

WABCO-TV^S (INDIA) Limited

6th Annual Report 2010

WABCO-TVS (INDIA) Limited

Board of Directors

VENU SRINIVASAN*
Chairman

C N PRASAD

D E UDWADIA

NARAYAN K SESHADRI

NIKHIL MADHUKAR VARTY

LEON LIU

TREVOR LUCAS

KURT LEHMANN

Whole-time Director

P KANIAPPAN

Chief Financial Officer

T S RAJAGOPALAN

General Manager (Finance) and Secretary

R MADHAVAN

Audit Committee

NARAYAN K SESHADRI
Chairman

D E UDWADIA

C N PRASAD

Investors' Grievance Committee

NARAYAN K SESHADRI
Chairman

P KANIAPPAN

C N PRASAD

Listing of Shares with

Madras Stock Exchange Limited
Chennai

National Stock Exchange of India Limited
Mumbai

Bombay Stock Exchange Limited
Mumbai

* upto 19th May 2010

Share Transfer Agent

Sundaram-Clayton Limited
New No. 22 (Old No. 31),
Railway Colony 3rd Street,
Mehta Nagar, Chennai 600 029

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044-2374 2939

Fax : 044-2374 1889

E-mail : kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in
madhavan.rajagopalan@wabco-tvs.co.in

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch
Greems Dugar
Greems Road
Chennai 600 006

Auditors

SUNDARAM & SRINIVASAN
Chartered Accountants
23 Sir C P Ramaswamy Road
Alwarpet, Chennai 600 018.

Solicitors & Advocates

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

Registered Office

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

Web Site : www.wabco-tvs.com

Factories

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

Tel. : 044 4224 2000

Fax : 044 4224 2009

Large Sector,
Adityapur Industrial Area,
Gamharia, Seraikella-Kharsawan Dist.
Jharkhand 832 108

Tel. : 0657 661 6800

Fax : 0657 238 7997

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

Software Design Centre

"Ispahani Centre", 7th Floor,
123/124 Nungambakkam High Road,
Chennai 600 034

Tel. : 044 28285000

Fax : 044 28332212

Module No. 1107, D Block
11th Floor, Tidel Park
No. 4, Rajiv Gandhi Salai,
Taramani, Chennai 600 113
Tel. : 044 22545700
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CONTENTS	Page No.
Directors' report to the shareholders	3
Management discussion and analysis report	7
Report on corporate governance	10
Auditors' report on corporate governance	20
Auditors' report to the shareholders	21
Balance Sheet	24
Profit & Loss account	25
Schedules	26
Cash flow statement	44
General Business Profile	46

WABCO-TV_S (INDIA) Limited

FINANCIAL HIGHLIGHTS

Year ended March 31 st	Rupees in lakhs		
	2008	2009	2010
Profit and Loss Account			
Sales	54,655	42,595	59,126
Other income	1,221	1,983	1,821
Total income	55,876	44,578	60,947
Gross profit before interest, depn & tax	11,777	7,334	13,567
Depreciation	1,012	1,393	1,444
Profit before interest & tax	10,765	5,941	12,123
Interest	329	685	289
Profit before tax	10,436	5,256	11,834
Profit after tax	6,984	3,552	7,859
Balance Sheet			
Net Fixed assets	17,407	19,528	18,677
Investments	866	900	221
Net current assets	843	5,758	9,178
Total	19,116	26,186	28,076
Share capital	948	948	948
Reserves & surplus	15,820	18,818	26,084
Net worth	16,768	19,766	27,032
Loan funds	2,024	6,020	719
Deferred tax (net)	324	400	325
Total	19,116	26,186	28,076
EPS (Rs)	36.82	18.73	41.43
DPS (Rs)	10.98	2.50	2.50
Book value per share (Rs) @	88.40	104.21	142.51
Return on capital employed (ROCE) % @	111.9	26.2	44.7
Return on net worth (RONW) % @	83.3	19.4	33.6
Fixed assets turnover (no of times) @	6.2	2.3	3.1
Working capital turnover (no of times)	129.1	12.9	7.9
Gross profit as % of sales (EBITDA)	21.5	17.2	22.9
Gross profit as % of total income	21.1	16.5	22.3
Net profit as % of total income	12.5	8.0	12.9

ROCE is profit before interest and tax divided by average network plus loan funds

RONW is profit after tax divided by average network

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.

