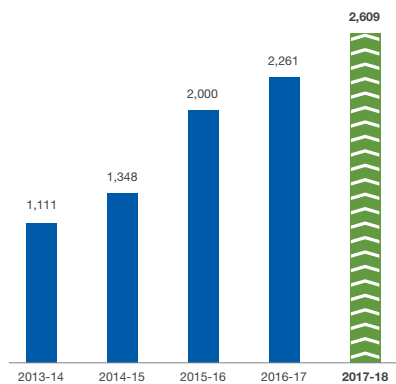


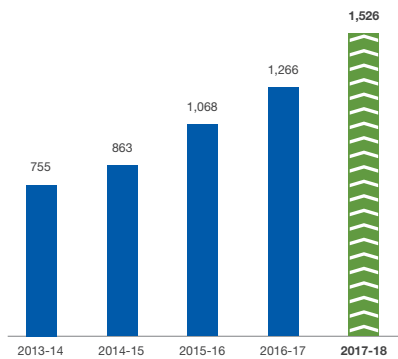
# **WABCO INDIA LIMITED**

*14th Annual Report 2018*

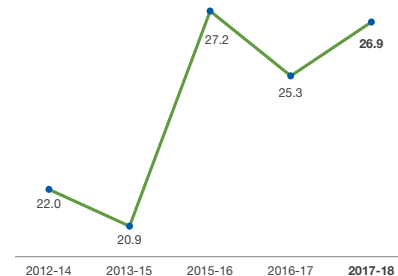
**Revenue**  
In Rs. Cr.



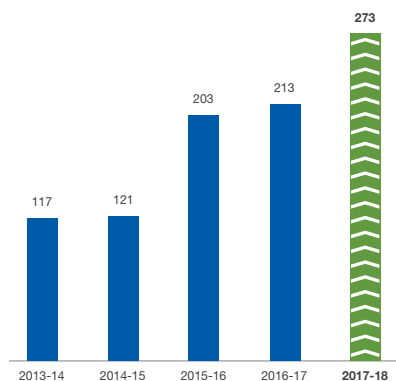
**Networth**  
In Rs. Cr.



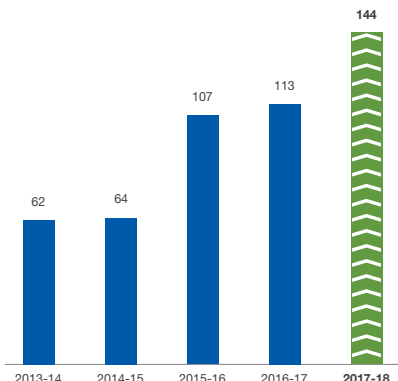
**Return On Capital Employed**  
%



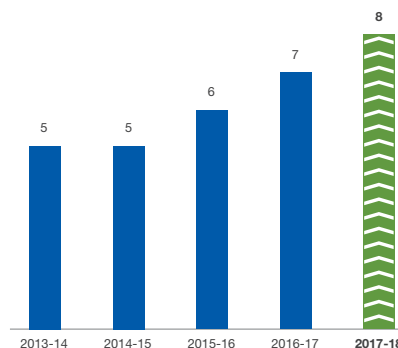
**Profit After Tax**  
In Rs. Cr.



**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

JORGE SOLIS

LISA J BROWN

SEAN DEASON

SHIVRAM NARAYANASWAMI

### 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*

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

JORGE SOLIS

LISA J BROWN

### 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  
3<sup>rd</sup> Floor, Sigappi Achi Building  
18/3, Rukmanilakshmi pathy Road  
Egmore, Chennai 600 008

### Auditors

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

### 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,  
IIIE Panthnagar,  
Udham Singh Nagar,  
Uttarakhand - 263 153

Tel. : 05944 250885

KH 159-162, 164 Village Dhakauli  
Nawabganj, Barabanki Dewa Road,  
Somaiya Nagar, Barabanki  
Lucknow, Uttar Pradesh 225 123

Tel. : 05248 230065

### 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>	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Profit and loss Account</b>					
Revenue from Operations	111,070	134,796	199,954	226,057	<b>260,942</b>
Other income	2,721	2,030	4,012	3,615	<b>5,096</b>
Total income	113,791	136,826	203,966	229,672	<b>266,038</b>
Gross profit before interest, depn & tax	19,336	22,365	32,670	36,255	<b>44,514</b>
Depreciation	3,215	4,667	5,620	6,163	<b>6,174</b>
Profit before interest & tax	16,121	17,699	27,049	30,092	<b>38,340</b>
Interest	14	36	15	46	<b>162</b>
Profit before taxation	16,107	17,663	27,034	30,045	<b>38,178</b>
Profit after taxation	11,748	12,066	20,337	21,348	<b>27,283</b>
<b>Balance Sheet</b>					
Net Fixed assets	31,756	34,137	37,254	37,960	<b>41,134</b>
Investments	5,020	3,920	21,835	29,814	<b>44,565</b>
Net current assets	39,652	49,407	46,594	55,841	<b>61,884</b>
Long term loans and advances	2,369	2,292	3,426	5,547	<b>8,041</b>
Total	78,797	89,756	109,110	129,161	<b>155,623</b>
Share capital	948	948	948	948	<b>948</b>
Reserves & surplus	74,570	85,356	105,830	125,694	<b>151,640</b>
Networth	75,518	86,304	106,778	126,643	<b>152,589</b>
Noncurrent liabilities	1,665	1,807	1,326	1,660	<b>2,659</b>
Deferred taxation (net)	1,614	1,645	1,006	859	<b>376</b>
Total	78,797	89,756	109,110	129,161	<b>155,623</b>
EPS (Rs)	61.94	63.61	107.2	112.55	<b>143.84</b>
DPS (Rs)	5.00	5.00	6.00	7.00	<b>8.00</b>
Book value per share (Rs)	398.12	455.01	562.9	667.68	<b>804.47</b>
Return on capital employed (ROCE)%	22.0	20.9	27.2	25.26	<b>26.93</b>
Return on networth (RONW)%	16.7	14.9	21.1	18.29	<b>19.54</b>
Fixed assets turnover (no. of times)	3.7	4.1	5.5	6.05	<b>6.47</b>
Working capital turnover (no.of times)	3.0	3.0	4.4	4.12	<b>4.31</b>
Gross profit as % of sales (EBITDA)	17.4	16.6	16.3	16.04	<b>17.06</b>
Gross profit as % of total income	17.0	16.3	16.0	15.79	<b>16.73</b>
Net profit as % of total income	10.3	8.8	10.0	9.29	<b>10.26</b>

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.

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

RONW is profit after tax divided by average networth.

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

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

DPS is for the dividend declared for the year.

## **Notice to the Members**

NOTICE is hereby given that the Fourteenth 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 Friday, the 27<sup>th</sup> day of July 2018 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 2018 consisting of the balance sheet as at 31<sup>st</sup> March, 2018, the statement of profit and loss the cash flow statement and the 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 ₹ 8/- per share on 1,89,67,584 equity shares of ₹ 5/- each fully paid up, which make up the entire paid-up equity capital of the Company, absorbing a sum of ₹ 1517.41/- lakhs, (excluding dividend tax) be and is hereby declared for the year ended 31<sup>st</sup> March, 2018, 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 20<sup>th</sup> July, 2018.

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

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

**4. To consider and to give your assent or dissent to 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 Mr. A N Raman, Cost Accountant, having registration number M.5359, appointed by the Board of Directors

as Cost Auditor to audit the cost records of the Company for the financial year ending on 31<sup>st</sup> March 2019, be and is hereby ratified.

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

RESOLVED THAT in terms of 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 2018, and the related party transactions proposed to be entered into with WABCO Europe BVBA during the financial year ending 31<sup>st</sup> March 2019 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.

**6. 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, recommendation of the Nomination and Remuneration Committee and the Board and in partial modification of the resolution at item 8 passed by the shareholders, at the 10<sup>th</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> July 2014, approval of the shareholders of the Company be and is hereby accorded to the under mentioned increase in the remuneration payable to Mr. P Kaniappan, Managing Director (DIN 02696192), from 1<sup>st</sup> January 2018 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:

1. Salary and Commission on Profits or Performance Linked Incentives or Bonus: Subject to a ceiling of INR 350 lakhs (Rupees three crores and fifty lakhs only) per annum.

RESOLVED FURTHER THAT the Supplemental Agreement dated 28<sup>th</sup> May 2018 between the Company

## WABCO INDIA LIMITED

and Mr P Kaniappan incorporating the above increase in his remuneration, be and is hereby approved.

By order of the board

Chennai  
28<sup>th</sup> May 2018

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. 20<sup>th</sup> July 2018, Friday would be the record date for determining the entitlement of the shareholders to the dividend for the year 2017-18.
4. Dividend of ₹ 8/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March 2018 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 1<sup>st</sup> August 2018.
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 2009-10, as on the date of the 13<sup>th</sup> Annual General Meeting (AGM) held on 18<sup>th</sup> September 2017 on the website of IEPF viz., [www.lepf.gov.in](http://www.lepf.gov.in) and under "investor section" on the website of the Company viz., [www.wabcoindia.com](http://www.wabcoindia.com).

A separate reminder was also sent to those members having unclaimed dividends since 2009-10. 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, transfer of 236 eligible folios constituting

13,387 shares to the IEPF account was done in March 2018 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 Demat 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. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
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 in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declaration for their appointment.
14. Electronic copy of the Annual Report for the financial year ended 31<sup>st</sup> March 2018 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 14<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 14<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 14<sup>th</sup> Annual General Meeting and the Annual Report for the year 2017-18 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 14<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., 20<sup>th</sup> July, 2018 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 24<sup>th</sup> July 2018 (9:00 am) and ends on 26<sup>th</sup> July 2018 (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 20<sup>th</sup> July 2018, 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 20<sup>th</sup> July 2018.
- 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. 20<sup>th</sup> July 2018 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.

## WABCO INDIA LIMITED

- 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. F6312 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 favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
  - XIV. The Chairman or a person authorized by him in writing shall declare the results forthwith.
  - XV. The results declared 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 is declared and simultaneously communicated to the stock exchanges where the shares of the Company are listed.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company from 2 P.M. to 4 P.M. on all working days and including the date of the Annual General Meeting of the Company.
  18. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a brief profile of director, who is proposed to be re-appointed in this AGM, nature of his expertise in specific functional areas, his / her other directorships and committee memberships in listed entities, his / her shareholding and relationship with other directors of the company are given below:

### Ms. Lisa J Brown

Ms. Lisa J Brown (DIN: 07053317), aged 40 years, is a Bachelor of Laws from the University of Derby, holds a Diploma in Legal Practice from Nottingham Law School and is a registered Trade mark Attorney and member of the Institute of Trade Mark Attorneys. She has served as an attorney in law firms in the United Kingdom from 2000-2006. Ms. Lisa J Brown Joined SSL International

Plc. London, United Kingdom in March 2006 and served as Group Head of Intellectual Property until October 2007 and subsequently as Group Head of Legal and Intellectual Property until March 2011. Following this role, Ms. Lisa J Brown held the position of Legal Director and Company Secretary for Pets at Home Limited, a national retailer in the United Kingdom, until November 2011. In February 2012, Ms. Lisa J Brown Joined WABCO Holdings Inc., as Senior Legal Counsel. In May, 2015, she was appointed as Vice-President Legal until June 2016, when she was appointed to her current role of Chief Legal Officer and Company Secretary of WABCO Holdings Inc.

She was appointed as a Director by the Board at their meeting held on 23<sup>rd</sup> January 2015 in casual vacancy caused due to the resignation of Mr. Michel E Thompson and was re-appointed at the annual general meetings held on 30<sup>th</sup> July 2015 and 29<sup>th</sup> July 2016. She is the Chairperson of the Stakeholders Relationship Committee, member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the Company. She has attended 4 Board Meetings, 2 Nomination and Remuneration committee meetings, 4 Stakeholder Relationship Committee Meetings and 2 Corporate Responsibility Committee Meetings of the Company out of as many meeting held during the year.

She is not a director on any Board nor a Member of any committee of any other listed Company. She is a director of WABCO Foundation Brakes Pvt. Ltd. She does not hold any shares in the Company and she is not related to any other directors of the Company. Ms. Lisa J Brown is interested in the resolution set out as item No.3 of the notice since it relates to her own appointment as Director. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.3. This statement may also be regarded as a disclosure under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Ms. Lisa J Brown is liable to retire by rotation at the 14<sup>th</sup> annual general meeting being eligible, has offered herself for reappointment.

By order of the board

Chennai  
28<sup>th</sup> May 2018

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. 4

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

Based on recommendation of the audit committee at its meeting held on 28<sup>th</sup> May 2018, the Board has considered and approved the appointment of Mr. A.N Raman, as Cost Auditor for the financial year 2018-19 at a remuneration of ₹ 4,00,000 plus applicable taxes and reimbursement of out of pocket expenses at actuals. The remuneration payable to Mr. A. N Raman requires to be ratified by the Members at the forthcoming Annual General Meeting. Hence, the resolution is being proposed as item no. 4 of the Notice. None of the Directors and Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for approval of the Members.

#### Item No. 5

WABCO Europe BVBA is a related party as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is a fellow subsidiary of WABCO Europe, headquartered at Brussels, Belgium. WABCO Europe is one of the major overseas customers of the Company. The orders placed by WABCO Europe are progressively growing year after year. This coupled with seamless technology and technical knowhow supplied by them has significantly contributed to the increase in the Company's turnover and profits. During the year ended 31<sup>st</sup> March 2018 the following transactions were entered into with them:

(₹ In Lakhs)

S.No.	Nature of transaction	Amount
1.	Sale of Automotive Components	28,034.29
2.	Services rendered	11,011.32
3.	Fee for Royalty	7,029.80
4.	Reimbursement of Expenses	163.66
	Total	46,239.07

Total transactions as stated above amounts to about 20.37% of the turnover for the financial year 2016-17. 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 2017-18 would cross the threshold of 10% of the turnover for the year 2016-17, the shareholders had accorded approval for the anticipated transactions beyond the 10% limit at the previous Annual General Meeting held on 18<sup>th</sup> September 2017.

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 ₹ 266 Crores (10% of 2660 Crores - turnover of 2017-18). 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 2018 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 2019.

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.5 of the notice. Voting by related parties on the ordinary resolution will be governed by the applicable provisions of the Listing Regulation. The material terms for the agreements which have been entered into by the Company with WABCO Europe are: a) Credit terms of 90 days from the date of invoice; b) Warranty for the period of 12 months for the product specifications; c) Mark-up on cost of raw materials, conversion cost and other relevant expenses and d) Royalty @4% on total product sales (less) inter-company purchases (less) inter-company sales e) reimbursements at actuals.

Mr. Jorge Solis and Ms. Lisa J Brown may be deemed to be interested in the above resolution by virtue of them 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.

## WABCO INDIA LIMITED

### Item No. 6

The shareholders had approved the appointment of Mr. P Kaniappan as a Whole-time Director for a period of 5 years from 17<sup>th</sup> June 2009 and also payment of remuneration to him at the 5<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September 2009 and subsequently increased the remuneration through resolutions at the 6<sup>th</sup> and 8<sup>th</sup> Annual General Meeting of the shareholders. Further the shareholders had approved the appointment of Mr. P Kaniappan as a Managing Director for a period of 5 years from 17<sup>th</sup> June 2014 and also payment of remuneration.

Approval of members is being sought for increasing the limits of remuneration payable to Mr. P Kaniappan from the present limits as set out through the shareholder resolution dated 17<sup>th</sup> June 2014. The Board of Directors at its meeting held on 17<sup>th</sup> May 2018 has recommended increasing the limits of remuneration as recommended by the Nomination and Remuneration Committee subject to the shareholder approval.

In line with the general increase in remuneration payable to senior executives of the Company, considering the increase in his duties, functions and responsibilities and in recognition of the valuable services provided by him, the board of directors, at their meeting held on 17<sup>th</sup> May 2018, have recommended increase in remuneration payable by way of salary and commission on net profits or performance linked incentive or bonus by increasing the present ceiling of ₹ 150 lakhs per annum to ₹ 350 lakhs per annum effective 1<sup>st</sup> January 2018 up to the expiry of his tenure as Managing Director.

The terms and conditions proposed (fixed by the Board of Directors at its meeting held on 17<sup>th</sup> May, 2018) are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record for an important position as that of the Managing Director. Considering the responsibility

shouldered by him of the enhanced business activities of the Company, the proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.

The increase in remuneration of Mr P Kaniappan is well within the limits prescribed under Schedule V of the Companies Act, 2013. All other terms and conditions of his appointment viz. perquisites and other benefits or amenities, upto a sum of ₹ 50 lakhs per annum, telephone at residence, car for use, participation in M/s. WABCO Holdings Inc., stock option schemes, Company's contribution to provident fund and pension benefits as approved by the shareholders at the 10<sup>th</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> July 2014, remain unchanged. The proposed increase in limit is subject to the approval of the shareholders in a General Meeting. In view of the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, the Board recommends the ordinary resolution set out at item no.7 of the accompanying Notice for the approval of the Members.

A Supplemental Agreement dated 28<sup>th</sup> May 2018 has been entered into by the Company with Mr P Kaniappan incorporating the above increase in his remuneration. Copy of the Agreement referred to in the resolution would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Except Mr. P Kaniappan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

By order of the board

Chennai  
28<sup>th</sup> May 2018

M C GOKUL  
Company Secretary

## Directors' report to the shareholders

The directors have pleasure in presenting the fourteenth annual report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2018.

### 1. FINANCIAL HIGHLIGHTS

Details	₹ in lakhs	
	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Operations	260,941.67	226,057.16
Other Operating income	5,095.92	3,615.07
<b>Total revenue from operations</b>	<b>266,037.59</b>	<b>229,672.23</b>
Profit before interest, depreciation and tax	44,513.85	36,254.52
Finance costs	161.74	46.44
Depreciation	6,173.69	6,162.93
Profit before tax	38,178.42	30,045.15
Provision for taxation (including deferred tax and tax relating to earlier years)	10,895.79	8,697.38
Profit after tax	27,282.63	21,347.77
Other Comprehensive Income / (Loss) for the year net of tax	(73.52)	(352.93)
Total Comprehensive Income for the year net of Tax	<b>27,209.11</b>	<b>20,994.84</b>

### 2. DIVIDEND

The board of directors has recommended a dividend of (₹ 8/- per share) for the year ended 31<sup>st</sup> March 2018 absorbing a sum of ₹ 1,517.41/- lakhs, (excluding dividend tax) for approval of the shareholders at the ensuing annual general meeting.

### 3. PERFORMANCE

During the year 2017-18, sales of medium and heavy commercial vehicles (M&HCV) grew by 11% over the previous year. The Company achieved total revenue from operations and other income of ₹ 2,660.38 crores as against ₹ 2,296.72 crores in the previous year, an increase of 15.8%.

