,133.52</b>	<b>-</b>	<b>-</b>
5	<b>Receivables</b>					
		WABCO Europe BVBA, Belgium	6,963.36	8,165.43	-	-
		Meritor WABCO Vehicle Control Systems, USA	3,654.88	3,079.03	-	-
		WABCO North America LLC, USA	3,251.84	2,495.92	-	-
		WABCO Compressor Manufacturing Co. USA	818.37	1,049.63	-	-
		WABCO Polska Sp. z o.o. Poland	717.37	1,686.52	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	613.14	705.42	-	-
		WABCO China Co Ltd, China	608.88	663.45	-	-
		WABCO Automotive B.V, Netherlands	590.41	665.86	-	-
		WABCO Logistik GmbH, Germany	293.37	611.19	-	-
		WABCO Japan Inc, Japan	208.86	234.85	-	-
		WABCO Middle East and Africa FZCO, Dubai	137.62	158.60	-	-
		WABCO (Thailand) Limited	83.86	131.22	-	-
		Shandong WABCO Automotive Products Co. Ltd, China	77.16	72.61	-	-
		WABCO Asia Private Limited, Singapore	65.56	63.61	-	-
		WABCO Reman Solutions	63.86	98.12	-	-
		WABCO Korea Ltd, Korea	18.41	13.25	-	-
		WABCO Radbremsen GmbH, Germany	9.43	0.52	-	-
		WABCO France SAS, France	-	22.67	-	-
		WABCO GmbH, Germany	(1.49)	(1.54)	-	-
	WABCO Automotive South Africa	(2.32)	2.18	-	-	
	<b>TOTAL</b>	<b>18,172.57</b>	<b>19,918.54</b>	<b>-</b>	<b>-</b>	
6	<b>Payables / (Advances)</b>					
		WABCO Europe BVBA, Belgium	8,710.64	12,802.07	-	-
		WABCO Vertriebs, GmbH & Co., Germany	976.69	1,552.95	-	-
		WABCO China Co Ltd, China	640.91	1,381.77	-	-
		WABCO Holdings Inc., USA	321.03	-	-	-
		R.H. Sheppard Co., Inc.	295.55	1,746.08	-	-
	WABCO IP Holdings LLC, USA	134.40	1,209.97	-	-	

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

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

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel	
			Year ended		Year ended	
			31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
		WABCO Vehicle Control systems, Poland	107.47	0.46	-	-
		WABCO Compressor Manufacturing Co. USA	89.95	19.95	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	53.21	28.18	-	-
		Shandong WABCO Automotive Products Co. Ltd, China	16.61	79.34	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	5.93	-	-	-
		WABCO Radbremesen Gmbh, Germany	5.83	2.37	-	-
		WABCO North America LLC, USA	2.18	1.59	-	-
		WABCO (Shanghai) Management Co Limited, China	1.17	-	-	-
		WABCO (Thailand) Limited	1.04	1.02	-	-
		Asset Trackr Private Limited	2.17	-	-	-
		WABCO BV, Netherlands	-	78.90	-	-
		WABCO Korea Ltd, Korea	-	2.07	-	-
		WABCO Gmbh, Germany	-	0.49	-	-
		Meritor WABCO Vehicle Control Systems, USA	(0.63)	(0.62)	-	-
		WABCO France SAS, France	(23.80)	238.63	-	-
		<b>TOTAL</b>	<b>11,014.81</b>	<b>19,145.22</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Remuneration to Key managerial personnel (including commission)</b>					
		Salaries and Allowances	-	-	223.86	201.89
		Contribution to provident and other funds	-	-	15.11	12.85
		Incentive	-	-	128.29	135.58
		Commission	-	-	42.00	41.40
		Others	-	-	122.50	70.72
		<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>531.76</b>	<b>462.44</b>
<b>8</b>	<b>Reimbursement of expenses</b>					
	Reimbursement	WABCO Europe BVBA, Belgium	215.98	163.66	-	-
	Reimbursement	WABCO (Thailand) Limited	3.19	2.84	-	-
	Reimbursement	WABCO Holdings Inc., USA	312.02	-	-	-
	Reimbursement	Asset Trackr Private Limited	0.24	0.68	-	-
		<b>TOTAL</b>	<b>531.43</b>	<b>167.18</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Contribution to fund</b>					
		WABCO India Limited Employees' Provident Fund Trust	2,217.27	1,849.59	-	-
		<b>TOTAL</b>	<b>2,217.27</b>	<b>1,849.59</b>	<b>-</b>	<b>-</b>

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.