@ Return on capital employed, Return on net worth and Fixed assets turnover ratios for 2007-08 is based on pre de-merger figures and hence not comparable with the ratios for 2008-09 and 2009-10

Directors' report to the shareholders

The directors herewith present the sixth annual report and the audited accounts for the year ended 31st March 2010.

2. FINANCIAL HIGHLIGHTS

Details	Rs. in lakhs	
	Year ended 31.03.2010	Year ended 31.03.2009
Sales and other income	60,946.82	44,577.78
Gross profit before interest and depreciation	13,567.09	7,334.11
Interest –Net	289.41	685.42
Depreciation	1,444.49	1,393.21
Profit before tax	11,833.19	5,255.48
Provision for taxation (including deferred tax and fringe benefit tax)	3,974.64	1,703.27
Profit after tax	7,858.55	3,552.21
Surplus /(loss) brought forward from previous year	5,156.52	2,515.10
Total	13,015.07	6,067.31
Appropriations:		
Tax relating to earlier years	39.59	–
Interim dividend paid	–	474.20
Proposed dividend	474.20	–
Dividend tax paid	–	80.59
Dividend tax payable	78.76	–
Transfer to general reserve	785.86	356.00
Surplus/(Loss) in Profit & loss account	11,636.66	5,156.52
	13,015.07	6,067.31

3. DIVIDEND

The board of directors have recommended a dividend of Rs 2.50 per share for the year ended 31st March 2010 (representing 50% on the paid up share capital of Rs 948.38 lakhs) absorbing a sum of Rs.474.20 lakhs for approval of the shareholders in the ensuing annual general meeting.

4. PERFORMANCE

During the year 2009-10, the sales of medium and heavy commercial vehicles (MHCV) registered a positive growth of 33% over the previous year 2008-09 and the sale of light commercial vehicles (LCV) registered a positive growth of 37% during the same period. Overall, the commercial vehicle (CV) industry ended with a positive growth of 35% over the previous year.

During the year, the Company achieved a total turnover of Rs 609 crores as against turnover of Rs 446 crores registered a growth of 37%. The growth in the turnover is due to improved

economy resulted in growth in CV industry as explained in the above paragraph and also increased sales from aftermarket and exports.

The Company has outperformed MHCV market growth in OE through,

- a. Increased content per sale; and
- b. Improved market share

5. CAPITAL EXPENDITURE

A capital expenditure of Rs 35 crores is planned for the year 2010-2011 after considering the industry growth in this year. The expenditure will be incurred on a case to case basis.

6. DIRECTORS

During the year, Mr D E Udawadia, Mr Leon Liu and Mr Nikhil Madhukar Varty, directors, retire at the ensuing annual general meeting of the Company in terms of the articles of association of the Company, and being eligible, offer themselves for re-appointment.

A brief resume of the aforesaid directors and other information have been detailed in the notice convening the annual general meeting of the Company. Appropriate resolutions for their reappointment are being placed for approval of the shareholders at the ensuing annual general meeting. Your directors recommend their reappointment as directors of the Company.

7. AUDITORS

Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai have been re-appointed as statutory auditors at the last annual general meeting held on 24th September 2009 to hold office till the conclusion of the ensuing annual general meeting.

Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai, the retiring auditors of the Company have advised that they do not wish to be re-appointed as the Company's auditors at the ensuing annual general meeting. In view thereof, the directors recommend that Messrs. S.R. Batliboi & Associates, Chartered Accountants, Chennai, be appointed as the Company's auditors to hold office from the conclusion of the ensuing annual general meeting until the conclusion of the next following annual general meeting.

The Directors place on record their deep appreciation of the valuable services rendered by Messrs. Sundaram & Srinivasan, Chartered Accountants as Auditors.

8. STATUTORY STATEMENTS

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

The information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I to this report, as per the requirements of Section

217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Particulars of employees

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

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 with respect to directors' responsibility statement, it is hereby confirmed:

- (i) that in the preparation of annual accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors had prepared the accounts for the financial year ended 31st March 2010 on a "going concern basis".

9. CORPORATE GOVERNANCE

The company has complied with the provisions of the Listing Agreement concerning corporate governance and a report to this

effect is attached to this report as required by clause 49 of the Listing Agreement with the stock exchanges. A certificate issued by the auditors of the Company regarding compliance of conditions of corporate governance, is also annexed to the said report.