### 4. CAPITAL EXPENDITURE

Capital expenditure of ₹ 103.07 crores was incurred during the year 2017-18 as against the plan of ₹ 101.95 Crores and Capital Expenditure of ₹ 110 Crore is planned for the year 2018-19.

### 5. DIRECTORS

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

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 director who is being re-appointed is 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.

### 6. AUDITORS

Messrs S.R. Batliboi & Associates LLP, Chartered Accountants, Chennai (Firm Registration No.101049W) were appointed as Statutory Auditors at the Annual General Meeting held on 22<sup>nd</sup> July 2014 for a period of 5 (five) years from conclusion of 10<sup>th</sup> annual general meeting upto the conclusion of the 15<sup>th</sup> Annual General Meeting, subject to ratification by members at every annual general meeting. Section 40 of the Companies Amendment Act, 2017 notified on 7<sup>th</sup> May 2018 has omitted the first proviso to Section 139(1) of the Companies Act, 2013 whereby the requirement of ratification by members at every annual general meeting has been done away with. Hence Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, Chennai, being eligible would continue as Statutory Auditors till their term upto the 15<sup>th</sup> Annual General Meeting.

### 7. SECRETARIAL AUDITOR

M/s. S Krishnamurthy & Co., Company Secretaries have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2017-18 and submitted their report, which is annexed to this report. The report does not contain any qualification.

### 8. COST AUDITOR

Mr. A N Raman was appointed as the cost auditor for the year 2017-18. Pursuant to Section 148 of the Act, the Board of Directors of the Company upon recommendation made by the audit committee has appointed Mr. A N Raman, Cost Accountant, as Cost Auditor of the Company for the financial year 2018-19 and has recommended his remuneration to the shareholders at the ensuing Annual General Meeting.

### 9. KEY MANAGERIAL PERSONNEL

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

### 10. 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.

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

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and directors, including the Chairman of the Board 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 Board 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.

**12. 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 to the chief ethics officer of the Company as the case may be to report any concerns or unethical activities.

**13. BUSINESS RESPONSIBILITY**

The Company is one among the top 500 listed companies as per the market cap as on 31<sup>st</sup> March 2018 and hence as per the Listing regulation requires 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 2017-18 are provided in the Business Responsibility Report.

**14. STATUTORY STATEMENTS****14.1 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.

**14.2 Corporate Social Responsibility**

The Company focuses on CSR Activities as specified in scheduled VII of the Companies Act, 2013 and the Companies CSR Policies. As required under Section 134(3)(o) of the Act, details about policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year ended 31<sup>st</sup> March, 2018 are given in Annexure 2 to this report.

**14.3 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, 2018 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.

**15. DISCLOSURES UNDER COMPANIES ACT, 2013****15.1 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.

**15.2 Number of Board Meetings**

The Board of Directors met four times during the year 2017-18. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

**15.3 Committees of Board of Directors**

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

**15.4 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 2018 and transactions proposed to be entered into during the year ending 31<sup>st</sup> March 2019 between the Company and WABCO Europe BVBA, which is fellow subsidiary of the company, are material in nature and require the approval of members by ordinary resolution as per the Listing regulation. An ordinary resolution seeking shareholders' approval is included in the notice to shareholders.

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

**16. POLICIES**

16.1 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

**16.2 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.

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

17.1 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	25.66:1
Mr. M. Lakshmi Narayan, Independent Director	2.22:1
Mr. Narayan Seshadri, Independent Director	2.16:1
Dr. Lakshmi Venu, Independent Director	2.00:1

Directors other than those mentioned above have not drawn any remuneration for the financial year 2017-18.

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

Mr. M. Lakshminarayan, Chairman	14.29%
Mr. Narayan K Seshadri, Director	12.86%
Dr. Lakshmi Venu*	35.42%
Mr. P. Kaniappan, Managing Director	29.74%
Mr. R.S Rajagopal Sastry, Chief Financial Officer	23.34%
Mr. M.C Gokul, Company Secretary	23.75%

\* In office for part of the year 2016-17 and hence the commission was paid prorata.

17.3 The percentage increase in the median remuneration of employees in the financial year: 6.29%

17.4 The number of permanent employees on the rolls of company as on 31<sup>st</sup> March 2018: 1673

17.5 Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 14.5%

Percentage increase in the managerial remuneration in the last financial year was 27.9%. 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.

17.6 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 of the Company variable component is paid in the form of performance based incentive, as per the Remuneration Policy of the Company and based on the financial and non-financial parameters.

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

17.8 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, 2018, is given in annexure 5 and forms part of this Report.

## **18. 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 2018. 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.

## **19. 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, regulatory updates on regulatory changes are also periodically placed before the Board.

## **Acknowledgement**

The directors thank the vehicle manufacturers, distributors, vendors and bankers for their continued support and assistance. The directors gratefully acknowledge the support rendered by WABCO Europe BVBA, Belgium. The directors wish to place on record their appreciation of the excellent work done by employees of the Company at all levels during the year. The directors specially thank the shareholders for the confidence reposed by them in the Company.

For and on behalf of the board

Chennai  
28<sup>th</sup> May 2018

M. LAKSHMINARAYAN  
Chairman



**A. CONSERVATION OF ENERGY**

**1. Measures taken**

- i) Adiabatic cooling system was installed in the centralized chiller unit
- ii) Steam trap mechanism was installed for cooking vessels in the canteen kitchen
- iii) Air wash units installed in assembly AHU-2 & 160KW air compressor
- iv) Air condition systems were replaced with air wash units at R&D test lab
- v) Coolant tank optimization was done for four machines
- vi) The 400W metal halide fittings in shop floor was replaced with 90W high bay LED fittings
- vii) The 250W metal halide fittings in peripheral areas were replaced with 72W LED fittings
- viii) 70W ceiling fans in shop floor were replaced with 35W energy efficient super ceiling fans

These measures resulted in substantial energy savings of about 7.24 lakh units of power & ₹ 62.2 lakhs per annum.

**2. Measures Proposed**

- i) Pneumatic nut runner and assembly stations to be converted to low pressure lines
- ii) Panel air conditioner to be removed and air to air cooler to be provided for control panels
- iii) Air leak to be arrested in machine shop and assembly area
- iv) Elimination of high pressure lines in machine shop, conversion of high pressure to low pressure in assembly area & all test rigs to be completed
- v) Installation of blowers in air dryers used for component washing in the assembly area
- vi) Directly connect the compressor hot air duct with anodizing dryer unit to optimize energy consumption of dryer unit.
- vii) Combining coolant tank and chiller unit in grinding machine
- viii) Hydraulic power pack optimization in the machine shop
- ix) Insulating cold and hot water lines in canteen area
- x) Installation of 400 KW rooftop solar panels

These measures are expected to result in substantial energy savings of about 11.22 lakhs units of power & ₹ 98.23 lakhs per annum.

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

**4. Expenditure on R & D**

₹ in Lakhs

Capital expenditure	593.83
Recurring expenditure (including salaries)	1,211.16
	1,804.99

**B. TECHNOLOGY ABSORPTION**

**1. Efforts made towards technology absorption**

- a. Developed optimized power reduction compressors for medium & heavy commercial vehicles
- b. Localizations of parts for Optidrive - Automatic Manual Transmission, Hydraulic Antilock Braking System, Stroke Sensor Valves, Air System Protector cartridges, Electronic Air Processing Unit.
- c. Development of door control systems, vacuum pump & tyre pressure monitoring system for local markets
- d. Design, Development & testing of performance and durability facility for park & release valve for Medium & Heavy Commercial Vehicles
- e. Localisation of master cylinder antilock braking system for hydraulic antilock braking system used in medium commercial vehicles
- f. Development of Global test rig to test foot brake valve
- g. Developed performance test rig capability for pneumatic clutch actuator used in Automatic Manual Transmission application
- h. Development of performance and durability rig for door cylinder
- i. Developed master cylinder for Hydraulic Systems

**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.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

₹ in Lakhs

Foreign exchange inflow	86,944.12
Foreign exchange outflow	36,007.64

**Report on CSR activities for the year ended 31<sup>st</sup> March 2018**

**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: ₹ 24,914.07 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 498.28 Lakhs

5. Details of CSR spent during the financial year.

a. Total amount spent for the Financial Year 2017-18: ₹ 56.39 Lakhs

b. Amount unspent, if any: ₹ 441.89 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 or programs (1) Local area or Other (2)	Sector in which the project is covered	Amount (outlay budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overheads - NIL	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Safety Training for M&HCV Drivers & Mechanics & Health Check up	Red Hills, Chennai, Tamilnadu	Safety training & Education	4.00	4.00	4.00	Direct & WABCO Foundation
2.	Safety Training for M&HCV Drivers & Mechanics & Health Check up	Vellore, Tamilnadu	Safety training & Education	4.00	4.00	8.00	Direct & WABCO Foundation
3.	Safety Training for M&HCV Drivers & Mechanics & Health Check up	Namakkal, Tamilnadu	Safety training & Education	4.00	4.00	12.00	Direct & WABCO Foundation
4.	Safety Training for M&HCV Drivers & Mechanics & Health Check up	Salem, Tamilnadu	Safety training & Education	4.00	4.00	16.00	Direct & WABCO Foundation
5.	Safety Training for M&HCV Drivers & Mechanics & Health Check up	Coimbatore, Tamilnadu	Safety training & Education	4.00	3.82	19.82	Direct & WABCO Foundation
6.	Safety Training Program for Tanker Drivers & Health Check up	Sankagiri, Tamilnadu	Safety training & Education	4.00	4.00	23.82	Direct & WABCO Foundation
7.	Planting of Trees & their Maintenance & upgradation of water conservation facilities	Mappedu, Chennai, Tamilnadu	Environment Sustainability	15.00	13.63	37.45	Direct & WABCO Foundation
8.	Established Safety Lab at Veltech University	Chennai, Tamilnadu	Education & Safety	2.00	2.00	39.45	Direct & WABCO Foundation
9.	Established Safety Lab at Chennai Institute of Technology	Chennai, Tamilnadu	Education & Safety	5.00	4.97	44.42	Direct & WABCO Foundation
10.	Upgraded Hygiene & Sanitation Facilities at Govt. Primary school	Upperbera, Jamshedpur, Jharkhand	Education	4.00	3.69	48.11	Direct & WABCO Foundation

## WABCO INDIA LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
11.	Established a full-fledged Computer Lab at Siragu School	Chennai, Tamilnadu	Education	5.75	5.75	53.86	Direct & WABCO Foundation
12.	Blood Donation Camps & Health Checkup camps	Chennai, Tamilnadu	Health Care	1.00	0.95	54.81	Direct
13.	Hazardous Goods Carrier Drivers Training Program	Mappedu, Chennai, Tamilnadu	Safety training & Education	5.00	1.36	56.17	Direct & WABCO Foundation
14.	Administrative Expenses	Chennai		0.10	0.22	56.39	Direct
15.	Construction of wall for primary school as a safety against wild animals	Indok, Rajasthan	Education	5.00	5.00*	61.39	WABCO Foundation
16.	Established Digital Lab at SRM University	Chennai, Tamilnadu	Education	15.00	4.00*	65.39	WABCO Foundation
<b>Total</b>				<b>82.00</b>	<b>65.39</b>		

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

6. The Company is also in the process of identifying suitable projects and mode for implementing various projects and hence could not spent 2% of the average net profits of last three years. 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 implements them in coordination with the Company.
7. The company has identified four primary areas to focus its CSR activities.
  - a. Promoting Road Safety across India - The Government of India is taking consistent efforts to reduce accidents through safety education, safety engineering, creating safety environment and enforcement. In an effort to support this initiative the WABCO foundation has been conducting safety awareness training programs for commercial vehicle drivers, motor vehicle inspectors and vehicle maintenance technicians combined with health checkups. More than 4500 drivers and over 50 mechanics across Tamilnadu 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 Officers. Considering the tremendous response and impact of such programs the foundation plans to extend this Pan India. This has resulted in transforming lives of drivers and mechanics which will in turn translate into Safer Roads.
  - b. Employability & skill enhancement through partnerships with educational Institutions - WABCO being a pioneer in technologies and services that improve safety, efficiency and connectivity of commercial vehicles is uniquely poised to share our best practices, knowledge on safety & efficiency with budding professionals thus enhancing their employability, skills and contributing to safer roads of the future. This is done in partnership with universities / colleges in Tamilnadu where centers for skill development have been set up.
  - c. Environment sustainability - Nurturing environment through tree plantations, rain water harvesting etc., in and around our plant locations were carried out wherein more than 1000 tree saplings were planted and are maintained.
  - d. Community services - Various community services were undertaken like Blood Donation camps by employees, personal hygiene awareness & health checks to Primary School Children, Construction of Toilet and drinking water facility to Government schools etc. in around the plant locations.
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

## WABCO INDIA LIMITED

Annexure - 3

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2018

[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 / service	% to total turnover of the Company
1	Auto components	34300	94.83%

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. BodiesCorp.	-	-	-	-	-	-	-	-	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total-A-(1)	-	-	-	-	-	-	-	-	-
<b>2. Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	1,42,25,684	-	1,42,25,684	75%	1,42,25,684	-	1,42,25,684	75%	Nil
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub Total- A(2)	1,42,25,684	-	1,42,25,684	75%	1,42,25,684	-	1,42,25,684	75%	Nil
<b>Total 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	16,83,651	–	16,83,651	8.88%	17,67,771	–	17,67,771	9.32%	+0.44
b. Bank / FI	22,958	–	22,958	0.12%	903	–	903	0.00%	-0.12
c. Cent. Govt.									–
d. State Govt.									–
e. Venture Capital									–
f. Insurance Co.									–
g. FIs	98,985	–	98,985	0.52%	43	–	43	0.00%	-0.52
h. Foreign Portfolio Corporate	3,22,731	–	3,22,731	1.70%	4,50,091	–	4,50,091	2.37%	+0.67
i. Foreign Venture Capital Fund									–
j. Others									–
<b>Sub-Total-B(1)</b>	<b>21,28,325</b>	<b>–</b>	<b>21,28,325</b>	<b>11.22%</b>	<b>22,18,808</b>	<b>–</b>	<b>22,18,808</b>	<b>11.69%</b>	<b>+0.47</b>
<b>2. Non-Institution</b>									
a. Body Corporate	6,64,519	1,485	6,66,004	3.51%	7,12,237	1,362	7,13,599	3.77%	+0.26
b. IEPF Authority	–	–	–	–	13,387	–	13,387	0.07%	+0.07
c. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	15,80,028	2,00,637	17,80,665	9.39%	14,67,451	1,71,182	16,38,633	8.64%	-0.75
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	1,14,280	–	1,14,280	0.60%	1,08,408	–	1,08,408	0.57%	-0.03
Others									
NRI (Repatriable)	29,628	–	29,628	0.16%	25,028	–	25,028	0.13%	-0.03
NRI (Non-Repatriable)	22,774	174	22,948	0.12%	23,813	174	23,987	0.13%	+0.01
Foreign National	–	–	–	–	–	–	–	–	–
OCB									
Directors	50	–	50	–	50	–	50	–	–
Trust									
In Transit	–	–	–	–	–	–	–	–	–
<b>Sub-Total-B(2)</b>	<b>24,11,279</b>	<b>2,02,296</b>	<b>26,13,575</b>	<b>13.78%</b>	<b>23,50,374</b>	<b>1,72,718</b>	<b>25,23,092</b>	<b>13.31%</b>	<b>-0.47</b>
<b>Net Total (1+2)</b>	<b>45,39,604</b>	<b>2,02,296</b>	<b>47,41,900</b>	<b>25.00%</b>	<b>45,69,182</b>	<b>1,72,718</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>1,87,65,288</b>	<b>2,02,296</b>	<b>1,89,67,584</b>	<b>100%</b>	<b>1,87,94,866</b>	<b>1,72,718</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 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. M. Lakshmi Narayan	50	0.0003%	50	0.0003%
2.	Mr. Narayan K Seshadri	–	–	–	–
3.	Dr. Lakshmi Venu	–	–	–	–
4.	Mr. Jorge Solis	–	–	–	–
5.	Mr. Sean Deason	–	–	–	–
6.	Mr. Shivaram Narayanaswami	–	–	–	–
7.	Ms. Lisa J Brown	–	–	–	–
8.	Mr. P Kaniappan	–	–	–	–
9.	Mr. R S Rajagopal Sastry	–	–	–	–
10.	Mr. M C Gokul	–	–	–	–

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

### VII. TOP 10 SHAREHOLDERS AS ON 31.03.2018

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
<b>AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND</b>								
436,363	01-04-2017	Opening balance						
	07-04-2017	Transfer / Purchase	15,000	0.08	451,363	2.38		
	14-04-2017	Transfer / Sale	731	0.00	450,632	2.38		
	21-04-2017	Transfer / Sale	4,612	0.02	446,020	2.35		
	28-04-2017	Transfer / Sale	1,413	0.01	444,607	2.34		
	26-05-2017	Transfer / Purchase	877	0.00	445,484	2.35		
	16-06-2017	Transfer / Purchase	6,000	0.03	451,484	2.38		
	30-06-2017	Transfer / Sale	10,624	0.06	440,860	2.32		
	04-08-2017	Transfer / Sale	30,000	0.16	410,860	2.17		
	18-08-2017	Transfer / Purchase	13,322	0.07	424,182	2.24		
	25-08-2017	Transfer / Purchase	2,500	0.01	426,682	2.25		