#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### 37. SEGMENT INFORMATION

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

The following are the information relating to geographical segment:

Year ended March 31, 2019

	India	Others	Total
Sale of Products	1,80,787.45	84,277.48	2,65,064.93
Rendering of Services	162.77	13,053.18	13,215.95
<b>Revenue</b>	<b>1,80,950.22</b>	<b>97,330.66</b>	<b>2,78,280.88</b>
Non-current assets *	52,565.55	-	52,565.55

Year ended March 31, 2018

	India	Others	Total
Sale of Products	1,68,424.95	79,246.44	2,47,671.39
Rendering of services	243.18	11,011.32	11,254.50
<b>Revenue</b>	<b>1,68,668.13</b>	<b>90,257.76</b>	<b>2,58,925.89</b>
Non-current assets *	45,620.61	-	45,620.61

\* Non-current assets for this purpose consists of property, plant and equipment, intangible assets, capital work in progress and other non current assets.

#### Information about major customer

Revenue from major customers contributing more than 10% of sale of products amounted to INR 148,456 lakhs (March 31, 2018 : INR 130,106 lakhs), arising from sales of products and rendering of services.

#### 38. FAIR VALUE

The carrying value of all other financial assets & liabilities approximate fair value.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

##### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value: FVTPL financial investments:					
Quoted Mutual Funds	March 31, 2019	31,342.75	31,342.75	-	-

There have been no transfers between Level 1 and Level 2 during the period.

##### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value: FVTPL financial investments:					
Quoted Mutual Funds	March 31, 2018	44,565.02	44,565.02	-	-

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2019**

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

**39. Financial risk management objectives and policies**

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no borrowings and hence not exposed to interest rate risk.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Majority of the Company's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars and Euro. The Company has exports revenue and import purchases in foreign currency which act as a natural hedge and the management believes the currency risk is mitigated on account of such natural hedge and does not further hedge its currency risk.

As variations in foreign currency exchange rates are mitigated and the remaining risk, if any, is not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements.

The Company's prime source of liquidity is cash and cash equivalents and the cash generated from operations. The Company has no outstanding bank borrowings. The Company invests its surplus funds in bank, fixed deposit and mutual funds, which carry minimal mark to market risks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	Total
<b>As at March 31, 2019</b>					
Trade and other payables	41214.56	–	–	–	41214.56
Other financial liabilities	33.2	–	–	–	33.2
	41247.76	–	–	–	41247.76
<b>As at March 31, 2018</b>					
Trade and other payables	53243.11	–	–	–	53243.11
Other financial liabilities	30.18	–	–	–	30.18
	53273.29	–	–	–	53273.29

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

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

#### 40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	March 31, 2019	March 31, 2018
Trade payables	41,214.56	53,243.11
Other payables	14,220.15	11,062.05
Less: cash and cash equivalents and investments	(36,275.01)	(79,195.77)
Net debt	19,159.70	(14,890.61)
Equity	948.38	948.38
Total capital	1,77,997.67	1,52,588.82
<b>Capital and net debt</b>	<b>1,97,157.37</b>	<b>1,37,698.21</b>
Gearing ratio	0.11	(0.10)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

#### 41. Events after the reporting period

The Board of directors at their meeting held on May 25, 2019, considered and recommended a final dividend aggregating ₹ 9 per share (nominal value ₹ 5 per share) for the financial year 2018-19 (final dividend paid for March 31, 2018 : 1,517.41 lakhs @ ₹ 8 per share) (nominal value ₹ 5 per share).

#### 42. PREVIOUS YEAR FIGURES

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

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Financial Statements.

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

NARAYAN K. SESHADRI  
Director

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 25, 2019

P KANIAPPAN  
Managing Director

R S RAJAGOPAL SASTRY  
Chief Financial Officer

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

Per BHARATH N S  
Partner  
Membership No. 210934