The whole-time director (CEO) and the chief financial officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2010.

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

10. SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The board of directors at their meeting held on 19th January 2010 have approved shifting of the registered office of the Company from No.29, Haddows Road, Chennai - 600 006 to the factory premises located at Plot No 3 (SP), III Main Road, Ambattur Industrial Estate, Chennai 600 058 effective 1st April 2010 for operational and administrative convenience.

Notice of the above change has been given to the Registrar of Companies in compliance with Section 146 of the Companies Act, 1956.

11. ACKNOWLEDGEMENT

The directors gratefully acknowledge the support and co-operation received from Messrs. T V Sundram Iyengar & Sons Limited, Madurai, who were a promoter shareholder till 3rd June 2009, and WABCO Europe BVBA, Belgium.

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

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

For and on behalf of the board

Chennai
4th May 2010

VENU SRINIVASAN
Chairman

Annexure I to the Directors' report

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

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Introduction of dedicated small capacity portable compressor for holiday working.
- ii) Reduction in lighting power by introducing individual control of doom lights in shop floor - 80 lamps completed.
- iii) Introduce thyrister control for canteen electric heater to control even voltage supply.
- iv) Time based control for canteen air curtain system.
- v) Thermal insulation for chiller water cooling.
- vi) Chiller power consumption reduction through increase the AHU heat transfer ration.
- vii) Power consumption reduction in compressor by optimizing the auto drain system.
- viii) Improve canteen steam boiler efficiency by steam line modification.
- ix) Minimizing the water consumption in canteen application.

The above measures have resulted in an annual saving of about Rs. 28.71 lakhs.

2. Measures Proposed

- i) Periphery light provided through renewable energy (Emergency light - With Solar control).
- ii) Power saving through LED light implementation in office area.
- iii) Introduce thyrister control for surface protection unit equipment electric heater to control even voltage supply.
- iv) Recover screw compressor heat for using in Surface Protection Unit (SPU) water heating.
- v) Reduce machining cell power consumption by 5% through energy mapping of 20 identified cells.
- vi) Eliminate electric lamps in three identified office areas by utilizing direct daylight.
- vii) Increase the compressor efficiency by reducing the leak in shop floor and assembly.
- viii) Canteen solar hot water system.
- ix) Demand controller for compressor air system.

This will result in a saving of about Rs. 30.00 lakhs per annum.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

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

Existing activities:

- (a) Double diaphragm spring brake actuator (DDSBA) type 20/24 and upgraded version of type 16/24 for disc brake validated and production ready for European Market. These devices are designed for high level of robustness against dust and water entry.

- (b) Automatic slack adjuster (ASA) with patented adjustment mechanism developed and validated for European market.
- (c) New Air Processing and Distribution Assembly (APDA) which was in promotion phase last year is now fully developed, validated and production ready. This product contributes to clean working environment for long life of pneumatic systems on vehicle.
- (d) Improved and redesigned D2 governor valve with patented sealing solution developed and validated for US market.
- (e) Design activity kicked off on fourteen valve devices for North American OEMs as part of market expansion strategy. These devices deliver best in class performance, capable of operating in higher temperature and corrosive environment.
- (f) New Life Compressor II generation (NLC II) which was under promotion phase last year is now developed and undergoing customer validation. This is a unique patented solution for improved performance at reduced cost to the customer compared to the previous generation NLC I.
- (g) New initiative for engineering excellence based on Model Based Engineering (MBE) launched. Mathematical models for flow simulation of valves and compressor performance simulation developed and validated, which is expected to significantly reduce design lead time for new products.
- (h) Indigenous environmentally friendly technology developed for achieving corrosion resistance of products (480 hours of neutral salt spray) to match expectations of global customers.
- (i) New welding process developed to achieve extended life of brake chamber parts critical to safety.
- (j) Kicked off development of Automated Manual Transmission (AMT) for Indian customers. This technology will significantly reduce driver fatigue and improve fuel efficiency.
- (k) Electronically Controlled Air Suspension (ECAS), which was promoted last year in Indian Market introduced in production vehicles.
- (l) ABS adapted and successfully introduced in trailer systems and off-highway dumpers to significantly improve road safety.
- (m) Continued focus on cost reduction based on process and design change to reduce material content has yielded significant benefits.
- (n) Significant effort at cost reduction through transferring production of brake chambers from Europe to India with locally developed parts, which are fully validated to global customer standards.