## 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
	20-10-2017	Transfer / Purchase	2,500	0.01	429,182	2.26		
	27-10-2017	Transfer / Purchase	2,500	0.01	431,682	2.28		
	10-11-2017	Transfer / Purchase	5,000	0.03	436,682	2.30		
	01-12-2017	Transfer / Purchase	6,000	0.03	442,682	2.33		
	08-12-2017	Transfer / Purchase	15,000	0.08	457,682	2.41		
	22-12-2017	Transfer / Purchase	5,000	0.03	462,682	2.44		
	29-12-2017	Transfer / Sale	134	0.00	462,548	2.44		
	05-01-2018	Transfer / Purchase	9,995	0.05	472,543	2.49		
	12-01-2018	Transfer / Purchase	2,505	0.01	475,048	2.50		
	19-01-2018	Transfer / Purchase	5,000	0.03	480,048	2.53		
	02-03-2018	Transfer / Purchase	8,502	0.04	488,550	2.58		
	09-03-2018	Transfer / Purchase	10,010	0.05	498,560	2.63		
	31-03-2018	Closing Balance					498,560	2.63
<b>CATAMARAN ADVISORS LLP</b>								
159,712	01-04-2017	Opening balance						
	27-10-2017	Transfer / Purchase	1,455	0.01	161,167	0.85		
	03-11-2017	Transfer / Purchase	100,000	0.53	261,167	1.38		
	16-02-2018	Transfer / Purchase	349	0.00	261,516	1.38		
	02-03-2018	Transfer / Purchase	600	0.00	262,116	1.38		
	31-03-2018	Closing Balance					262,116	1.38
<b>HDFC STANDARD LIFE INSURANCE COMPANY LIMITED</b>								
237,411	01-04-2017	Opening balance						
	07-04-2017	Transfer / Purchase	1,779	0.01	239,190	1.26		
	14-04-2017	Transfer / Sale	172	0.00	239,018	1.26		
	21-04-2017	Transfer / Sale	309	0.00	238,709	1.26		
	28-04-2017	Transfer / Sale	2,611	0.01	236,098	1.24		
	19-05-2017	Transfer / Sale	50	0.00	236,048	1.24		
	26-05-2017	Transfer / Sale	236,048	1.24	0	0.00		
	26-05-2017	Transfer / Purchase	241,048	1.27	241,048	1.27		
	02-06-2017	Transfer /Sale	6	0.00	241,042	1.27		
	09-06-2017	Transfer /Sale	237	0.00	240,805	1.27		
	16-06-2017	Transfer / Purchase	1,000	0.01	241,805	1.27		
	30-06-2017	Transfer / Purchase	2,514	0.01	244,319	1.29		
	07-07-2017	Transfer / Purchase	1,486	0.01	245,805	1.30		
	14-07-2017	Transfer / Sale	5	0.00	245,800	1.30		
	21-07-2017	Transfer / Purchase	960	0.01	246,760	1.30		
	28-07-2017	Transfer / Purchase	10,000	0.05	256,760	1.35		
	04-08-2017	Transfer / Purchase	3	0.00	256,763	1.35		
	11-08-2017	Transfer / Purchase	113	0.00	256,876	1.35		
	25-08-2017	Transfer / Purchase	250	0.00	257,126	1.36		
	08-09-2017	Transfer / Purchase	2,500	0.01	259,626	1.37		
	11-09-2017	Transfer / Purchase	4,034	0.02	263,660	1.39		
	15-09-2017	Transfer / Purchase	1,135	0.01	264,795	1.40		
	29-09-2017	Transfer / Purchase	2,328	0.01	267,123	1.41		
	13-10-2017	Transfer / Sale	1,405	0.01	265,718	1.40		

## 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
	20-10-2017	Transfer /Sale	54	0.00	265,664	1.40		
	27-10-2017	Transfer /Sale	700	0.00	264,964	1.40		
	03-11-2017	Transfer /Sale	10,635	0.06	254,329	1.34		
	10-11-2017	Transfer /Sale	11	0.00	254,318	1.34		
	24-11-2017	Transfer /Sale	756	0.00	253,562	1.34		
	01-12-2017	Transfer /Sale	1,431	0.01	252,131	1.33		
	08-12-2017	Transfer / Purchase	37	0.00	252,168	1.33		
	15-12-2017	Transfer /Sale	567	0.00	251,601	1.33		
	22-12-2017	Transfer /Sale	1,967	0.01	249,634	1.32		
	29-12-2017	Transfer / Purchase	8,998	0.05	258,632	1.36		
	12-01-2018	Transfer /Sale	209	0.00	258,423	1.36		
	19-01-2018	Transfer /Sale	857	0.00	257,566	1.36		
	26-01-2018	Transfer /Sale	5,070	0.03	252,496	1.33		
	02-02-2018	Transfer / Purchase	980	0.01	253,476	1.34		
	09-02-2018	Transfer / Purchase	2,290	0.01	255,766	1.35		
	16-02-2018	Transfer / Purchase	1,722	0.01	257,488	1.36		
	23-02-2018	Transfer / Purchase	3,019	0.02	260,507	1.37		
	02-03-2018	Transfer /Sale	479	0.00	260,028	1.37		
	09-03-2018	Transfer /Sale	754	0.00	259,274	1.37		
	23-03-2018	Transfer / Purchase	2,032	0.01	261,306	1.38		
	31-03-2018	Closing Balance					261,306	1.38
<b>FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND</b>								
175,547	01-04-2017	Opening balance						
	26-05-2017	Transfer / Purchase	15,000	0.08	190,547	1.00		
	23-06-2017	Transfer / Purchase	10,000	0.05	200,547	1.06		
	30-06-2017	Transfer / Purchase	10,000	0.05	210,547	1.11		
	07-07-2017	Transfer / Purchase	5,000	0.03	215,547	1.14		
	18-08-2017	Transfer / Purchase	10,000	0.05	225,547	1.19		
	31-03-2018	Closing Balance					225,547	1.19
<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP</b>								
153,447	01-04-2017	Opening Balance						
	14-04-2017	Transfer /Sale	3,840	0.02	149,607	0.79		
	21-04-2017	Transfer /Sale	801	0.00	148,806	0.78		
	12-05-2017	Transfer /Sale	2,246	0.01	146,560	0.77		
	19-05-2017	Transfer /Sale	370	0.00	146,190	0.77		
	11-09-2017	Transfer / Purchase	10,000	0.05	156,190	0.82		
	22-09-2017	Transfer / Purchase	5,000	0.03	161,190	0.85		
	13-10-2017	Transfer / Purchase	10,500	0.06	171,690	0.91		
	20-10-2017	Transfer / Purchase	2,684	0.01	174,374	0.92		
	29-12-2017	Transfer / Sale	1,290	0.01	173,084	0.91		
	05-01-2018	Transfer / Sale	2,982	0.02	170,102	0.90		
	02-03-2018	Transfer / Sale	2,000	0.01	168,102	0.89		
	31-03-2018	Closing Balance					168,102	0.89



**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
<b>AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND</b>								
43,694	01-04-2017	Opening balance						
	30-06-2017	Transfer / Purchase	2,500	0.01	46,194	0.24		
	11-08-2017	Transfer / Purchase	6,000	0.03	52,194	0.28		
	25-08-2017	Transfer / Purchase	2,500	0.01	54,694	0.29		
	15-09-2017	Transfer / Purchase	19,753	0.10	74,447	0.39		
	22-09-2017	Transfer / Purchase	10,000	0.05	84,447	0.45		
	10-11-2017	Transfer / Purchase	12,500	0.07	96,947	0.51		
	05-01-2018	Transfer / Purchase	10,000	0.05	106,947	0.56		
	26-01-2018	Transfer / Purchase	5,000	0.03	111,947	0.59		
	09-03-2018	Transfer / Purchase	5,000	0.03	116,947	0.62		
	31-03-2018	Closing Balance					116,947	0.62
<b>UTI-MID CAP FUND</b>								
52,394	01-04-2017	Opening balance						
	15-09-2017	Transfer / Purchase	1,085	0.01	53,479	0.28		
	22-09-2017	Transfer / Purchase	27,575	0.15	81,054	0.43		
	26-01-2018	Transfer / Sale	209	0.00	80,845	0.43		
	02-02-2018	Transfer / Sale	1,250	0.01	79,595	0.42		
	09-03-2018	Transfer / Purchase	2,863	0.02	82,458	0.43		
	30-03-2018	Transfer / Purchase	314	0.00	82,772	0.44		
		31-03-2018	Closing Balance					82,772
<b>TATA BALANCED FUND</b>								
75,000	01-04-2017	Opening balance						
	28-07-2017	Transfer / Sale	7,000	0.04	68,000	0.36		
		31-03-2018	Closing Balance					68,000
<b>NAROTAM S. SEKHSARIA</b>								
70,770	01.04.2017	Opening Balance						
	02-03-2018	Transfer / Sale	5,000	0.03	65,770	0.35		
	30-03-2018	Transfer / Sale	872	0.00	64,898	0.34		
		31-03-2018	Closing Balance					64,898
<b>L&amp;T MUTUAL FUND TRUSTEE LTD - L&amp;T INDIA PRUDENCE FUND</b>								
59,985	07-04-2017	Transfer / Purchase	1,000	0.01	60,985	0.32		
	12-05-2017	Transfer / Purchase	3,500	0.02	64,485	0.34		
	02-06-2017	Transfer / Purchase	1,500	0.01	65,985	0.35		
	09-06-2017	Transfer / Purchase	1,119	0.01	67,104	0.35		
	16-06-2017	Transfer / Purchase	1,000	0.01	68,104	0.36		
	23-06-2017	Transfer / Purchase	947	0.00	69,051	0.36		
	30-06-2017	Transfer / Purchase	3,000	0.02	72,051	0.38		
	04-08-2017	Transfer / Purchase	1,788	0.01	73,839	0.39		
	18-08-2017	Transfer / Purchase	856	0.00	74,695	0.39		
	06-10-2017	Transfer / Purchase	3,381	0.02	78,076	0.41		
	13-10-2017	Transfer / Purchase	1	0.00	78,077	0.41		
	03-11-2017	Transfer / Sale	5,000	0.03	73,077	0.39		
	29-12-2017	Transfer / Sale	8,517	0.04	64,560	0.34		
		31-03-2018	Closing Balance					64,560

## 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 1.4.2017</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 - 31.3.2018</b>				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
<b>Total of (1 + 2 + 3)</b>				

### IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Mr. P. Kaniappan, Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	118.78
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	64.22
	(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	8.38
	Performance Bonus #	112.09
	Total (A)	303.47
	Ceiling as per the Act	1,914.10

\* 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	2.4	2.0	1.0	5.4
Commission ®	12.0	12.0	12.0	36.0
Others	-	-	-	-
Total (1)	14.4	14.0	13.0	41.4

## 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)				35.4
Ceiling as per the Act				382.82

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	64.16	18.96	83.12
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6.48	-	6.48
	(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	3.56	0.92	4.48
	Performance Bonus	20.65	2.83	23.49
	Total (C)	94.85	22.72	117.57

### 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

### Form No. AOC - 2

## Annexure - 4

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

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

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

(₹ 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	01.04.2017 to 31.03.2018	Mark-up on cost of raw materials, conversion cost	30.05.2017	28,034.29
	Rendering of services	01.04.2017 to 31.03.2018	Mark-up on cost of salary, rent	30.05.2017	11,011.32
	Fee for Intellectual property	01.04.2017 to 31.03.2018	Royalty @ 4% p.a. on net sales	30.05.2017	7,029.80
	Reimbursement of expenses	01.04.2017 to 31.03.2018	Actuals	30.05.2017	163.66

Note: There is no advance amount paid.

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

M. Lakshminarayan  
Chairman

## Annexure - 5

The details of top ten employees in terms of remuneration drawn during the financial year 2017-18 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	58	36	3,03,47,730	Sundaram-Clayton Ltd.
2.	R S Rajagopal Sastry	31/8/2015	Chief Financial Officer	B.Com, AICWA, ACS	48	30	94,85,827	R Stahl (I) Private Ltd
3.	Dinesh Shyamsundar	02/09/2011	Leader, WABCO Technology Center of India	B.E. Electronics & Instrumentation	55	32	1,26,74,098	Varrac Engineering Pvt.Ltd
4.	S Balachandran <sup>8</sup>	20/2/2008	Vice-President, After Market	B.E Mechanical, MBA (Great Lakes)	67	45	69,42,187	Sundaram-Clayton Ltd.
5.	N Ravishankar	24/09/2010	Leader, Mahindra World City	B.Tech, Mechanical	49	31	54,04,641	Maruti Udyog Ltd.
6.	M S Ravikumar	20/2/2008	Leader, Integrated Supply Chain	A.M.I.E, M.Sc, PGXPM	52	31	1,05,57,236	Sundaram-Clayton Ltd.
7.	A P Justin <sup>7</sup>	08/09/2011	Vice President, Human Resources	MSW, BGL, Dip. in T&D	49	30	89,62,313	Tube Investments of India Ltd
8.	S G Balagurunathan	20/2/2008	Leader, Global Business Services	B.Sc(AS), B.Tech(EE) & MBA (IT)	53	31	1,04,05,437	Sundaram-Clayton Ltd.
9.	V Ramanathan	22/01/2007	Leader, OE Marketing	B.E Mechanical, MBA	49	31	92,63,393	Maruti Udyog Ltd.
10.	Jaiwanth J Dasan	15/04/2013	Leader, Quality Assurance	B.E Mechanical, MS (Quality Mgmt), & MBA	55	30	87,51,392	Vestas Technology R&D Chennai Pvt. Ltd.

**Notes:**

- Remuneration shown above includes Salary, Allowance, Medical, Leave Travel Assistance, Leave Encashment, Arrears of Salary, Bonus, contribution towards Provident Fund, Gratuity and value of perquisites as per income tax rule.
- Nature of employment is contractual.
- None of the above employee is related to any director of the Company.
- 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 respective 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.
- Benefit arising out of participation in M/s WABCO Holdings Inc., RSU / PSU schemes is included
- Resigned w.e.f 28<sup>th</sup> February 2018
- Resigned w.e.f 5<sup>th</sup> June 2017.

M. Lakshminarayan  
Chairman

**Form No. MR-3****Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2018**

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

To,

The Members,

**WABCO India Limited**, CIN: L34103TN2004PLC054667  
Plot No. 3 (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 2017 to 31<sup>st</sup> March 2018 ("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 2018 but before the issue of this audit report;
- (ii) Our observations during our visits to the registered office and some 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 taken on record by the Audit Committee/ 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 2018 the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) 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:

- (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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FEMA).
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations"):-
    - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
    - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
  - (vi) The following laws that are specifically applicable to the Company (Specific laws):
    - (a) The Special Economic Zones Act, 2005 and the rules made thereunder (for the unit 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 (for the unit located in an STPI, also referred to as STPI laws) .
  - (vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).
  - (viii) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards)
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2018 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Complied with the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (i) to (v) and (vii) of paragraph 1.1 above; and

- (ii) Generally complied with the applicable provisions of specific laws (relating to SEZ and STPI) mentioned under sub-paragraphs (vi) of paragraph 1.1 above and Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (viii) above to the extent applicable to Board meetings and General meetings. The Secretarial Standards on Dividend (SS-3), being non-mandatory has not been adopted by the Company.
- 1.3 We are informed that, during/ in respect of the year, the Company was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
  - (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 (Buyback of Securities) Regulations, 1998;
  - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

## **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 2018 the Board has:
  - (i) One Executive Director;
  - (ii) Four Non-Executive Non-Independent Directors, including a woman director; and
  - (iii) Three Independent Directors, including a woman director.
- 2.3 The processes relating to the re-appointment of the retiring director at the 13<sup>th</sup> annual general meeting held on 18<sup>th</sup> September 2017 were carried out in compliance with the provisions of the Act and LODR:
- 2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.5 Notice of Board meetings were sent at least seven days in advance.

- 2.6 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
  - (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 noted from the minutes 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, especially those related to the SEZ and STPI legislations.

## **4 Specific events/ actions**

We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standard.

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

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

Date : 28<sup>th</sup> May 2018  
Place : Chennai

## WABCO INDIA LIMITED

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

To,

The Members,

**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 2018 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 also considered compliance related action taken by the Company after 31<sup>st</sup> March 2018 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.

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

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

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

Date : 28<sup>th</sup> May 2018  
Place : Chennai

## Management discussion and analysis report

### I. Industry Structure and Development:

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

The International Monetary Fund (IMF) is projecting acceleration for the Indian economy, with the GDP growth of 6.7% in 2017-18 scaling up to 7.4% in 2018-19 and projected to reach 7.8% in 2018-19. India has once again regained its tag as the fastest growing economy in the world. The disruptive impacts of demonetization in November 2016 and the implementation of the Goods & Services Tax hampered the growth in 2017-18. The effects from these structural reforms largely waned, the Indian economy is expected to grow on a higher trajectory during 2018-19 and beyond. Inflows of Foreign direct investments attracted by improvement in ease of doing business through liberalized regulations will bolster this growth. However rising global oil prices, risk of an earlier than anticipated rate from the Reserve Bank of India and the potential negative impact of the banking sector frauds and rising non-performing assets are some of the possible headwinds for the projected GDP growth in 2018-19.

**INFLATION:** Consumer price index (CPI) inflation for 2018-19 is projected to be at 3.9% which is slightly below the Reserve Bank of India's long-term target of 4%

**INTEREST RATES:** Repo rates may be restructured to accommodate global crude oil price increase. Increase in the range of 25 basis points is projected.

#### GDP GROWTH:

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
GDP	6.6	7.2	7.6	7.1	6.6	7.4

#### ii. Indian Commercial Vehicle Industry:

When the commercial vehicle industry does well, it spells good times for a country's economy. That is exactly what is happening in India with most Commercial Vehicle OEMs which are working hard to address the growing demand posting handsome growth and accelerating into the growth lane. The commercial vehicle industry, which is the barometer of the country's economy, is expected to witness good growth due to various legislations and fuel efficiency norms expected during 2018-19. The Indian commercial vehicle industry has turned around quickly post strong headwinds from the effects of demonitisation and Implementation of Goods & Services Tax. After the initial hiccups in the beginning of 2017-18 when the CV market was transitioning to BSIV emission norms and saw customers delaying buying, the market has picked up with OEM's de-bottlenecking their supply constraints.

The CV industry is projected to register a good growth during 2018-19 after a strong performance in Q4 of 2017-18. Not only is the return of replacement demand helping OEMs, but government initiatives like stricter enforcement of overloading has resulted in fleet operators preferring rated loads is pushing demand for higher-tonnage trucks. The demand is pushing the segment from lower tonnage vehicles to higher tonnage vehicles. With the introduction of GST in 2017 and removal of state tariff barriers, check posts, introduction of e-way bills etc., truck productivity and haulage efficiency has risen sharply.

Along with the overloading regulation, India's drive towards increasing the steel production is in line with the ministry of Road transport and highway's vehicle scrap policy. The policy aiming at scrapping of vehicles more than 20 years

old will also significantly boost demand. The Indian e-commerce industry is now expected to grow in terms of investments, diversity and opportunities. This will result in a higher demand for the light commercial vehicles (LCV) and the intermediate Light commercial vehicle (ILCV).

With the effect of GST and demonetization diluted, OEM's have reported record numbers in sales and production for Q4 of 2017-18. With the trend expected to last for the entire year, there will be a bullwhip effect on the entire Commercial vehicle supply chain. With India already gearing up for BSVI norms and the governments' push for fuel efficiency norms coupled with budget allocation for infrastructure development will help the growth trend. With these factors playing a crucial role, the commercial vehicle industry will see a 10-12% growth in 2018-19

The Medium & Heavy Commercial vehicle Industry is expected to grow by 9-11% during 2018-19 compared to 11% in 2017-18.

The below table shows vehicle production along with growth:

Figures in units

Category	2016-17	2017-18	Growth
M & HCV Production	3,42,761	3,43,951	0.35%
M & HCV Sales	3,46,286	3,84,408	11.00%

Source: SIAM

### II. Opportunities & Threats

The Company provides safety and vehicle control solutions to the commercial vehicle segment of the automotive industry. In addition to 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 safety related features legislation are under discussion. Local market growth opportunities were through increase in content per vehicle in the form of introducing new systems / technologies like Fleet Management Solutions, Electronic Stability Control and increase in Share of market from Automatic Slack Adjuster. The Company has also expanded into new segments like off- highway, defense, luxury bus, car and trailers and looks forward to the following strategic opportunities in the following years.

- Partner with Trailer customers for implementing 100% TABS
- Technical / Homologation Support for complete technology products
- Leverage Site plants to stay close to customers
- Capture 100% entitlement by excellence in execution
- Penetration roadmap for newer technologies like ADAS, Door System, Smart Suspension

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

Distributors are continuing to increase their presence in B & C towns and that is resulting in availability of genuine parts in remote locations. Our authorized service center network is expanding and currently we have 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 8000 customer got 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 prices have increased steadily starting from June 2017 and reached all-time high in April 2018. The available indications suggest a gradual downward trend in global prices of iron ore, coking coal and scrap from the current levels. This is a positive indication for the steel industry which foresees uplift in demand. Short term outlook of World Steel Association forecasts 1.8% growth in global steel consumption in 2018, led by India (5.5%),

the US (2.7%), the EU (2.5%), Turkey (5%), Russia (2.1%) and South Korea (1%). For China the steel consumption is likely to be flat.

Meanwhile, the World Economic Outlook recently brought out by the International Monetary Fund has predicted a reasonably good growth in global GDP of 3.9% which would be fueled by the GDP growth in major economies. Higher global economic growth would require higher investments which are expected to generate substantial steel demand in varying proportions in different countries.

This positive outlook, however depends crucially on China which controls nearly 50% of global steel production. China a major exporter of steel, dominates the iron ore prices and has a major influence on global coking coal and coke prices.

Excess production of steel in China beyond normal global demand hugely impacted the interests of the global steel producers during the years from 2014 to 2017, which forced global producers to operate at lower price levels. After 2017, China operated at normal capacity levels, which resulted in increased demand for local steel manufacturers. Further, China, having nearly 50% of the estimated global steel capacity, has committed to bring down the carbon footprint entailing elimination of some of the polluting units in steel, coal and cement industries. It had set a target of closing down 150 MT of steel capacity by 2020. The prediction follows a 30.5% reduction in Chinese steel exports during last year.

In a nutshell increase in domestic demand coupled with reduction in global steel capacity had resulted in unprecedented steel price increase during the year 2017-18. Continued demand from the infrastructure and auto industry is likely to result in the steel prices remaining at relatively higher levels during 2018-19.

#### ALUMINIUM

The year 2017-18 witnessed Aluminium prices rocketing from the lows of \$1,700 to five-year highs, before settling around the \$2,100 mark. In 2017, the performance of global aluminium market was determined predominately by China cutting down on the Smelters capacity which has overshadowed the global market. China's action was due to initiatives such as culling of illegal aluminium capacity and avoiding production in fog season in an effort to decrease pollution levels.

The production trend is following a downward trajectory and it is estimated to drop further. Though global aluminium prices have risen, rise in the input costs were higher resulting in depleting profitability for China's aluminium producers stamping out the supply growth. In addition to the tightening of existing capacity, Chinese smelters have seen a reduction in new capacity as well due to stringent government requirements. Reduction of capacity in China coupled with growth in global aluminium demand is likely to increase the prices.

**Risk Management:**

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

**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. The observations made by them, management action and time frame are reviewed by the audit committee of the Board of Directors. Concerns if any are reported to the Board.

**V. Operations review****A. Manufacturing**

During 2017-18, company has expanded its plant at Jamshedpur to support the volume growth. Various capacity augmentations were also made across locations to meet the increased volume requirements post BS-IV. To increase proximity of operations to customer's manufacturing locations, improve supply chain responsiveness and increase competitiveness, certain manufacturing lines were transferred among locations wherever necessary with lean asset business models to achieve optimal cost advantage and results. Expansion of the Mahindra World Facility Plant located in the Special Economic Zone was initiated to cater to the increasing requirements of the Global market. Focused efforts were made to enhance productivity and quality through lean tools and facility upgradation programs. During the year, the company has received special recognition award in National Safety Practice Competition hosted by CII.

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

Continuous focus to improve quality and productivity were undertaken at all the manufacturing locations, challenging the site layouts to be more compact & to be efficient in floor space utilization. A facility upgradation program is underway to set new benchmarks including adoption of Smart Manufacturing practices like Low Cost Automation, IIoT, Traceability Systems, Machine/Computer Vision etc. Working on its inherent strengths in frugal engineering

and quality with optimal cost the Company has demonstrated various "Lean Equipment Development" projects for its group entities in Brazil, Charleston through design and development of manufacturing lines.

"WIN 2.0" was a transformation initiative intended towards changing the mindset of employees at all levels, all functions and across locations to achieve global standards of performance. This initiative which was widely imbibed in employees has already started yielding visible results in all areas of operations. This transformation has been acknowledged by key customers with awards. The Company had bagged prestigious supplier awards from the top OEM Customers which are "Best Supply Chain Transformation" award from Cummins India, "Outstanding contribution to Technology Innovation" award from Volvo Eicher, "Cost reduction" award from Swaraj Mazda Isuzu etc. Further, the Company received "Supply Chain and Logistics Excellence" award from CII and Institute of Logistics for the second consecutive time for its approach on inventory optimization techniques.

The Mahindra World City Plant received the prestigious Export Excellence Award from Ministry of Commerce & Industry, Government of India in recognition of contribution to Net Foreign Exchange Earnings. It has also received the "Future Ready Factory Award - Auto Ancillary Sector, Large Business" at India Manufacturing Excellence Awards 2017.

**B. Quality**

The quality systems in the Company aim at achieving total customer satisfaction through its focus on improving product quality to world standards. This is achieved through total employee involvement and continuous improvement culture.

The year 2017-18 was a year of mixed status with customers in India. The Company is at 18 PPM. Customers continue to raise their expectations. TATA Motors expects to achieve <50 PPM for OKm and no failures in 3 MIS from the field. Volvo Eicher expects Zero line interruptions in their plant due to supplier part quality. Ashok Leyland measures the pain points and rates suppliers based on the same.

To meet the above customer requirement it is necessary to standardize the processes, operate with right competency/skills of the workforce to consistently supply right quality of products. Six sigma projects started for each customer to meet each customer requirements and to standardize all critical production lines.

The First pass yield [FPY] is measured in India in PPM and we have brought it down ~60% in 2017. Deploying "VDA6.3", "VDA6.5", Product safety standards, helped the Company reduce the defects significantly. 96 assembly lines were upgraded in line with VDA6.3 for making them robust enough to prevent defects.

Product quality along with PE Quality achieved 100% customer PPAP "First Time Right". However, the Company needs to mature to take care of manufacturability, serviceability, reliability and hand over projects in time. Significant efforts were put in to improve Supplier Quality, which resulted in a 50% reduction in Supplier PPM. 40% of the suppliers have been upgraded as "Zi ZF" (Zero Inspection and Zero Follow-up) Suppliers. All the plants have been transformed from TS16949 to latest improved IATF 16949 Quality systems. The joint efforts of all functions enabled the Company to get certified in January 2018.

TQM is a way of life at the Company. 100% participation in employee involvement has been successful for the past 19 consecutive years. Employees have completed 268 Quality Control Circle projects and 89 Supervisory Improvement Team and Cross Functional team projects by applying statistical tools, Six Sigma (DMAIC and DMADV) and Quick Response Six Sigma (QR6S) methodology during 2017-18. Over 84,000 suggestions have been implemented by all employees of all the plants, including trainees. Employees from all the plants participate in Quality Control Circle, Supervisory Improvement Team and Cross Functional Team projects and present their completed projects in monthly presentations. 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 had won various prizes. Significant among them are winning first prize in 10<sup>th</sup> CII National Competitiveness & Cluster Summit - 2017, winning first prize in CII Supply Chain and Logistics Excellence competition, winning first prize in CII Southern region kaizen competition 2017, 12<sup>th</sup> Edition for operators and supervisors, winning first prize in ACMA Northern region zonal quality circle competition, winning first and second prizes in ACMA Southern region business quiz competition, winning first and second prizes in ACMA Southern region kaizen competition, first prize in FICCI competition on role of corporates on road safety 2017, winning second prize in IMTMA National productivity summit, winning platinum award in QCFI Six Sigma competition, Gold and Silver awards in NIQR Six Sigma competition. One quality circle team participated in International quality circle competition held at Philippines and secured Gold Award in demonstrating their passion and innovation in various areas of excellence in manufacturing.

### C. Cost management

The Company has continuously upgrading the robustness in cost control capabilities, especially in procurement. The Company realizes that better cost management is a 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 Engg, Manufacturing & sourcing to focus on identified cost reduction projects. The Company continues to find best cost supplier across continents leveraging its global platform in its endeavor to become best cost supplier to the customers. Key focus area is process improvement by collaborating technology partnership with leading suppliers to continuously keep the costs at optimal levels.

### D. Information Technology

The Company uses an ERP system that integrates all business processes across the Company as well as customers and suppliers. During the year, the company focused on 100% availability of the ERP applications which is now hosted in global HP Data center at Germany with enhanced security features and back to back disaster recovery methodology.

Focus was given towards paperless office wherein additional projects have been implemented towards automation of the repetitive activities in order to eliminate non-value added activities. With the vision to build a digitally optimized workplace to engage and develop talents by efficient collaboration, the company migrated to a cloud based Email system with access of data on any device anytime. To ensure security at all WABCO locations, a Central Command Center has been setup to monitor all CCTV cameras at the corporate office which is manned round the clock.

## VI. Human Resource Development

The Company focuses on attracting and retaining the best talent and enjoys a good brand image across leading educational institutions and talent pool. The current average recruitment lead time of the lateral talent is around 50 days. We have inducted 267 new talents in 2017-18, majority of them in Product Engineering. The Company blends successfully mid-career recruitment with internally grown talent through a robust globally managed talent management process. Rewards and recognition system is in place to retain and provide fast track growth for high potential employees. Internal Talent mobility rate which is at 59%, is one of the key engagement driver ensuring employees move and grow within WABCO from one position to another - either cross functional, across businesses and across geographies. Our Voluntary attrition rate is at 4.7%, while similar Industry attrition rates are at an average of 9.9%.

"The PACEmakers" program inspired by our differentiation formula:  $D=P[A+C+E]$  = Passion [Anticipation + Creativity + Execution] was launched to develop a new culture together and to act as an enabler for our success and reinforce our differentiation. PACE5 behaviours will be integrated into our performance management process and employees will be encouraged to self-assess themselves against the following five behaviours - 1) Be Authentic, 2) Foster Engagement, 3) Leverage Difference, 4) Cultivate Collaboration & 5) Is Accountable. Pacemakers workshops are conducted for the employees to understand the behaviors, live them to the best of their abilities. "Talk 2 Me", "Women's Forum" and "Blue Collar Contact Program" initiatives help to build a strong bottom up communication and ensure healthy Industrial Relations climate across all locations resulting in zero man hour loss.

As of 31<sup>st</sup> March 2018, the Company had 1673 employees on its rolls.

### VII. Environment & Safety

The first three months of the year were taken as safety months which were used to enhance safety systems and in create safety awareness among the employees. The Director of Industrial Safety and health from the Government of Tamilnadu was gracious enough to visit the plant during the culmination of the safety month's program and share his experience and also motivated the employees. All 5 plants and test track have successfully completed the second Surveillance audit of ISO 14001 & OHSAS 18001.

The Company has taken many initiatives on improving ergonomics in the shop floor. Medium fatigue stations were identified and the ergonomics were improved with achievement of low risk job stations of 97%, thereby improving productivity and operator

morale. Ergo Stretch programme was initiated in Ambattur plant for shop floor employees which helped them feel refreshed and reduce fatigue.

As a part of Environmental protection, the installed sewage treatment plant treats and reuses water which is used for gardening and toilet flushing thereby reducing the water consumption by 25%.

During the year Ambattur plant won "SPECIAL AWARD" for the best safety practices from the Confederation of Indian Industries and Dr. C K Ramachandran award from Indian Association of Occupational Health for maintaining the Best Occupational Health centre.

### 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, driving activities which would help the needy sections of the society as specified in Schedule VII of the Companies Act, 2013 and the Company's CSR policy with specific focus towards areas surrounding the company's plant locations.

The 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 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 2017-18 are mentioned in the Annexure - 2 to the directors report

## WABCO INDIA LIMITED

### IX. Financial statement

Particulars	Year ended 31 <sup>st</sup> March 2018		Year ended 31 <sup>st</sup> March 2017	
	₹ in lakhs	%	₹ in lakhs	%
Sales	2,60,941.67	98.08	2,26,057.16	98.43
Other Operating Income	5,095.92	1.92	3,615.07	1.57
<b>Total Income</b>	<b>2,66,037.59</b>	<b>100</b>	<b>2,29,672.23</b>	<b>100</b>
Raw Materials Consumed	1,57,741.41	59.29	1,27,566.80	55.54
Changes in inventories of Finished goods & WIP	2,448.43	0.92	(3,759.05)	(1.64)
Staff cost	22,909.87	8.61	19,111.43	8.32
Stores & tools consumed	6,281.26	2.36	5,425.80	2.36
Power & fuel	2,073.33	0.78	1,973.48	0.86
Repairs & maintenance	1,308.20	0.49	1,072.21	0.47
Other expenses	24,709.66	9.29	22,494.51	9.79
Finance costs	161.74	0.06	46.44	0.02
Excise duty on sale of goods	4,051.58	1.52	19,308.39	8.41
Depreciation	6,173.69	2.32	6,162.93	2.68
<b>Total Expenditure</b>	<b>2,27,859.17</b>	<b>85.65</b>	<b>1,99,627.08</b>	<b>86.92</b>
<b>Profit Before Tax</b>	<b>38,178.42</b>	<b>14.35</b>	<b>30,045.15</b>	<b>13.06</b>
Provision for taxation	10,895.79	4.10	8,697.38	3.79
<b>Profit after Tax</b>	<b>27,282.63</b>	<b>10.26</b>	<b>21,347.77</b>	<b>9.29</b>
Other Comprehensive Income / (Loss) for the year net of tax	(73.52)	(0.03)	(352.93)	(0.15)
<b>Total Comprehensive Income / (Loss) for the year net of tax</b>	<b>27,209.11</b>	<b>10.23</b>	<b>20,994.84</b>	<b>9.14</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 ₹ 266,037.59 lakhs and also serves its after market 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 enduring 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, 2017 to March 31, 2018
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	₹ 266,037.59 lakhs
3.	Profit after tax	₹ 27,282.63 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	₹ 56.39 lakhs (0.23% 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 employee	Stakeholders	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 employee	Stakeholders	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 employee	Stakeholders	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

#### **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 the 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 ethics policy 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 and the ethics policy 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, WABCO group ethics policy, 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 for 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.

2. 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 there was no referrals under the whistle blower policy of the Company.

#### **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 vision is to make a difference by saving lives and protecting the environment and the mission is to thrive by offering our 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
  - c. Automated manual transmission

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.

The Company's Total Productive Maintenance practices and lean manufacturing concept helps in achieving operational efficiencies resulting in energy conservation and sustainable operations and improving them year on year. The integrated supply chain operations ensure sustainable and best use of available resources. The Company also takes initiatives to train and educate its suppliers / vendors through vendor meets on various aspects related to sustainability and works closely with its vendors to use returnable packaging modes to reduce usage of non-recyclable packaging wherever possible.

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 ensures localization and outsourcing by each plant and selecting suppliers who are competitive as well as close to its plants. Localized vendors are preferred if they meet the quality specifications. Specific initiatives are in place to impart training to suppliers

## WABCO INDIA LIMITED

on quality. The Company demands high standards for safety, health and environmental practices from its suppliers. They must ensure excellence in the design, manufacturing, distribution, recycling and disposal of the products they create in full compliance with applicable legislations.

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's business units are committed to promoting sustainable consumption, including recycling resources. The company has sustainable processes in place to recycle the products and waste, post completion of the manufacturing life cycle. At all the Company locations, wastes are segregated based on their characteristics, collected and stored in an appropriate manner.

### 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 friendly environment through its policy for prevention of sexual harassment and related grievance redressal mechanisms.

1.	Total number of employees on rolls	1673 as on 31 <sup>st</sup> March 2018
2.	Total number of employees hired on temporary/contractual/casual basis	3306 as on 31 <sup>st</sup> March 2018
3.	No. of permanent women employees	104 as on 31 <sup>st</sup> March 2018
4.	No. of permanent employees with disabilities	1
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 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

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.
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 2017-18 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?  
WABCO India Limited has an environmental policy that applies to the Company only.
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, conservation of energy and reduction of waste. To support this commitment, all of WABCO's manufacturing plants are certified according to the latest version of ISO 14001 for the environment management systems and OHAS 18001. The Company demands high standards for safety, health and environmental practices from the suppliers. They must ensure excellence in the design, manufacturing, distribution, recycling and disposal of the products they create in full compliance with applicable legislations.  
The Company also recognizes the significance of a greener belt which a number of saplings are planted in the plant 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 mechanism to identify and assess potential environmental risks and the mitigation plan thereon in its plants and projects which is a continuous process.
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 use of raw materials, conserve water and energy. Power consumption

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is tracked and reviewed periodically. Replacement of old pumps, optimization of energy consumption, 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 2016-17 and in the Management discussion and analysis report

2. Are the programs / projects undertaken through in-house team/own foundation/external NGO/government structures / any other organization?

The Company's Social Responsibility Projects are implemented through the internal team. The Company has incorporated a non-profit trust with the name WABCO foundation which carries out the CSR activities on behalf of the Company which are mentioned in Annexure - 2 to the Directors Report.

3. 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.

4. What is your company's direct contribution to community development projects and the details of the projects undertaken?

Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure - 2 to the Directors' Report.

5. 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, 2018, no new cases were filed against the Company. No customer complaints were pending unresolved as on March 31, 2018.

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 behaviour 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.

Chennai  
28<sup>th</sup> May 2018

M. Lakshminarayan  
Chairman

## 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 2018, 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. 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. 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 2017-18, the Board met 4 times on 30<sup>th</sup> May 2017, 27<sup>th</sup> July 2017, 7<sup>th</sup> November 2017 and 23<sup>rd</sup> January 2018 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 18<sup>th</sup> September 2017 and also the number of other directorships and committee membership's chairmanships as on 31<sup>st</sup> March 2018 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 (DIN - 00064750)	C-I	4	Yes	11	4	2
P Kaniappan (DIN - 02696192))	MD-NI	4	Yes	3	1	-
Narayan K Seshadri \$ (DIN - 00053563)	NE-I	4	Yes	18	6	4
Dr. Lakshmi Venu \$ (DIN - 02702020)	NE-I	3	Yes	9	1	-
Jorge Solis \$ (DIN - 07119701)	NE-NI	2	Yes	5	-	-
Lisa J Brown \$ (DIN - 07053317)	NE-NI	4	Yes	41	1	1
Shivaram Narayanaswami (DIN - 07327742)	NE-NI	4	Yes	1	-	-
Sean Deason (DIN - 07334776)	NE-NI	3	Yes	3	1	-

\* includes private companies.