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

- (a) Improved safety of vehicles through technology - ABS introduction in trailers and off-highway vehicles and development of ASA.
- (b) Market expansion and improved competitive position through significantly improved products for new markets - DDSBA, D2 governor valve, valves for North American OEMs.

WABCO-TVS (INDIA) Limited

- (c) Improved comfort levels of state-of-the art buses - ECAS introduction.
- (d) Energy saving - AMT development for heavy vehicles and NLC II compressor with energy saving feature.
- (e) New Clutch servo for the European Aftermarket developed and productionised.
- (f) Environmentally friendly technologies of surface protection of products.
- (g) The innovative ideas generated during the year have enabled the Company in filing application for six patents under the Patents Act 1970
- (h) Significant cost reduction and improved customer value through innovative design and transfer of production of brake chambers.

3. Future plan of action:

Development and launch of following products :

- i. Fourteen valve devices for North American OEMs.
- ii. Products for door control system for European market - door cylinder, solenoid control valve and emergency valve.
- iii. Next generation Foot Brake Valve for European customer with internal pressure limiting feature.
- iv. Value engineered Foot Brake Valve with integrated switch for Indian customers.
- v. New graduated hand control valve conforming to ECE R13 regulations for Indian customers.
- vi. Concept development of simplified ECAS solution for Indian and Asian market.
- vii. DDSBA for 'S' Cam brakes for US market.
- viii. Brake chambers for US market.
- ix. Long stroke type 24/24 Spring Brake Actuator and Brake Chamber for Indian market.
- x. Value engineered Spring Brake Actuator for Indian Market.
- xi. ASA variants for Indian customers.
- xii. Compressor with energy saving feature for European and Indian customer engines in various capacity ranges from 230 cm³ to 460 cm³.
- xiii. Value engineered condenser oil separator for Indian/global markets.
- xiv. Integral pedal unit for Indian customers.
- xv. Clutch servo for Russian customer.
- xvi. Clutch master cylinder for US/ Brazilian markets.
- xvii. Value engineered clutch master cylinder.
- xviii. Value engineered clutch servo.
- xix. Pneumatic clutch actuator.
- xx. Introduction of Electronically Controlled Braking System (EBS) to Indian customers for enhanced safety.
- xxi. Production level introduction of AMT for Indian vehicles.
- xxii. Rubber seals resistant to chemical attack from oil products.

4. Expenditure on R & D:

	Rs. in Lakhs
Capital expenditure	108.06
Recurring expenditure (including salaries)	867.17
	975.23
Total expenditure as percentage of sales turnover	1.60%

Technology absorption, adaptation and innovation:

(a) Efforts in brief:

1. Knowledge acquisition in design and development area standardized continuously through creation of new design guidelines and calculation methods and updation of already available data.
2. Increased use of engineering plastics in products to reduce cost and weight and innovatively combine functions.
3. Development of new types of rubber sealing components capable of high temperature operation.
4. Absorption and adaptation of advanced technologies like ECAS and AMT.
5. Use of Model based engineering methods to improve design quality and reduce lead time.

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

1. Significant growth in R&D engineers with standardized training methods to enhance competency.
2. Developed innovative products to improve competitive position in the market, expand market through new technologies and systems and leverage global markets.
3. Development of products with best in class performance and reliability.
4. Enhancement of comfort levels in heavy vehicles, improvement of fuel economy through new technology, which enhances competitive position in markets and increases content per vehicle.
5. Deeper theoretical understanding of product function and design.

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

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

EXPORT ACTIVITIES:

Exports during the year ended 31st March 2010 amounted to Rs. 5,525.48 lakhs.

Total foreign exchange used and earned:

a) Foreign exchange used	Rs. 4,622.41 lakhs
b) Foreign exchange earned	Rs. 7,605.95 lakhs

For and on behalf of the board

Chennai
4th May 2010

VENU SRINIVASAN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As addressed in last year's Management Discussion and Analysis Report, during the year 2009-10, WABCO Holdings Inc., USA a global technology leader and tier-one supplier to the commercial vehicle industry, raised its ownership position through indirectly owned subsidiary M/s Clayton Dewandre Holdings Ltd, UK to 75 percent in WABCO-TVS (India) Limited (WTIL).