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

\$ includes directorship in foreign companies.

! Memberships and chairmanship of Audit Committee and Stakeholders relationship committee

C-I : Chairman Independent

MD-NI : Managing Director - Non-Independent Director

NE-I : Non-Executive - Independent Director

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

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

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

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

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

The Company has in place the Code of Business Conduct and Ethics for Board and Senior Management personnel (the Code) approved by the board. The Code has been communicated to Directors and the members of the senior management. The Code has also been displayed on the Company's website [www.wabcoindia.com](http://www.wabcoindia.com). All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March 2018. The annual report contains a declaration to this effect signed by the Managing Director and Company Secretary of the Company as compliance officer for the Code.

**2.6 Appointment of directors:**

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

**3. Audit Committee**

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

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

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

- 1) To recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- 2) To approve payment to statutory auditors for any other services rendered by the statutory auditors;
- 3) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 4) To examine the financial statement and the auditors' report thereon;
- 5) To approve transactions of the company with related parties and modifications thereof;
- 6) To scrutinise intercorporate loans and investments;
- 7) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- 8) To evaluate internal financial controls and risk management systems;
- 9) To monitor the end use of funds raised through public offers and related matters.
- 10) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may discuss any related issues with the internal and statutory auditors and the management of the company.
- 11) To investigate any activity within its terms of reference of the Companies Act, 2013 or referred to it by the Board and for its purpose, shall have full access to information contained in the records of the Company and external professional, legal or other advice, if necessary;
- 12) To seek information from any employee;
- 13) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 14) To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 15) To review, with the management, the annual financial statements and auditor's report thereon before Submission to the board for approval, with particular reference to:
  - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;

- c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions; and
  - g) qualifications in the draft audit report.
- 16) To review, with the management, the quarterly financial statements before submission to the board for approval;
- 17) To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 18) To review, with the management, performance of internal auditors, adequacy of the internal control systems;
- 19) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 20) To discuss with internal auditors any significant findings and follow up there on;
- 21) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 22) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 23) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- 24) To review the functioning of the Whistle Blower mechanism;
- 25) To approve appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

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:

As of date, the Audit 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 18<sup>th</sup> September 2017. 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
30 <sup>th</sup> May 2017	Narayan K Seshadri, M Lakshminarayan and Sean Deason
27 <sup>th</sup> July 2017	Narayan K Seshadri, M Lakshminarayan and Sean Deason
7 <sup>th</sup> November 2017	Narayan K Seshadri and M Lakshminarayan
23 <sup>rd</sup> January 2018	Narayan K Seshadri, M Lakshminarayan and Sean Deason

**4. Disclosures**

4.1 The materially significant related party transactions entered into during the year as disclosed elsewhere in the report did not have potential conflict with the interests of company at large.



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- 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 2018.
- 4.6 Compliance with mandatory / non-mandatory requirements: The Company has complied with all applicable mandatory requirements in terms of Listing Regulation. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

### 5. Nomination and Remuneration Committee

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

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

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

Name of the directors - Messrs	Status
Narayan K Seshadri	Non-executive, Independent director
M Lakshminarayan	Non-executive, Independent director
Jorge Solis	Non-executive, Non-Independent director
Lisa J Brown	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
30 <sup>th</sup> May 2017	Narayan. K Seshadri, M. Lakshminarayan, Lisa J Brown
7 <sup>th</sup> November 2017	Narayan K Seshadri, M. Lakshminarayan, Lisa J Brown and Jorge Solis

- 5.1 Nomination and Remuneration Policy  
As required under Section 178(3) of the Companies Act, 2013 and the Company's Nomination and Remuneration Policy is hosted in the website: <http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations>.
- 5.2 Remuneration to Non-Executive Directors  
Remuneration by way of sitting fee for attending the meeting of Board and committees and commission on profit not exceeding the limit specified in the Companies Act, 2013 is paid to independent directors of the Company. No remuneration including sitting fee and commission on profit is paid to non-executive and non-independent directors of the Company.
- 5.3 Particulars of remuneration paid to the Managing Director during the financial year 2017-18: (₹ in lakhs)

Name of the director Mr	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Total
P Kaniappan	118.78	8.38	64.22	112.08	303.47

Note:

- (i) Benefit arising out of participation in M/s WABCO Holdings Inc., RSU / PSU schemes is included in value of perquisites.
- (ii) Performance bonus includes the amount of Long term incentive paid in a three years cycle.

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

- 5.4 Particulars of sitting fees and commission paid / payable to non-executive directors / non-executive independent directors and directors during the financial year 2017-18.

Name of the directors - Messrs	Sitting fee (₹)	Commission (₹)@	Total (₹)
M Lakshminarayan	240,000	12,00,000	14,40,000
Narayan K Seshadri	200,000	12,00,000	14,00,000
Dr. Lakshmi Venu	100,000	12,00,000	13,00,000
<b>Total</b>	<b>5,40,000</b>	<b>36,00,000</b>	<b>41,40,000</b>

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

As approved by the shareholders by passing special resolution at the Annual General Meeting held on 22<sup>nd</sup> July 2014, non-executive independent directors are being paid commission not exceeding 1% of the net profits of the Company. Based on the recommendation by the Nomination and remuneration committee, the Board at its meeting dated 7<sup>th</sup> November 2017 has increased the commission paid to the non-executive independent Directors to ₹ 12,00,000.

Other non-executive directors, Messrs Lisa J Brown, Jorge Solis, Sean Deason and Shivram Narayanaswami have waived the sitting fees payable to them.

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

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

Name of the directors - Messrs	Status
Lisa J Brown	Non-Executive, Non-Independent Director
P Kaniappan	Executive-Non-Independent Director

Ms. Lisa J Brown, is the Chairperson of the Stakeholders Relationship Committee. As required by Securities and Exchange Board of India (SEBI), Mr. M C Gokul has been appointed as Compliance Officer. For any 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
30 <sup>th</sup> May 2017	P Kaniappan, Lisa J Brown
27 <sup>th</sup> July 2017	P Kaniappan, Lisa J Brown
7 <sup>th</sup> November, 2017	P Kaniappan, Lisa J Brown
23 <sup>rd</sup> January, 2018	P Kaniappan, Lisa J 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 2017-18:

No. of complaints received during the year	5
No. of complaints resolved during the year	5
No. of complaints pending unresolved as on 31.03.2018	-

6.2 All the complaints were resolved and, as on 31<sup>st</sup> March 2018, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

#### 7. 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.

#### 8. Corporate Social Responsibility Committee (CSR Committee)

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

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

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

Name of the directors - Messrs	Status
P Kaniappan	Executive, Non-Independent director
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
30 <sup>th</sup> May 2017	M Lakshminarayan, P Kaniappan, Dr. Lakshmi Venu and Lisa J Brown
23 <sup>rd</sup> January 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.

**9. General body meeting:**

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

Year	Location	Date	Time
2014-15	The Music Academy, New No. 168, (Old No. 306), T.T.K. Road, Chennai 600 014	30.07.2015	10.45 A.M.
2015-16	The NaradaGana Sabha, (Sathguru Gnananandha Hall), No. 314, T.T.K. Road, Alwarpet, Chennai 600 018	29.07.2016	10.00 A.M.
2016-17		18.09.2017	10.00 A.M.

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

Approval of Shareholders by way of Special Resolution was obtained at the Annual General Meeting held on 30.7.2015 pursuant to Clause 49(VII) of the erstwhile Listing Agreement for material related party transactions with M/s WABCO Europe BVBA during the financial year ended 31<sup>st</sup> March 2015 and the related party transactions proposed to be entered with M/s WABCO Europe BVBA during the financial year ending 31<sup>st</sup> March 2016.

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

**10. Unclaimed Shares**

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 24,953 of ₹ 5/- each held by 390 equity shareholders were laying unclaimed (hereinafter referred to as "unclaimed shares"). The aforesaid unclaimed shares were dematerialized and transferred to "WABCO India Limited-Unclaimed Suspense Account" (hereinafter referred to as "Unclaimed suspense account") on behalf of the shareholders after providing three reminders and a public announcement in newspapers before transferring.

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.

Particulars	No. of Shareholders	No. of Shares
No. of shares in Unclaimed Suspense Account at the beginning of the year as on 01.04.2017	398	25,590
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	8	637
No. of shareholders to whom shares were transferred from suspense account during the year ended 31.03.2018	8	637
Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2018	390	24,953

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

Pursuant to Section 124 and the rules thereunder of the Companies Act, 2013, equity shares aggregating to 13,387 of ₹ 5/- each held by 236 equity shareholders 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.

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.

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

Your company has a robust system of prevention of sexual harassment of women in the Company. No. of complaint received and the status as on 31.3.2018 is given below:

No. of Complaints at the beginning of the year	Nil
No. of Complaints received during the year ended 31.03.2018	Nil
No. of Complaints pending at the end of the year	Nil

## WABCO INDIA LIMITED

### 13. Means of communication

#### 13.1 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.

#### 13.2 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".

#### 13.3 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.

### 14. General shareholder information

#### 14.1 Annual general meeting:

Date and time : Friday, 27<sup>th</sup> July 2018  
at 09.30 A.M.

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

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

Financial calendar  
2018-19 (Tentative) :

Financial reporting for  
the quarter ending : Financial calendar

30<sup>th</sup> June 2018 : between 15<sup>th</sup> July to  
14<sup>th</sup> August 2018

30<sup>th</sup> September 2018 : between 15<sup>th</sup> October to  
14<sup>th</sup> November 2018

31<sup>st</sup> December 2018 : between 15<sup>th</sup> January to  
14<sup>th</sup> February 2019

31<sup>st</sup> March 2019 : between 15<sup>th</sup> to 30<sup>th</sup> May 2019

Annual General Meeting  
(next year) : July / August 2019

#### 14.3 Record Date : 20<sup>th</sup> July 2018

#### 14.4 Particulars of dividend payment

The board of directors had recommended a dividend of ₹ 8/- per share for the year 2017-18, absorbing a sum

of ₹ 1517.41 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 1<sup>st</sup> August 2018 to the shareholders as on record date.

#### 14.5 Listing on Stock Exchanges:

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

ISIN allotted by depositories : INE342J01019  
(Company ID Number)

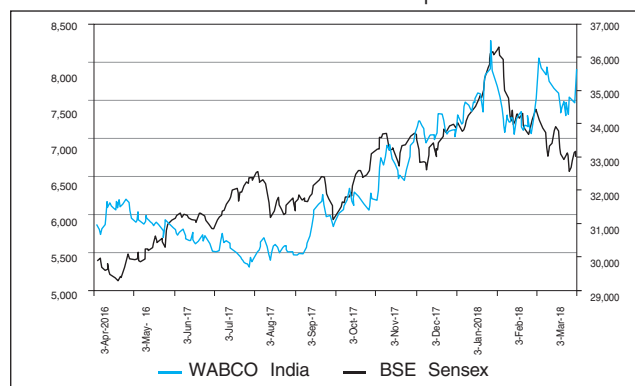
(Note: Annual listing fees for the year 2018-19 have been duly paid to the above stock exchanges).

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

Month	National Stock Exchange		Bombay Stock Exchange	
	Share Price		Share Price	
	High	Low	High	Low
April - 17	6,295	5,740	6,350	5,727
May - 17	6,118	5,651	6,136	5,650
June - 17	5,874	5,440	5,858	5,476
July - 17	5,765	5,277	5,858	5,216
August - 17	5,793	5,230	5,757	5,234
September - 17	6,490	5,405	6,401	5,425
October - 17	6,765	5,921	6,770	5,950
November - 17	7,338	6,362	7,319	6,381
December - 17	7,500	6,816	7,445	6,815
January - 18	8,537	7,065	8,480	7,077
February - 18	8,250	6,711	8,181	6,738
March - 18	8,135	7,210	8,100	7,229

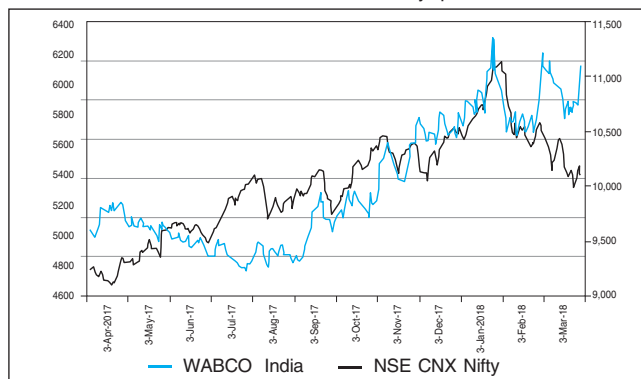
#### 14.7 Performance of WABCO India shares against the Performance of BSE Sensex and NSE CNX Nifty

WABCO India Vs BSE Sensex performance



## WABCO INDIA LIMITED

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 processed 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) Pursuant to Regulation 40(9) of the Listing Regulation, certificates, on half-yearly basis, is issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.
- e) Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary in practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company is obtained.
- f) The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely [investorscomplaintsstata@scl.co.in](mailto:investorscomplaintsstata@scl.co.in) (share transfer agent)/ [gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com) (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- g) The shareholders are, therefore, requested to correspond with the STA at the address mentioned elsewhere in this report for any change of names and queries pertaining to the shareholding and dividends etc.

14.8 Shareholding Pattern as on 31<sup>st</sup> March 2018 is available in MGT - 9 of the Directors Report.

### 14.9 Distribution of Shareholding as on 31<sup>st</sup> March 2018:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	18,03,179	9.51	25,917	99.71
5,001 - 10,000	1,96,282	1.03	28	0.11
10,001 - 20,000	1,82,978	0.96	12	0.05
20,001 - 50,000	5,66,207	2.99	18	0.07
50,000 - 1,00,000	4,60,676	2.43	7	0.03
1,00,001 & above	1,57,58,262	83.08	7	0.03

- 14.10 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, 45,69,182 of shares have been dematerialised as on 31<sup>st</sup> March 2018 accounting for 96.36%.
- 14.11 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.
- 14.12 Plant locations:
  - Factories:
    - I. Plot No. 3 (SP), III Main Road, Ambattur Industrial Estate, Chennai 600058.  
Tel : 044 4224 2000  
Fax : 044 4224 2009
    - II. Large Sector, Adityapur Industrial Area, Gamharia, Seraikella, Kharsawan District, Jharkhand 832108.  
Tel : 0657 661 6800  
Fax : 0657 238 7997
    - III. Unit - 1 & Unit - 2  
Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603002 Tamil Nadu  
Tel. : 044 3090 1200
    - IV. Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Rudrapur Udham Singh Nagar, Uttarakhand - 263 153,  
Tel. : 05944 250885
    - V. KH 159-162,  
164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123,  
Tel. : 05248 230065

VI. WABCO Technology Centre India & Global Business Solutions Centre:  
"First Software Park",  
3<sup>rd</sup> & 2<sup>nd</sup> Floor, 1  
10, Mount Poonamallee Road,  
Porur, Chennai 600 116,  
Tel : 044 66898000

14.13 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" No. 29, Haddows Road, Chennai 600 006.
- (ii) for any query on non-receipt of annual report; and Tel : 044 2828 4959  
044 2827 2233  
Fax : 044 2825 7121
- (iii) for investors grievance & general correspondence Email :  
[kr.raman@scl.co.in](mailto:kr.raman@scl.co.in)  
[investorscomplaintsstata@scl.co.in](mailto:investorscomplaintsstata@scl.co.in)  
[info.india@wabco-auto.com](mailto:info.india@wabco-auto.com)  
[gokul.mc@wabco-auto.com](mailto:gokul.mc@wabco-auto.com)

**15. Non-mandatory disclosure**

15.1 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.

15.2 Audit Qualifications:

The statutory financial statements of the Company are unqualified.

**16. Request to shareholders**

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

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/electronic form through any of the depository participants (DPs) to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities. Registration of Electronic Clearing Service (ECS) Mandate: ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode:

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

be quoted in the transfer deed at the appropriate place. Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the STA.

Shareholders are requested to note that as per SEBI Regulations, it is mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode. In case of loss / misplacement of share certificates, Shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / STA with original or certified copy of FIR/ acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

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

Registration of Nominations:

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

Updation of address:

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

SMS Alerts:

Shareholders are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to shareholders. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further

## WABCO INDIA LIMITED

information is available on the website of NSDL and CDSL namely [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com), respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation / avoid transfer of unclaimed dividends & shares 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

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

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 in terms of 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 continues period of seven years would be transferred to the IEPF suspense account.

### 17. PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2010-11	27.07.2011	01.09.2011	01.09.2018
2011-12	25.07.2012	30.08.2012	30.08.2019
2012-13	24.07.2013	24.08.2013	24.08.2020
2013-14	22.07.2014	25.08.2014	25.08.2021
2014-15	30.07.2015	30.08.2015	30.08.2022
2015-16	29.07.2016	29.08.2016	29.08.2023
2016-17	18.09.2017	18.10.2017	18.10.2024

### 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 2018.

Chennai  
28<sup>th</sup> May, 2018

P KANIAPPAN  
Managing Director

M C GOKUL  
Company Secretary

## WABCO INDIA LIMITED

### 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

To

The Members of WABCO INDIA LIMITED

1. The Corporate Governance Report prepared by WABCO INDIA LIMITED (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### 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 specific requirements of the Listing Regulations referred to in paragraph 3 above.
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 applicable 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 w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held from April 01, 2017 to March 31, 2018:
    - (a) Board of Directors meeting;
    - (b) Audit committee;



## WABCO INDIA LIMITED

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- (c) Annual General meeting;
  - (d) Nomination and remuneration committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Independent directors meeting; and
  - (h) Corporate social responsibility committee
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

8. Based on the procedures performed by us as referred in paragraph 8 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 2 above.

### Other matters and Restriction on Use

9. 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.
10. 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

Chennai  
28<sup>th</sup> May, 2018

**INDEPENDENT AUDITORS' REPORT**

To

The Members of **WABCO INDIA LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of WABCO INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

## WABCO INDIA LIMITED

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2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its 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

Place: Chennai  
Date : May 28, 2018

Per Bharath N S  
Partner  
Membership No. 210934

## 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 management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans and advances given, investments made and, guarantees and securities given, 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, sales-tax, service tax, duty of custom, duty of excise, value added tax, 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, provident fund and service tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added 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) <sup>5</sup>	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2009-10 2010-11	33.75	33.75	Deputy Commissioner of Income Tax, Chennai
Income Tax Act, 1961	Income Tax	2011-12 2012-13 2013-14	832.96	832.96	Commissioner of Income tax (Appeals), Chennai

## WABCO INDIA LIMITED

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

Re: WABCO INDIA LIMITED ('the Company')

Name of the statute	Nature of dues	Period to which the amount relates	Demand amount (₹ In lakhs)	Unpaid amount (₹ In lakhs) <sup>\$</sup>	Forum where dispute is pending
Central Excise Act, 1944	Excise duty - CENVAT	2008-09 To 2015-16	130.05	60.31	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service tax	2008-09	0.88	0.88	Commissioner of Central Excise, Chennai
Finance Act, 1994	Service tax	2005-08 2014-15 2015-16	23.50	23.20	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	1,427.59	833.89	Assistant Commissioner, (Commercial Taxes), Chennai
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 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 28, 2018  
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, 2018 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, 2018, 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 28, 2018

per S Bharath N S  
Partner  
Membership No. 210934



## WABCO INDIA LIMITED

### Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of **WABCO INDIA LIMITED**

1. We have audited the accompanying statement of quarterly financial results of WABCO India Limited ('the Company') for the quarter ended March 31, 2018 and for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.
3. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2018; and the relevant requirements of Regulations.
4. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:
  - i. are presented in accordance with the requirements of regulations, in this regard; and
  - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.
6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

For S.R. Batliboi & Associates LLP  
Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

per S Bharath N S

Partner

Place : Chennai

Date : May 28, 2018

Membership No. 210934

## WABCO INDIA LIMITED

### Balance Sheet as at 31<sup>st</sup> March 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3.1	35,665.57	31,428.58
Capital work-in-progress	3.2	5,238.11	6,166.20
Intangible assets	3.1	229.87	364.95
Financial assets			
(i) Loans	4.2	673.08	544.25
(ii) Other financial assets	4.3	122.04	32.59
Other non-current assets	5	4,487.06	1,494.85
Non-current tax assets	6	2,880.36	3,507.59
<b>Total-non-current assets</b>		<u>49,296.09</u>	<u>43,539.01</u>
<b>Current assets</b>			
Inventories	7	13,238.42	14,534.44
Financial assets			
(i) Investments	4.1	44,565.02	29,813.86
(ii) Trade receivables	8	64,834.14	51,798.19
(iii) Cash and cash equivalents	9	34,630.75	25,833.22
(iv) Bank balances other than (iii) above	9.1	977.04	849.32
(v) Loans	4.2	22.60	16.50
(vi) Other financial assets	4.3	626.75	271.68
Other current assets	5	8,703.17	7,051.70
<b>Total- current assets</b>		<u>167,597.89</u>	<u>130,168.91</u>
<b>Total assets</b>		<u>216,893.98</u>	<u>173,707.92</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	948.38	948.38
Other equity	11	151,640.44	125,694.33
<b>Total equity</b>		<u>152,588.82</u>	<u>126,642.71</u>
<b>Non-current liabilities</b>			
Provisions	12	2,653.91	1,654.47
Government grants	13	4.64	5.10
Deferred tax liabilities (net)	14	375.79	859.10
<b>Total non- current liabilities</b>		<u>3,034.34</u>	<u>2,518.67</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	15	53,243.11	32,610.57
(ii) Other financial liabilities	16	30.18	26.27
Provisions	12	3,393.10	8,700.12
Other current liabilities	17	4,604.43	3,209.58
<b>Total current liabilities</b>		<u>61,270.82</u>	<u>44,546.54</u>
<b>Total equity and liabilities</b>		<u>216,893.98</u>	<u>173,707.92</u>

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

M LAKSHMINARAYAN  
Chairman

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 28, 2018

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

## WABCO INDIA LIMITED

### Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2018

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

	Notes	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Revenue from operations	18	260,941.67	226,057.16
Other income	19	3,765.45	2,086.96
Finance income	20	1,330.47	1,528.11
<b>Total income</b>		<b>266,037.59</b>	<b>229,672.23</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	21	157,741.41	127,566.80
Changes in inventories of finished goods and work-in-progress	22	2448.43	(3759.05)
Excise duty on sale of goods [Refer Note 18(i)]	18	4,051.58	19,308.39
Employee benefits expense	23	22,909.87	19,111.43
Depreciation and amortisation expense	24	6,173.69	6,162.93
Finance costs	25	161.74	46.44
Other expenses	26	34,372.45	31,190.14
<b>Total expense</b>		<b>227,859.17</b>	<b>199,627.08</b>
<b>Profit before tax</b>		<b>38,178.42</b>	<b>30,045.15</b>
Income tax	28		
- Current tax		11,089.19	8,507.90
- Adjustment of tax relating to earlier years		251.00	149.45
- Deferred tax		(444.40)	40.03
		<b>10,895.79</b>	<b>8,697.38</b>
<b>Profit for the year (I)</b>		<b>27,282.63</b>	<b>21,347.77</b>
Other comprehensive income:	28		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(112.43)	(539.71)
Income tax effect		38.91	186.78
		<b>(73.52)</b>	<b>(352.93)</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(73.52)</b>	<b>(352.93)</b>
<b>Other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>(73.52)</b>	<b>(352.93)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>27,209.11</b>	<b>20,994.84</b>
Earnings per equity share of INR 5 each	30		
Basic		143.84	112.55
Diluted		143.84	112.55

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

M LAKSHMINARAYAN  
Chairman

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 28, 2018

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

## WABCO INDIA LIMITED

### Statement of changes in equity for the year ended March 31, 2018

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

#### a Equity Share Capital

Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	INR
<b>At April 1, 2016</b>	18,967,584	948.38
Issue of share capital	–	–
<b>At March 31, 2017</b>	18,967,584	948.38
Issue of share capital (Note 10)	–	–
<b>At March 31, 2018</b>	18,967,584	948.38

#### b Other equity

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	–	100,467.99	444.96	125,694.33
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>127,677.10</b>	<b>444.96</b>	<b>152,903.44</b>
Stock units granted	–	–	–	–	335.85	335.85
Cash dividends	–	–	–	(1,327.74)	–	(1,327.74)
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>125,414.82</b>	<b>780.81</b>	<b>151,640.44</b>

For the year ended March 31, 2017

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, 2016</b>	24,776.38	5.00	–	80,842.89	205.33	105,829.60
Profit for the year	–	–	–	21,347.77	–	21,347.77
Other comprehensive income (Note 28)	–	–	–	(352.93)	–	(352.93)
<b>Total</b>	<b>24,776.38</b>	<b>5.00</b>	<b>–</b>	<b>101,837.73</b>	<b>205.33</b>	<b>126,824.44</b>
Stock units granted	–	–	–	–	239.63	239.63
Cash dividends	–	–	–	(1,138.06)	–	(1,138.06)
Dividend distribution tax on cash dividend	–	–	–	(231.68)	–	(231.68)
<b>At March 31, 2017</b>	<b>24,776.38</b>	<b>5.00</b>	<b>–</b>	<b>100,467.99</b>	<b>444.96</b>	<b>125,694.33</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

As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants

M LAKSHMINARAYAN  
Chairman

P KANIAPPAN  
Managing Director

ICAI Firm Registration No. 101049W / E300004

M C GOKUL  
Company Secretary

R S RAJAGOPAL SASTRY  
Chief Financial Officer

Per BHARATH N S  
Partner

Chennai, May 28, 2018

Membership No. 210934

## WABCO INDIA LIMITED

### Statement of Cash Flow for the year ended 31<sup>st</sup> March 2018

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

Particulars	March 31, 2018	March 31, 2017
<b>A. CASH FLOW FROM / (USED) IN OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>38,178.42</b>	30,045.15
Adjustments to reconcile profit before tax to net cash flow		
Depreciation of property, plant and equipment	5,845.98	5,709.64
Amortisation of intangible assets	327.71	453.29
Share based payments	335.85	239.63
(Profit)/ loss on Property plant and equipment sold / discarded (net)	24.01	8.02
(Profit)/ loss on sale of financial instruments (net)	(2,559.56)	(1,831.53)
Provision / (release of provision) for doubtful trade receivables (net)	577.47	884.22
Finance income (including fair value changes in financial instruments)	(1,330.47)	(1,528.11)
Finance costs (including fair value changes in financial instruments)	161.74	46.44
Net foreign exchange differences	(330.03)	(382.47)
Re-measurement gains / (losses) on defined benefit plus	(112.43)	(539.71)
<b>Operating profit before working capital / other changes</b>	<b>41,118.69</b>	33,104.57
Adjustments for :		
(Increase)/ decrease in inventories	1,296.02	3,029.21
(Increase)/ decrease in trade receivables and current assets	(13,993.34)	(8,637.39)
(Increase)/ decrease in loans and other financial assets	(429.33)	278.14
(Increase)/ decrease in other assets	(3,119.93)	(1,447.24)
Increase / (decrease) in provisions, gratuity and government grants	(4,308.04)	1924.65
Increase/ (decrease) in trade payables and current liabilities	21,226.99	(222.54)
<b>Cash generated from operations</b>	<b>41,791.06</b>	28,029.40
Income tax paid	(10,712.96)	(10,071.08)
<b>Net cash flow from / (used) in operating activities</b>	<b>31,078.10</b>	17,958.32
<b>B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES:</b>		
Capital expenditure (including capital work in progress and capital advances)	(9,516.09)	(7,332.27)
Sale of Property Plant and equipment	7.37	0.02
Purchase of financial instruments (current investments)	(524,750.00)	(349,300.00)
Proceeds from sale of financial instruments (current investments)	512,558.39	343,153.10
Finance income	1,180.35	1,488.06
<b>Net cash flow / (used) in investing activities</b>	<b>(20,519.98)</b>	(11,991.09)

**WABCO INDIA LIMITED**

**Statement of Cash Flow for the year ended 31<sup>st</sup> March 2018**

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

Particulars	March 31, 2018	March 31, 2017
<b>C. CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES</b>		
Dividends paid	(1,327.74)	(1,138.06)
Dividend distribution tax	(271.11)	(231.68)
Finance cost	(161.74)	(46.44)
<b>Net cash from / (used) in financing activities</b>	<b>(1,760.59)</b>	<b>(1,416.18)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		
	<b>8,797.53</b>	4,551.05
Cash and cash equivalents at the beginning of the year	<b>25,833.22</b>	21,282.17
Cash and cash equivalents as at end of the year	<b>34,630.75</b>	25,833.22
Components of cash and cash equivalents		
i) Cash on hand	<b>7.95</b>	3.86
ii) On current accounts	<b>9,522.80</b>	1979.77
iii) Deposits	<b>25,100.00</b>	23,849.59
Cash and cash equivalents as per balance sheet (refer note 9)	<b>34,630.75</b>	25,833.22

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

M LAKSHMINARAYAN  
Chairman

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 28, 2018

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

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

#### 1. CORPORATE INFORMATION

WABCO INDIA LIMITED ("Company") was incorporated originally as Auto (India) Engineering Limited on November 18, 2004. The name of the Company was changed to WABCO INDIA LIMITED on August 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 authorised for issue in accordance with a resolution of the Board of directors at the meeting held on May 28, 2018.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of 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 Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). 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.
- 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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

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 Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

In line with Ind AS 18, 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 a liability of the manufacturer which forms part of the cost of production, irrespective of whether the 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 tax collected on value added to 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 recognition criteria described below must also be met before revenue is recognised.

**(i) Sale of goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and collectability of resulting receivable. 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. Claims on the Company for price revision are accounted when facts and circumstances indicate that a price reduction is probable and the amount are reasonable estimatable. The claims by the Company are recorded when it is accepted and it is reasonably certain that the amounts will be collected.

**(ii) Tool development income**

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



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

**(iii) 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 reasearch 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.

**(iv) 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 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.

**(v) Profit on sale of investments**

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

**(d) Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses a monthly rate if the monthly 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change on fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

**(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.

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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018****(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**

Provisions for warranty related costs are recognized as and when the product is sold or service is 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 a 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.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Income from export incentives such as duty drawback, Served from / Service Exports from India Scheme (SEIS) and Modified Special Incentives Package Scheme (M-SIPS) are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

**(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 profit or 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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018****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.

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 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.

**(j) Cash and Cash equivalents**

Cash and cash equivalents 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.

For the purpose of statement of cash flows, cash and cash equivalent consist of cash and short-term deposit, as defined above.

**(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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

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 de-recognition 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.

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 to IND AS) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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

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

Leasehold lands 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.

**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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018****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 de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or 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 asset's 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.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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. In respect of agreements entered into by the Company before the date of transition to Ind AS, the Company has evaluated the transaction based on facts and conditions as at the transition date.

**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.

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's general policy on the borrowing costs.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

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 Indian law. 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.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

**2. Gratuity and Pension**

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

Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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 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

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018****ii. Other employment benefits****1. 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. Remeasurement gain or loss is taken to the statement of Profit and loss and are not deferred.

**iii. Defined contribution plan.****1. 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****1. 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.

Remeasurements, 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

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.

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.

**(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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

Restricted stock units(RSU's) vests to the employees on a proportionate basis over the period of 3 years provided the employees continue 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 is recognised, together with a corresponding increase in additional part in equity / liability in accordance with the terms of agreement with the parent Company. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

**(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.

**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').



**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

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 P&L.

**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.

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.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 historically 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 assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**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 depend 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 profit or 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/ losses are not subsequently transferred 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 derecognition 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 or 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

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

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.

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.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

#### 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, 2016	1,829.06	426.48	7,751.16	26,681.29	228.18	1,198.52	193.61	<b>38,308.30</b>	820.97	<b>820.97</b>
Add : Additions	–	–	64.89	3,604.70	17.83	413.70	1.04	<b>4,102.16</b>	353.20	<b>353.20</b>
Less : Disposals	–	–	–	82.74	6.30	–	–	<b>89.04</b>	–	–
<b>As at March 31, 2017</b>	<b>1,829.06</b>	<b>426.48</b>	<b>7,816.05</b>	<b>30,203.25</b>	<b>239.71</b>	<b>1,612.22</b>	<b>194.65</b>	<b>42,321.40</b>	<b>1,174.17</b>	<b>1,174.17</b>
<b>Add : Additions</b>	–	–	<b>934.29</b>	<b>8,376.80</b>	<b>50.35</b>	<b>700.01</b>	<b>52.90</b>	<b>10,114.35</b>	<b>192.63</b>	<b>192.63</b>
<b>Less : Disposals</b>	–	–	<b>8.87</b>	<b>88.39</b>	<b>0.43</b>	<b>260.62</b>	<b>32.54</b>	<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>2,051.61</b>	<b>215.01</b>	<b>52,044.90</b>	<b>1,366.80</b>	<b>1,366.80</b>
<b>Depreciation</b>										
As at April 1, 2016	–	4.15	438.71	4,418.09	35.71	334.55	32.99	<b>5,264.20</b>	355.93	<b>355.93</b>
Add : Charge for the year	–	4.84	469.59	4,758.92	32.81	409.73	33.75	<b>5,709.62</b>	453.29	<b>453.29</b>
Less : On assets disposed during the year	–	–	–	75.03	5.97	–	–	<b>81.00</b>	–	–
<b>As at March 31, 2017</b>	–	<b>8.99</b>	<b>908.30</b>	<b>9,101.98</b>	<b>62.55</b>	<b>744.28</b>	<b>66.74</b>	<b>10,892.82</b>	<b>809.22</b>	<b>809.22</b>
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	<b>327.71</b>
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>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>16,379.33</b>	<b>1,136.93</b>	<b>1,136.93</b>
<b>Written down value</b>										
As at March 31, 2017	1,829.06	417.49	6,907.75	21,101.27	177.16	867.94	127.91	<b>31,428.58</b>	364.95	<b>364.95</b>
<b>As at March 31, 2018</b>	<b>1,829.06</b>	<b>412.64</b>	<b>7,372.01</b>	<b>24,599.70</b>	<b>196.16</b>	<b>1,116.69</b>	<b>139.31</b>	<b>35,665.57</b>	<b>229.87</b>	<b>229.87</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, 2018 comprises expenditure for the plant in various stages of installation. Total amount of Capital work in progress is INR 5,238.11lakhs (March 31, 2017: INR 6,166.20 lakhs).

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<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	44,565.02	29,813.86
<b>Total FVTPL investments</b>	44,565.02	29,813.86
Aggregate market value of quoted investments	44,565.02	29,813.86
<b>4.2 Loans (considered good unless otherwise stated)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Non-Current</b>		
Security deposit	673.08	544.25
Total	673.08	544.25
<b>Current</b>		
Loans to employees	22.60	16.50
Total	22.60	16.50
<b>4.3 Other financial assets</b>		
<b>Non-current</b>		
Non-current bank balances	122.04	32.59
Total	122.04	32.59
<b>Current</b>		
Accrued income	296.95	92.00
Interest accrued on fixed deposits	329.80	179.68
Total	626.75	271.68
<b>5. OTHER ASSETS</b>		
<b>Non-current</b>		
Capital advances	1,427.07	985.04
Security deposit	2,585.84	387.43
Grant receivable (export incentive/subsidy)	474.15	122.38
Total	4,487.06	1,494.85
<b>Current</b>		
Advances to vendors (Unsecured considered good) *	6,980.05	3,111.06
Advances to vendors (Unsecured considered doubtful) *	490.04	309.00
Less: Provision for doubtful advances	(490.04)	(309.00)
	6,980.05	3,111.06
Grant receivable (export incentive/subsidy)	554.73	1,148.70
Prepaid expenses	454.43	381.05
Other assets	163.45	73.42
Balance with customs, excise and sales tax authorities	550.51	2,337.47
Total	8,703.17	7,051.70

\* Advances to related parties, refer note 36.2

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>6. TAX ASSETS</b>		
Non-current		
Advance income tax (net of provision for tax)	<b>2,880.36</b>	3,507.59
	<b>2,880.36</b>	<b>3,507.59</b>
<b>7. INVENTORIES (lower of cost and net realisable value)</b>	<b>March 31, 2018</b>	March 31, 2017
Raw materials *	6,134.45	4,971.05
Work-in-progress	428.53	334.62
Finished goods	5,664.49	8,206.83
Stores and spare parts	1,010.95	1,021.94
Total inventories	13,238.42	14,534.44
*Includes goods in transit	2,821.22	3,489.86
During the year ended March 31, 2018: INR 109.57 lakhs (March 31, 2017: INR 93.64 lakhs) was recognised as an expense for inventories carried at net realisable value.		
<b>8. TRADE RECEIVABLES</b>	<b>March 31, 2018</b>	March 31, 2017
<b>Trade and other receivables</b>		
Trade receivables	<b>44,915.60</b>	35,922.20
Receivables from other related parties (Note 36.2)	<b>19,918.54</b>	15,875.99
Total Trade and other receivables	<b>64,834.14</b>	51,798.19
<b>Trade receivables</b>		
Unsecured, considered good	<b>64,834.14</b>	51,798.19
Doubtful	<b>741.96</b>	626.42
	<b>65,576.10</b>	52,424.61
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	<b>(741.96)</b>	(626.42)
	<b>(741.96)</b>	(626.42)
Total trade receivables	<b>64,834.14</b>	51,798.19

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. For terms and conditions relating to related party receivables, refer Note 36. Trade receivables are non-interest bearing and are generally on terms of 30 to 95 days based on the type of the customer.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>9. CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
Cash on hand	7.95	3.86
- On current accounts	9,522.80	1,979.77
- Deposits with original maturity of less than three months	<u>25,100.00</u>	<u>23,849.59</u>
<b>Total cash and cash equivalents</b>	<u><b>34,630.75</b></u>	<u><b>25,833.22</b></u>
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) Cash on hand	7.95	3.86
ii) On current accounts	9,522.80	1,979.77
iii) Deposits	<u>25,100.00</u>	<u>23,849.59</u>
	<u><b>34,630.75</b></u>	<u><b>25,833.22</b></u>
<b>9.1. Other bank balances</b>		
In unpaid dividend accounts	30.18	26.27
Current deposits with maturity greater than 3 months, less than 12 months	<u>946.86</u>	<u>823.05</u>
	<u><b>977.04</b></u>	<u><b>849.32</b></u>
<b>Break up of financial assets carried at amortised cost</b>		
Loans (note 4.2)	695.68	560.75
Trade receivables (note 8)	64,834.14	51,798.19
Cash and cash equivalents (note 9)	34,630.75	25,833.22
Bank balances other than cash and cash equivalents (note 9.1)	977.04	849.32
Other financial assets (note 4.3)	748.79	304.26
<b>Total financial assets at amortised cost</b>	<u><b>101,886.40</b></u>	<u><b>79,345.74</b></u>
<b>10. EQUITY SHARE CAPITAL</b>		
Authorised capital		
2,00,00,000 Equity shares of ₹ 5/- each (March 31, 2017 : 2,00,00,000)	1,000.00	1,000.00
Increase during the year	<u>-</u>	<u>-</u>
	<u><b>1,000.00</b></u>	<u><b>1,000.00</b></u>
Issued, subscribed and fully paid-up capital		
1,89,67,584 (March 31, 2017 : 1,89,67,584) Equity shares of ₹ 5/- each	948.38	948.38
	<u><b>948.38</b></u>	<u><b>948.38</b></u>

#### 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 2018

(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 1, 2016	18,967,584	948.38
Issued during the period	—	—
At March 31, 2017	<u>18,967,584</u>	<u>948.38</u>
Issued during the period	—	—
At March 31, 2018	<u>18,967,584</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, 2018	March 31, 2017
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, 2018		As at March 31, 2017	
	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>14,225,684</b>	<b>75%</b>	14,225,684	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, 2018	March 31, 2017
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	<b>780.81</b>	444.96
Retained earnings	<b>125,903.47</b>	100,883.12
Other comprehensive income	<b>(488.65)</b>	(415.13)
Special Economic Zone Re-investment Allowance Reserve	<b>663.43</b>	—
Total other equity	<u><b>151,640.44</b></u>	<u>125,694.33</u>

**Capital reorganisation reserve** - Amount represents a reserve created during the demerger of brakes division from Sundaram Clayton Limited.