Post the global financial crisis and general economic slowdown, during the year under review, WTIL, the leader in the automotive air and air assisted brake actuation systems for the commercial vehicle industry in India, recorded its best ever performance.

The Company recorded all time high sales of Rs. 609 crores during 2009-10 as against Rs. 446 crores in 2008-09, registering a growth of 37%. Profit before tax also recorded all time high at Rs.118 crores as against Rs.52 crores in the previous year, representing an increase of 127%.

I. Industry Structure and Development:

After coming-out of global recession, the Indian economy recorded a strong performance during 2009-10 especially in H2 of FY 2009-10. In spite of negative growth in agricultural sector, GDP is expected to register a 7.5% growth, facilitated by much improved 9.4% growth in industrial production and 8.3% growth in the services sector. However, inflation is reported to be increasing and is expected to be around at 4% for the year under review.

In order to improve the economy, the Government has taken various measures including stimulus measures like Excise duty reduction, investment in infrastructure projects, special focus on urban development through JNNURM project, reduced interest rate, improved lending etc., resulted in increase in commercial vehicles production / sales in 2009-10.

The development of road infrastructure is a key factor that influences the growth of the Indian commercial vehicle industry. Various projects initiated by National Highway Authority of India (NHAI) and the status of various projects as on 28th February 2010:

	Total length (in Km)	Completed (in %)	Under implementation	Balance to be awarded
Golden Quadrilateral	5846	98.6%	1.4%	NIL
North-South, East-West Corridor	7300	66.6%	25.3%	8.1%
NHDP Phase III	12109	12.2%	32.7%	55.1%
NHDP Phase V	6500	2.5%	16.5%	81%
NHDP Phase VI	1000	0	0	0
NHDP Phase VII	700	0	5.9%	94.1%
Port Connectivity & others	380	72.1%	26.3%	1.6%
Others	945	93.2%	4.8%	2.0%
Total NHDP	34800	38.6%	20.5%	40.9%

(Source: NHAI)

With the above measures taken by the Government, the production of Medium and Heavy Commercial Vehicles (MHCV) in 2009-10 compared to 2008-09 has recorded a growth of 31% as per data given below:

Category	2009-10	2008-09	growth
Medium and Heavy Commercial Vehicles	250,171	191,286	31%

(Source: SIAM)

Indian companies are gaining recognition as manufacturers of high quality automotive components in the international market. Presence of global players like VOLVO, MAN, Navistar and Daimler will drive technology in our Market. Exports are expected to grow, driven by the cost management factors of international manufacturers to source from cost-effective countries which are expected to benefit the Company's businesses.

II. Business outlook and overview

In 2010-11, GDP growth will be propelled by a strong performance by the Industrial sector and a robust recovery in the Agricultural & allied sectors. The services sector too is expected to do well. The industrial sector is projected to grow by 9.6% mainly due to growth in manufacturing sector. Agriculture sector is expected to grow at 5.8% and Services sector is expected to grow at 9.8%.

This improved outlook of the economy is expected to have positive impact in the automotive sector, which will see a growth in 2010-11. The increased infrastructure development projects in the domestic market and increase in agricultural output will result in improved freight demand availability, the MHCV industry is likely to register a positive growth of 10 ~ 12% in the year 2010-11.

III. Opportunities & Threats

The Company caters to requirements of commercial vehicle segment of the automotive industry. With improved road infrastructure, the demand for faster vehicles that carry higher payloads is increasing. To ensure road safety, Government of India has introduced regulation for mandatory fitment of anti-lock braking systems (ABS) for commercial vehicles carrying hazardous goods from October 2006, tractor-trailers and buses with national permit and hilly terrains from October 2007.

The Company has done extensive application engineering for all categories of vehicles and offering total solution to the domestic OEMs including the new entrants like Mahindra Navistar and Daimler. The Company has made its test track, the only test track of its kind available in the country today, useful to prove our new systems / products and also made available for government agencies for certification testing. Being the part of WABCO, growth opportunities are available through productionizing transfer projects (inter-company

exports sales) and technology transfer. Local market growth opportunities through increase in content per vehicle in the form of introducing new systems / technologies like Automated Manual Transmission (AMT), Electronically Controlled Air Suspension (ECAS) Clutch actuation systems etc.

In the aftermarket side, so far, the Company has commissioned 156 authorized service centers at strategic locations across the country, to provide quicker and better service on air brake aggregates. Further, to improve availability of quality service in rural areas, the Company also commissioned 145 certified workshops. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the Company.

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

IV. Risks and concerns

The cyclical nature of the Indian commercial vehicle industry (Company's major customer segment) might affect the demand. In 2010-11, operating expenses are likely to rise with the expected increase in prices of key raw materials, and the implementation of new emission norms. Commercial Vehicles manufacturers are likely to pass on these additional costs to customers. However, the sensitivity of transporters' profitability to the increase in vehicle cost would determine the extent of the cost actually passed on, especially after the rise in excise duty and fuel prices in the Union Budget 2010-11. Partial withdrawal of stimulus measures may result in increase in Inflation and expected to be around 6%. The interest rate for automobile loans may expect to increase 50 to 100 basis points in FY11.

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

V. Internal control system and their adequacy

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

VI. Operations review

A. Manufacturing

In the year 2007-08 the company made operational its new manufacturing facility in a Special Economic Zone (SEZ) at 'Mahindra World City' near Chennai. During the year 2009-10, the company had the full benefit of the plant and is expected to bring additional revenue growth during the coming years.

To meet the challenges of emerging competition and to serve the customers better, the Company had already set-up a manufacturing facility in Jamshedpur nearer to a major customer plant. The Company is working on a business case to open one more plant in the western sector to service customers in that region.

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

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

During the year under review, the Company obtained "Super Platinum" award, for its manufacturing excellence from Frost & Sullivan.

B. Quality

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

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

TQM is a way of life at WTIL. 100% participation in employee involvement has been successful for the past 11 consecutive years.

Employees have completed more than 229 projects by applying statistical tools through QC Circles in 2009-10. The average number of suggestions implemented per employee is 57 in 2009-10 which is close to international benchmark.

C. Cost management

The Company continues its rigorous focus on its costs through an effective cost deployment system. Value engineering and global sourcing projects are being pursued for cost reduction and also to insulate from cost escalation. Commodity sourcing from prime dealers and price indexing with customers will help in managing the cost effectively and efficiently.

D. Information Technology

The Company uses ERP system that integrates all business processes across the Company as well as dealers and suppliers. During the year, the Company has focused on further leveraging the ERP system.

VII. Human Resource Development

The Company focuses on attracting the best talent and enjoys a good brand image across leading educational institutions and job seekers. The Company blends successfully mid career recruitment with internally grown talent through talent management process. A reward and recognition system is in place to provide fast track growth for high potential employees. Career development workshops are undertaken to identify such high potential.

Executives are sponsored to overseas and inland universities for developing their capabilities to handle new technologies and management practices. Customised management development programs have been developed with reputed educational institutions to hone the leadership skills of the senior executives.

People are encouraged to take up higher responsibilities and stretch assignments from the very early stages of their career. Periodic job rotations help the employees to get a broad perspective to assume leadership roles in future.

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

As of 31st March 2010, the Company had 1,026 employees on its rolls.

VIII. Environment & Safety

Safety management is integrated with the overall environment, health and safety (EHS) management system. WTIL have been certified for ISO 14001 systems.

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

- Timer controls for various air handling systems
- Optimizing air pressure setting
- Power saving through optimized usage of air compressors
- Introduction of variable frequency drives (VFD) for motors
- Use of energy efficient lighting systems

IX. Community development and social responsibility

As a corporate citizen, the Company believes in its social responsibility and community development activities. Activities in which the company will carry out activities in this regard will be identified and action will be taken thereof.

X. Financial statement

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs. in lakhs	%	Rs. in lakhs	%
Sales	59,125.80	97.1	42,594.58	95.6
Other income	1,821.02	2.9	1,983.20	4.4
Total income	60,946.82	100.0	44,577.78	100.0
Raw materials consumed	33,024.05	54.2	24,617.78	55.2
Staff cost	5,443.02	8.9	5,025.30	11.3
Stores & tools consumed	2,157.83	3.5	1,624.65	3.6
Power & fuel	988.97	1.6	736.58	1.7
Repairs & maintenance	685.55	1.1	508.60	1.1
Other expenses	5080.31	8.4	4,730.76	10.6
Interest-net	289.41	0.5	685.42	1.6
Depreciation	1,444.49	2.4	1,393.21	3.1
Total expenditure	49,113.63	80.6	39,322.30	88.2
Profit before tax	11,833.19	19.4	5,255.48	11.8
Provision for taxation				
Current tax	4,050.00	6.6	1,575.00	3.5
Fringe benefits tax	-	-	51.94	0.1
Deferred tax	(75.36)	(0.1)	76.33	0.2
Profit after tax	7,858.55	12.9	3,552.21	8.0