#### Capital reorganisation Reserve

	March 31, 2018	March 31, 2017
Opening	<b>5.00</b>	5.00
Add / less: Movement during the year	—	—
Closing balance	<u><b>5.00</b></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, 2018	March 31, 2017
<b>Share based payments</b>		
Opening	<b>444.96</b>	205.33
Add / less: Movement during the year	<b>335.85</b>	239.63
Closing balance	<u><b>780.81</b></u>	<u>444.96</u>

**Special Economic Zone Re-investment Allowance Reserve** - Amount represents reserve created as per Section 10AA 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.

	March 31, 2018	March 31, 2017
<b>Special Economic Zone Re-investment Allowance Reserve -</b>		
Opening	—	—
Add / less: Movement during the year	<b>663.43</b>	—
Closing balance	<u><b>663.43</b></u>	<u>—</u>



## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

11.1. Distribution made and proposed	March 31, 2018	March 31, 2017
<b>Cash dividend on equity share declared and paid:</b>		
Final dividend for the year ended March 31, 2017: ₹ 7 per share (March 31, 2016: ₹ 6 per share)	1,327.74	1,138.06
DDT on final dividend	271.11	231.68
Total distribution	<u>1,598.85</u>	<u>1,369.74</u>
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2018: ₹ 8 per share (March 31, 2017: ₹ 7 per share)	1,517.41	1,327.74
DDT on proposed dividend	308.91	271.11
	<u>1,826.32</u>	<u>1,598.85</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, 2018.

### 12. PROVISIONS

#### Non-current

Provision for employee benefits		
Provision for leave benefits / compensated absences	832.55	438.92
Provision for pension	1,297.84	882.16

#### Other provisions

Provision for warranties	523.52	333.39
<b>Total</b>	<u>2,653.91</u>	<u>1,654.47</u>

#### Current

Provision for employee benefits		
Provision for leave benefits / compensated absences	136.58	37.38
Provision for pension	108.54	524.61

#### Other provisions

Provision for warranties	785.29	500.01
Provision for price adjustments	2,362.69	7,638.12
<b>Total</b>	<u>3,393.10</u>	<u>8,700.12</u>

#### Provision for warranties

At the beginning of the year	833.40	599.50
Created during the year	840.66	710.61
Utilized during the year	(365.25)	(476.71)
At the end of the year	<u>1,308.81</u>	<u>833.40</u>

The estimated provision for the 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.

	March 31, 2018	March 31, 2017
<b>Provision for price adjustments</b>		
At the beginning of the year	7,638.12	6,080.00
Created during the year	4,237.20	9,051.88
Utilized during the year	(9512.63)	(7493.76)
At the end of the year	<u>2,362.69</u>	<u>7,638.12</u>

### 13. GOVERNMENT GRANTS

Opening balance	5.10	5.56
Received during the year	-	-
Released to the statement of profit and loss	(0.46)	(0.46)
Closing balance	<u>4.64</u>	<u>5.10</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

#### 14. DEFERRED TAX LIABILITIES

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Deferred tax liabilities</b>				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	2,346.42	2,629.58	(283.16)	(43.08)
<b>Total (A)</b>	<b>2,346.42</b>	<b>2,629.58</b>	<b>(283.16)</b>	<b>(43.08)</b>
<b>Deferred tax assets</b>				
Provision for doubtful trade receivables	401.96	216.79	185.17	(168.63)
Provision for employee benefits and others	1,148.54	1,001.82	146.72	244.17
Provision for warranty	164.54	288.41	(123.87)	80.95
Others	255.59	263.46	(7.87)	(52.82)
<b>Total (B)</b>	<b>1,970.63</b>	<b>1,770.48</b>	<b>200.15</b>	<b>103.67</b>
Deferred tax expenses/(income) (A+B)			(483.31)	(146.75)
Net deferred tax (liabilities)/assets (A-B)	(375.79)	(859.10)		
			<b>March 31, 2018</b>	<b>March 31, 2017</b>
Reconciliation of deferred tax liabilities(net)				
As on April 1			859.10	1,005.85
Tax (income)/expense during the period recognised in profit and loss			(444.40)	40.03
Tax (income)/expense during the period recognised in OCI			(38.91)	(186.78)
As on March 31			<b>375.79</b>	<b>859.10</b>
<b>15. TRADE PAYABLES</b>				
<b>Trade Payables</b>				
- Dues to Micro, Small & Medium Enterprises (See Note below)			2,005.69	1,342.36
- Dues to Related Party			17,295.92	12,188.37
- Dues to other than Micro, Small & Medium Enterprises			33,941.50	19,079.84
Total trade payables			<b>53,243.11</b>	<b>32,610.57</b>
Principal amount due to suppliers under MSMED Act			2,005.69	1,342.36
Interest accrued and due to suppliers under MSMED Act, on the above amount			-	8.64
Payment made to suppliers (other than interest) beyond the appointed day, during the year			-	-
Interest paid to suppliers under MSMED Act (Section 16)			-	-
Interest due and payable to suppliers under MSMED Act, for payments already made			-	8.64
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act			-	-
<b>16. OTHER FINANCIAL LIABILITIES</b>				
<b>Other financial liabilities at amortised cost</b>				
Unpaid dividends			30.18	26.27
<b>Total other financial liabilities at amortised cost</b>			<b>30.18</b>	<b>26.27</b>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>17. OTHER CURRENT LIABILITIES</b>		
Advance from customers	881.34	214.56
Statutory dues payable	1,675.03	1,412.21
Employee payables	2,048.06	1,582.81
Total current liabilities	<u>4,604.43</u>	<u>3,209.58</u>
<b>Break up of financial liabilities carried at amortised cost</b>		
Trade payables (note 15)	53,243.11	32,610.57
Other financial liabilities (note 16)	30.18	26.27
Total financial liabilities at amortised cost	<u>53,273.29</u>	<u>32,636.84</u>
<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	219,195.63	189,416.35
Spares	28,475.76	25,880.57
<b>Sale of products (A)</b>	<u>247,671.39</u>	<u>215,296.92</u>
<b>Sale / rendering of services</b>		
Software services	5,573.19	4,845.50
Research and development services	1,474.50	1,243.15
Business support services	3,963.63	2,626.60
Other service income	243.18	409.61
<b>Sale / rendering of services (B)</b>	<u>11,254.50</u>	<u>9,124.86</u>
<b>Other operating revenue</b>		
Scrap sales	1,124.03	829.18
Test Track usage income	891.75	806.20
<b>Other operating revenue (C)</b>	<u>2,015.78</u>	<u>1,635.38</u>
<b>Total (A+B+C)</b>	<u>260,941.67</u>	<u>226,057.16</u>

Sale of goods includes excise duty collected from customers of INR 4,051.58 Lakhs (March 31, 2017: INR 19,308.39 Lakhs). Sale of goods net of excise duty is INR 2,43,619.81 Lakhs (March 31, 2017: INR 1,95,883.53 Lakhs). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 01, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2018 is not comparable with March 31, 2017.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>19. OTHER INCOME</b>		
Net gain on sale of current investments	2,494.54	1,853.10
Government grant (Export incentives - Refer note below)	443.60	173.72
Tool development income (net)	-	49.12
Others	-	32.13
Capital grant in relation to investment in property, plant and equipment	0.46	0.46
Gain on foreign transactions	761.83	-
Gain / (loss) on investments carried at fair value through profit or loss	65.02	(21.57)
<b>Total other income</b>	<b>3,765.45</b>	<b>2,086.96</b>
Government grants represent export incentives that the Company is eligible for. There are no unfulfilled conditions or contingencies attached to these grants.		
<b>20. FINANCE INCOME</b>		
Interest income on Fixed Deposits with Banks	1,256.96	1,485.73
Unwinding of discount on financial asset carried at amortised cost	5.48	25.82
Interest income from financial assets at amortised cost	68.03	16.56
	<b>1,330.47</b>	<b>1,528.11</b>
<b>21. COST OF MATERIAL &amp; COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	1,481.19	8,458.16
Add : Purchases	159,573.45	120,589.83
Less: Inventory at the end of the year	3,313.23	1,481.19
<b>Cost of raw material and components consumed</b>	<b>157,741.41</b>	<b>127,566.80</b>
<b>22. CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS</b>		
<b>Opening stock</b>		
Work-in-progress	334.62	388.74
Finished goods	8,206.83	4,393.66
	<b>8,541.45</b>	<b>4,782.40</b>
<b>Closing Stock</b>		
Work-in-progress	428.53	334.62
Finished goods	5,664.49	8,206.83
	<b>6,093.02</b>	<b>8,541.45</b>
	<b>2,448.43</b>	<b>(3,759.05)</b>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	19,074.24	16,119.14
Contribution to provident and other funds	1,412.45	1,193.62
Employee's share based payments cost	335.85	239.63
Staff welfare expenses	2,087.33	1,559.04
	<u>22,909.87</u>	<u>19,111.43</u>
<b>24. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets (Note 3)	5,845.98	5,709.64
Amortization of intangible assets	327.71	453.29
	<u>6,173.69</u>	<u>6,162.93</u>
<b>25. FINANCE COSTS</b>		
Interest - Others	161.74	46.44
	<u>161.74</u>	<u>46.44</u>
<b>26. OTHER EXPENSE</b>		
Consumption of stores and spares	6,281.26	5,425.80
Power and fuel	2,073.33	1,973.48
Rent	1,583.77	880.08
Repairs to buildings	704.33	606.66
Repairs to machinery	1,308.20	1,072.21
Repairs others	34.89	22.74
Insurance	120.16	102.79
Rates and taxes	300.62	345.84
Professional fees(Refer note (a) below for payment to auditors)	2,064.76	3,531.29
Travelling and conveyance	1,570.43	1,564.18
Freight, delivery and shipping charges	6,381.37	5,443.33
Research and development expenses	439.49	251.87
Provision / (release of provision) for bad and doubtful debts	577.47	884.22
Directors' sitting fees	5.74	5.80
Information technology expenses	590.75	452.09
CSR expenditure (refer details below)	56.39	11.28
Royalty	7,660.01	5,966.59
Loss on sale/scrapping of assets	24.01	8.02
Exchange differences	-	812.09
Warranty	1,215.80	710.61
Other expenses (including commission to independent directors)	1,379.67	1,014.61
	<u>34,372.45</u>	<u>31,085.58</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<b>(a) Auditor's remuneration*</b>		
<b>As auditor:</b>		
Audit fee	25.00	15.70
Tax audit fee	4.00	4.00
Limited review	9.00	6.00
<b>In other capacity:</b>		
Ind AS	–	11.00
Other services (Certification fees)	2.00	2.00
Reimbursement of expenses	5.30	5.29
	45.30	43.99

\* Excludes Service tax/GST

#### Details of CSR expenditure:

(a) Gross amount required to be spent by the Company during the year	498.28	406.75
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#### (b) Amount spent during the year ending on March 31, 2018:

	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	56.39	–	56.39

#### (c) Amount spent during the year ending on March 31, 2017:

(i) Construction / acquisition of any asset	9.82	–	9.82
(ii) On purposes other than (i) above	1.46	–	1.46

## 27. RESEARCH AND DEVELOPMENT COST

The Company's research and development team concentrates on the design and development of environment friendly automobile components. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred (during the year ended March 31, 2018 this was an amount of INR 1,211.26 lacs (March 31, 2017: 1,065.17 INR lacs)), and they are recognised in other expenses.

## 28. INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

#### Profit or loss section

##### Current Tax:

Current income tax charge	11,089.19	8,507.90
Adjustment in respect of current income tax of previous year	251.00	149.45

##### Deferred Tax:

Relating to the origination and reversal of temporary differences	(444.40)	40.03
<b>Income tax expense reported in the statement of profit and loss</b>	<b>10,895.79</b>	<b>8,697.38</b>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

	March 31, 2018	March 31, 2017
<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)	38.91	186.78
<b>Income tax charged to OCI</b>	<b>38.91</b>	<b>186.78</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 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 (34.608%) as follows:		
<b>Accounting Profit before income tax</b>	<b>38,178.42</b>	30,045.15
Enacted tax rate in India	<b>34.61%</b>	34.61%
Profit before income tax multiplied by enacted tax rate	<b>13,212.79</b>	10,398.03
Effects of:		
Exempt income (income from tax holiday units)	<b>(3,177.01)</b>	(2,127.09)
Additional deduction on research and development expenses	<b>(464.05)</b>	(479.56)
Additional deduction under Income tax Act based on capital investment	-	(171.76)
DTL on timing differences to be reversed in Tax holiday period	<b>278.09</b>	(65.58)
Opening Adjustments	<b>160.99</b>	402.79
Non deductible expenses	<b>25.79</b>	6.30
Overseas taxes	<b>569.28</b>	398.02
Adjustment in respect of current income tax of previous year	<b>251.00</b>	149.45
<b>Net effective income tax</b>	<b>10,856.88</b>	<b>8,510.60</b>

During the year ended March 31, 2018 and March 31, 2017, 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, 2018</b>		
Re-measurement gains (losses) on defined benefit plans	(73.52)	(73.52)
	<u>(73.52)</u>	<u>(73.52)</u>
During the year ended March 31, 2017		
Re-measurement gains (losses) on defined benefit plans	(352.93)	(352.93)
	<u>(352.93)</u>	<u>(352.93)</u>

### 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 2018

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

	March 31, 2018	March 31, 2017
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit after tax	27,282.63	21,347.77
Weighted average number of shares		
- Basic	18,967,584	18,967,584
- Diluted	18,967,584	18,967,584
Earning per share of ₹ 5 each		
- Basic	143.84	112.55
- Diluted	143.84	112.55

### 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.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 38 for further disclosures.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

#### Deferred income taxes

The Company's tax expense for the year is the sum of the total current and deferred tax charges. The calculation of the total tax expense necessarily involves a degree of estimation and judgement in respect of certain items. A deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Recognition, therefore involves judgement regarding the prudent forecasting of future taxable gains and profits of the business.

#### 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 2018**

*(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 mismatch 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 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>33. GRATUITY PLAN</b>		
Current service cost	179.18	121.80
Past service cost	251.34	–
Net interest expense	(11.98)	(16.27)
<b>Components of defined benefit cost recognised in profit or loss</b>	<b>418.54</b>	<b>105.33</b>
<b>Re-measurement on the net defined benefit liability comprising:</b>		
Actuarial gains/(losses) changes arising from changes in demographic assumptions	–	–
Actuarial gains/(losses) changes arising from changes in financial assumptions	45.92	112.09
Actuarial gains/(losses) changes arising from experience adjustments	(197.59)	171.02
Return on plan assets (excluding amounts included in net interest expense)	44.74	10.17
<b>Components of defined benefit cost recognised in other comprehensive income</b>	<b>(106.93)</b>	<b>293.28</b>
Total	<b>311.61</b>	<b>398.81</b>

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, 2018	March 31, 2017
Present value of defined benefit obligation	1,459.30	1,242.32
Fair value of plan assets	1,481.14	1,251.20
<b>Net assets/(liabilities) from defined benefit obligation*</b>	<b>21.84</b>	<b>8.88</b>

\* 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 obligations in the current year were as follows:

	March 31, 2018	March 31, 2017
Opening defined benefit obligation	1,242.32	888.91
Current service cost	179.18	121.80
Past service cost	251.34	–
Interest cost	81.93	71.11
Actuarial gains/(losses) changes arising from changes in demographic assumptions	–	–
Actuarial gains/(losses) changes arising from changes in financial assumptions	45.92	112.09
Actuarial gains/(losses) changes arising from experience adjustments	(197.59)	171.02
Benefits paid	(143.80)	(122.61)
<b>Closing defined benefit obligation</b>	<b>1,459.30</b>	<b>1,242.32</b>

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	1,251.20	1,010.62
Interest Income	93.91	91.20
Return on plan assets (excluding amounts included in net interest expense)	(44.74)	(13.99)
Contributions	324.57	285.98
Benefits paid	(143.80)	(122.61)
Actuarial gain/(loss)	–	–
<b>Closing fair value of plan assets</b>	<b>1,481.14</b>	<b>1,251.20</b>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Provident Fund</b>		
Current service cost	512.36	381.81
Net interest expense	(70.04)	(58.08)
Components of defined benefit cost recognised in profit or loss	<u>442.32</u>	<u>323.73</u>
<b>Re-measurement on the net defined benefit liability comprising:</b>		
Actuarial gains/(losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) changes arising from changes in financial assumptions	-	-
Actuarial gains/(losses) changes arising from experience adjustments	161.04	80.47
Return on plan assets (excluding amounts included in net interest expense)	(92.75)	(33.16)
<b>Components of defined benefit cost recognised in other comprehensive income</b>	<u>68.29</u>	<u>47.31</u>
<b>Total</b>	<u>510.61</u>	<u>371.04</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.		
<b>The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>		
Present value of defined benefit obligation	8,186.95	7,084.68
Fair value of plan assets	<u>8,230.08</u>	<u>7,126.05</u>
<b>Net assets / (liabilities) from defined benefit obligation*</b>	<u>43.13</u>	<u>41.37</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.		
<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>		
Opening defined benefit obligation	7,084.69	5,990.19
Current service cost	512.36	381.80
Interest cost	463.90	431.12
Actuarial gains/(losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) changes arising from changes in financial assumptions	-	-
Actuarial gains/(losses) changes arising from experience adjustments	161.04	80.47
Participant Contributions	1,337.23	1,055.80
Benefits paid	(1,372.27)	(854.70)
Closing defined benefit obligation	<u>8,186.95</u>	<u>7,084.68</u>
<b>Movements in the fair value of the plan assets in the current year were as follows:</b>		
Opening fair value of plan assets	7,126.06	6,020.79
Interest Income	533.94	489.20
Return on plan assets (excluding amounts included in net interest expense)	92.75	33.15
Contributions	1,849.60	1,437.61
Benefits paid	(1,372.27)	(854.70)
Actuarial gain/(loss)	-	-
<b>Closing fair value of plan assets</b>	<u>8,230.08</u>	<u>7,126.06</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Pension</b>		
Current service cost	-	-
Net interest expense	99.06	101.44
<b>Components of defined benefit cost recognised in profit or loss</b>	<u>99.06</u>	<u>101.44</u>
<b>Re-measurement on the net defined benefit liability comprising:</b>		
Actuarial gains/(losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) changes arising from changes in financial assumptions	(4.58)	119.74
Actuarial gains/(losses) changes arising from experience adjustments	5.42	16.34
Return on plan assets (excluding amounts included in net interest expense)	(6.35)	(5.24)
<b>Components of defined benefit cost recognised in other comprehensive income</b>	<u>(5.51)</u>	<u>130.84</u>
<b>Total</b>	<u>93.55</u>	<u>232.28</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, 2018	March 31, 2017
Present value of defined benefit obligation	(1,687.66)	(1,679.87)
Fair value of plan assets	281.28	273.10
Net assets/(liabilities) from defined benefit obligation*	<u>(1,406.38)</u>	<u>(1,406.77)</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:**

Opening defined benefit obligation	1,679.87	1,523.73
Current service cost	-	-
Interest cost	117.59	121.90
Actuarial gains/(losses) changes arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) changes arising from changes in financial assumptions	(4.58)	119.74
Actuarial gains/(losses) changes arising from experience adjustments	5.42	16.34
Benefits paid	(110.64)	(101.84)
<b>Closing defined benefit obligation</b>	<u>1,687.66</u>	<u>1,679.87</u>

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

(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, 2018	March 31, 2017
Opening fair value of plan assets	273.10	264.10
Interest Income	18.53	20.46
Return on plan assets (excluding amounts included in net interest expense)	6.35	5.23
Contributions	93.94	85.15
Benefits paid	(110.64)	(101.84)
Actuarial gain/(loss)	-	-
<b>Closing fair value of plan assets</b>	<b>281.28</b>	<b>273.10</b>

33.1 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity	
	March 31, 2018	March 31, 2017
<b>Investments details:</b>		
Investment with insurer	1,481.14	1,251.20
Total	1,481.14	1,251.20
	Provident Fund	
	March 31, 2018	March 31, 2017
<b>Investments details:</b>		
Others	8,230.08	7,126.05
Total	8,230.08	7,126.05
	Pension Plan	
	March 31, 2018	March 31, 2017
<b>Investments details:</b>		
Investment with insurer	281.28	273.10
Total	281.28	273.10

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	March 31, 2018	March 31, 2017
	%	%
Discount rate:		
Gratuity plan	7.72%	7.00%
Leave Encashment Plan	7.72%	7.00%
Provident Fund plan	7.71%	7.25%
Pension plan	7.00%	7.00%
Future salary increases:		
Gratuity plan	6.00%	5.00%
Pension plan	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

**Gratuity plan:**

	March 31, 2018		March 31, 2017	
	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	(75.41)	82.60	(58.48)	63.91

**Assumptions**

	March 31, 2018		March 31, 2017	
	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	83.60	(76.92)	64.90	(59.84)

**Provided Fund plan:**

	March 31, 2018		March 31, 2017	
	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	(0.18)	0.17	(0.14)	0.14

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

#### Pension:

Assumptions	March 31, 2018		March 31, 2017	
	Discount rate		Discount rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(91.28)	104.46	(48.86)	72.10

Assumptions	March 31, 2018		March 31, 2017	
	Future salary increase		Future salary increase	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	60.19	(97.75)	2.51	(2.51)

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.

#### The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity	
	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	154.43	97.46
Between 2 and 5 years	378.60	410.46
Beyond 5 years	487.82	363.17
<b>Total expected payments</b>	<b>1,020.85</b>	<b>871.09</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.32 years (March 31, 2017: 16.90 years).

#### The following payments are expected contributions to the defined benefit plan in future years:

	Pension	
	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	112.28	91.44
Between 2 and 5 years	675.19	534.51
Beyond 5 years	843.99	615.12
<b>Total expected payments</b>	<b>1,631.46</b>	<b>1,241.07</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.50 years (March 31, 2017: 8.56 years).

### 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, 2018, 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 continue 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.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

The following table summarize the stock options, RSUs and PSUs for each of the years presented:

	March 31, 2018	March 31, 2017
	Number	Number
Outstanding at April 1, 2017	10,706	9,025
Granted during the year	6,300	5,110
Forfeited during the year	365	-
Exercised during the year	3,373	3,429
Outstanding at March 31, 2018	<u>13,268</u>	<u>10,706</u>
Exercisable at March 31, 2018	<u>13,268</u>	<u>10,706</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 had leased one of its office premises under operating lease for a non-cancellable period of 5 years. The 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, 2018	March 31, 2017
Within one year	658.68	293.49
After one year but not more than five years	2,196.04	776.96
More than five years	-	-
<b>Total</b>	<u>2,854.72</u>	<u>1,070.45</u>

### 35. COMMITMENT AND CONTINGENCIES

#### A) Contingent Liabilities

- i) Matters wherein management has concluded the Company's liability to be probable and has accordingly provided for in the books. Refer Note 17.
- ii) 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, 2018	March 31, 2017
a) In respect of CENVAT and Service tax matters	85.13	176.29
b) In respect of Income tax matters	57.58	29.90
c) In respect of Infrastructure and amenities charges	49.25	49.25
d) In respect of Property tax matters	91.68	91.68
e) In respect of Custom duty matters	20.73	4.53
f) In respect of Sales tax matters *	18,717.16	18,843.57
g) In respect of Labour law disputes	7.67	9.05
h) In respect of Vendor claims	-	374.45
i) In respect of Property matters	6.09	6.09

\* - excludes penalty of INR. 28,076 Lakhs (March 31, 2017: 28,076 Lakhs).

#### B) Commitments

a) Capital commitments not provided for	3,869.09	3,534.02
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## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

#### 36.1. 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 under Ind AS 24 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
  - 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



## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

- 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
- 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

#### 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  
Mr. Shivaram Narayanaswami - Non-executive Director  
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 2018

(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 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
1	Purchase of goods	R.H. Sheppard Co., Inc	3,195.02	–	–	–
		WABCO Vertriebs, GmbH & Co., Germany	3,521.09	5,432.15	–	–
		WABCO China Co Ltd, China	1,274.06	1,872.82	–	–
		WABCO Vehicle Control Systems, USA	–	216.62	–	–
		WABCO BV, Netherlands	–	177.15	–	–
		WABCO France SAS, France	525.37	101.84	–	–
		WABCO Compressor Manufacturing Co. USA	–	46.33	–	–
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	110.03	45.38	–	–
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	8.27	18.21	–	–
		WABCO Radbremsen GmbH, Germany	–	6.09	–	–
		Meritor WABCO Vehicle Control Systems, USA	–	2.51	–	–
		WABCO (Thailand) Limited	2.10	2.35	–	–
		WABCO Korea Ltd, Korea	–	1.96	–	–
		WABCO North America LLC, USA	0.40	1.92	–	–
		WABCO GmbH, Germany	0.24	0.52	–	–
		Shandong WABCO Automotive Products Co. Ltd, China	26.56	–	–	–
		WABCO Polska Sp. z o.o. Poland	2.54	–	–	–
		WABCO Automotive UK Limited	20.53	–	–	–
			<b>TOTAL</b>	<b>8,686.21</b>	<b>7,925.84</b>	<b>–</b>
2	Services received					
		Royalty	7,029.80	5,290.56	–	–
		Professional Fees	–	2,019.52	–	–
		Royalty	630.20	676.04	–	–
	<b>TOTAL</b>	<b>7,660.00</b>	<b>7,986.12</b>	<b>–</b>	<b>–</b>	
3	Sale of products	WABCO Europe BVBA, Belgium	28,034.29	23,588.13	–	–
		WABCO North America LLC, USA	13,017.92	10,914.31	–	–
		Meritor WABCO Vehicle Control Systems, USA	9,886.30	5,937.38	–	–
		WABCO Compressor Manufacturing Co. USA	4,620.83	4,155.79	–	–
		WABCO Automotive B.V, Netherlands	1,826.38	1,196.79	–	–
		WABCO Polska Sp. z o.o. Poland	1,357.53	1,165.78	–	–
		WABCO Japan Inc, Japan	1,559.23	1,104.89	–	–
		WABCO China Co Ltd, China	1,747.44	1,013.09	–	–
		WABCO Logistik GmbH, Germany	1,464.02	926.20	–	–
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	816.22	586.39	–	–
		WABCO (Thailand) Limited	710.58	484.72	–	–
		WABCO Middle East and Africa FZCO, Dubai	266.89	303.18	–	–
		WABCO Reman Solutions	533.16	294.19	–	–
		WABCO Asia Private Limited, Singapore	277.31	157.42	–	–
		WABCO Korea Ltd, Korea	58.01	43.99	–	–
		WABCO GmbH, Germany	–	23.95	–	–
		WABCO Radbremsen GmbH, Germany	0.50	12.07	–	–

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

(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 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
		WABCO Automotive South Africa	9.44	11.42	-	-
		WABCO France SAS, France	15.07	5.53	-	-
		WABCO Australia Pty Limited, Australia	-	0.57	-	-
		Transics BVBA, Belgium	-	0.52	-	-
		<b>TOTAL</b>	<b>66,201.12</b>	<b>51,926.33</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Rendering of Services</b>					
	Software services	WABCO Europe BVBA, Belgium	5,573.19	4,845.51	-	-
	Global Business Services	WABCO Europe BVBA, Belgium	3,963.63	2,626.60	-	-
	Research and development services	WABCO Europe BVBA, Belgium	1,474.50	1,243.15	-	-
	Tool development	Meritor WABCO Vehicle Control Systems, USA	116.31	225.37	-	-
	Tool development	WABCO China Co Ltd, China	1.97	4.78	-	-
	Tool development	WABCO North America LLC, USA	3.91		-	-
		<b>TOTAL</b>	<b>11,133.51</b>	<b>8,945.41</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Receivables</b>					
		WABCO Europe BVBA, Belgium	8,165.43	5,455.64	-	-
		WABCO North America LLC, USA	2,495.92	4,827.21	-	-
		Meritor WABCO Vehicle Control Systems, USA	3,079.03	1,810.48	-	-
		WABCO Compressor Manufacturing Co. USA	1,049.63	922.21	-	-
		WABCO Polska Sp. z o.o. Poland	1,686.52	544.87	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	705.42	470.81	-	-
		WABCO Automotive B.V, Netherlands	665.86	361.79	-	-
		WABCO China Co Ltd, China	663.45	356.40	-	-
		WABCO Logistik GmbH, Germany	611.19	300.56	-	-
		WABCO Middle East and Africa FZCO, Dubai	158.60	233.71	-	-
		WABCO Japan Inc, Japan	234.85	155.72	-	-
		WABCO Reman Solutions	98.12	145.72	-	-
		WABCO (Thailand) Limited	131.22	105.44	-	-
		Shandong WABCO Automotive Products Co. Ltd, China	72.61	72.38	-	-
		WABCO France SAS, France	22.67	64.23	-	-
		WABCO Asia Private Limited, Singapore	63.61	19.51	-	-
		WABCO GmbH, Germany	(1.54)	19.18	-	-
		WABCO Korea Ltd, Korea	13.25	6.19	-	-
		WABCO Automotive South Africa	2.18	2.66	-	-
		WABCO Radbremsen GmbH, Germany	0.52	1.28	-	-
		<b>TOTAL</b>	<b>19,918.54</b>	<b>15,875.99</b>	<b>-</b>	<b>-</b>
<b>6</b>	<b>Payables / (Advances)</b>					
		R.H. Sheppard Co. Inc	1,746.08	-	-	-
		WABCO Europe BVBA, Belgium	12,802.07	8,534.71	-	-
		WABCO Vertriebs, GmbH & Co., Germany	1,552.95	1,654.63	-	-
		WABCO China Co Ltd, China	1,381.77	951.59	-	-

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

(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 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
		WABCO IP Holdings LLC, USA	1,209.97	666.63	-	-
		WABCO Vehicle Control systems, Poland	0.46	129.47	-	-
		WABCO BV, Netherlands	78.90	91.13	-	-
		WABCO Compressor Manufacturing Co. USA	19.95	19.88	-	-
		WABCO France SAS, France	238.63	19.83	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	28.18	13.82	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	-	5.15	-	-
		WABCO (Thailand) Limited	1.02	2.28	-	-
		WABCO Radbremsen GmbH, Germany	2.37	2.05	-	-
		WABCO Korea Ltd, Korea	2.07	1.79	-	-
		WABCO North America LLC, USA	1.59	1.25	-	-
		WABCO GmbH, Germany	0.49	0.37	-	-
		Shandong WABCO Automotive Products Co. Ltd, China	79.34	-	-	-
		Meritor WABCO Vehicle Control Systems, USA	(0.62)	(0.62)	-	-
		<b>TOTAL</b>	<b>19,145.22</b>	<b>12,093.96</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Remuneration to Key managerial personnel (including commission)</b>					
		Mr. P. Kaniappan	-	-	303.47	233.91
		Mr. RS Raja Gopal Sastry	-	-	94.85	76.90
		Mr. M C Gokul	-	-	22.72	18.36
		Mr. Narayan K Seshadri	-	-	14.00	12.60
		Mr. M Lakshminarayan	-	-	14.40	12.20
		Dr. Lakshmi Venu	-	-	13.00	9.66
		<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>462.44</b>	<b>363.63</b>
<b>8</b>	<b>Reimbursement of expenses</b>					
	Reimbursement	WABCO Europe BVBA, Belgium	163.66	10.00	-	-
	Reimbursement	WABCO (Thailand) Limited	2.84	1.30	-	-
	Reimbursement	WABCO Logistik GmbH, Germany	-	44.06	-	-
		<b>TOTAL</b>	<b>166.50</b>	<b>55.36</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Contribution to fund</b>					
		WABCO India Limited Employees' Provident Fund Trust	1,849.60	1,437.61	-	-
		<b>TOTAL</b>	<b>1,849.60</b>	<b>1,437.61</b>	<b>-</b>	<b>-</b>

#### 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. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

(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, 2018

	India	Others	Total
Sale of Products	168,424.95	79,246.44	247,671.39
Rendering of Services	243.18	11,011.32	11,254.50
<b>Revenue</b>	<b>168,668.13</b>	<b>90,257.76</b>	<b>258,925.89</b>
Non-current assets *	45,620.61	-	45,620.61

Year ended March 31, 2017

	India	Others	Total
Sale of Products	156,744.33	58,552.59	215,296.92
Rendering of services	409.61	8,715.25	9,124.86
<b>Revenue</b>	<b>157,153.94</b>	<b>67,267.84</b>	<b>224,421.78</b>
Non-current assets *	39,454.58	-	39,454.58

\* 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 three customers contributing more than 10% of sale of products amounted to INR 130,106 Lakhs (March 31, 2017: INR 108,376 Lakhs), arising from sale 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, 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	-	-

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, 2017:

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, 2017	29,813.86	29,813.86	-	-

There have been no transfers between Level 1 and Level 2 during the period.

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

*(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 Euros. 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.

**Unhedged foreign currency**

As at the balance sheet date, the Company's net foreign currency exposure that is not hedged is as follows:

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Trade Payables</b>	<b>9,368.29</b>	14,966.92
<b>Trade Receivables</b>	<b>20,493.21</b>	12,635.77
<b>Advance to suppliers</b>	<b>4,336.07</b>	2,147.11

**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.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

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, 2018</b>					
Trade and other payables	53,243.11	–	–	–	53,243.11
Other financial liabilities	30.18	–	–	–	30.18
	53,273.29	–	–	–	53,273.29
<b>As at March 31, 2017</b>					
Trade and other payables	32,610.57	–	–	–	32,610.57
Other financial liabilities	26.27	–	–	–	26.27
	32,636.84	–	–	–	32,636.84

#### 40. 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.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

##### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is 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.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method.

The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers 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 115 on the financial statements will only be possible once the implementation project has been completed.

##### **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 01, 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any material effect on its financial statements.

##### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

## WABCO INDIA LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2018

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

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

#### 41. 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, 2018	March 31, 2017
Trade payables	53,243.11	32,610.57
Other payables	11,062.05	14,454.64
Less: cash and cash equivalents and investments	(79,195.77)	(55,647.08)
Net debt	(14,890.61)	(8,581.87)
Equity	948.38	948.38
Total capital	152,588.82	126,642.71
<b>Capital and net debt</b>	<b>137,698.21</b>	<b>118,060.84</b>
Gearing ratio	-9.8%	-6.8%

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, 2018 and March 31, 2017.

#### 42. Events after the reporting period

The Board of directors at their meeting held on May 28, 2018, considered and recommended a final dividend aggregating ₹ 1,517.41 lakhs @ ₹ 8 per share (nominal value ₹ 5 per share) for the financial year 2017-18 (final dividend paid for March 31, 2017 : ₹ 1,327.73 lakhs @ ₹ 7 per share) (nominal value ₹ 5 per share).

#### 43. 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

M LAKSHMINARAYAN  
Chairman

M C GOKUL  
Company Secretary

Place : Chennai  
Date : May 28, 2018

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