XI. Cautionary statement

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

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of governance

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

2. Board of directors

2.1 Composition and category of directors:

As of 31st March 2010, the total strength of the board of directors (the board) is nine directors. All the directors except the whole-time director are non-executive directors.

Out of the eight non-executive directors, three directors viz., M/s Venu Srinivasan, D E Udawadia and Narayan K Seshadri are independent directors.

As reported in last year's Report on Corporate Governance, Mr H Lakshmanan and Vice Admiral Mr P J Jacob (Retd), ceased to be directors of the Company effective 30th July 2009; Mr Trevor Lucas and Mr Kurt Lehmann were appointed as additional and non-independent directors of the Company effective 30th July 2009 and appointed as directors at the annual general meeting held on 24th September 2009; Mr C N Prasad resigned as whole-time director effective 17th June 2009, but continues to be a non-independent director of the Company; Mr P Kaniappan was appointed as an additional director of the Company effective 17th June 2009

and also as a whole-time director of the Company subject to such terms and conditions as approved by the shareholders at the annual general meeting held on 24th September 2009.

Chairman is a director and not related to any promoter of the Company as defined under clause 49 of the Listing Agreement.

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

2.2 Board Meetings:

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

During the year 2009-10, the board met 5 times on 27th April 2009, 30th July 2009, 27th August 2009, 21st October 2009 and 19th January 2010 and the gap between two meetings did not exceed four months.

2.3 Attendance and other directorships:

The details of attendance of the directors at the board meetings, during the year, and at the last annual general meeting held on 24th September 2009 and also the number of other directorships and committee memberships / chairmanships as on 31st March 2010 are as follows:

Name of the director M/s.	Category	Attendance particulars		Number of directorships and committee member / chairmanships		
		Board meeting	Last AGM	Other directorships*	Committee memberships**	Committee chairmanships
Venu Srinivasan	C-I	5	No	17	3	1
P Kaniappan	WTD-NI	4	Yes	-	-	-
C N Prasad	NE-NI	5	Yes	5	7	-
Narayan K Seshadri	NE-I	5	Yes	11	2	2
D E Udawadia	NE-I	5	Yes	21	8	2
Nikhil Madhukar Varty	NE-NI	1	No	3	-	-
Leon Liu	NE-NI	2	No	10	-	-
Trevor Lucas	NE-NI	1	Yes	10	-	-
Kurt Lehmann	NE-NI	2	Yes	-	-	-

* includes private companies.

** includes committees where the director is also chairman.

C-I : Chairman - Independent

WTD : Whole-time Director - Non Independent

NE-I : Non executive - Independent director

NE-NI : Non executive - Non-independent director

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

2.4 Access to information and Updation to directors:

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

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

Apart from this, the observations of audit carried out by the internal auditors and the compliance report on payment of statutory liabilities submitted by the statutory auditors of the Company are placed and discussed with functional heads.

The board also reviews the declarations made by the whole-time director and secretary of the Company regarding compliance of all applicable laws on quarterly basis.

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

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

All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2010. The annual report contains a declaration to this effect signed by the whole-time director and general manager (finance) and secretary of the Company as compliance officer for the Code.

2.6 Appointment of directors:

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

3. Audit Committee

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

disclosures and transparency, integrity and quality of financial reporting.

3.1 Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter-alia performs the following functions:

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

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

The Audit Committee was reconstituted consequent to the changes in the board. As of date, the Audit Committee consists of the following directors:

Name of the directors - (M/s)	Status
Narayan K Seshadri	Non-executive, Independent director
D E Udawadia	Non-executive, Independent director
C N Prasad	Non-executive, Non-Independent director

Mr Narayan K Seshadri, independent director, is the Chairman of the Audit Committee. Mr R Madhavan, general manager (finance) and secretary of the Company acts as the Secretary of the Audit Committee.

Chairman of the Audit Committee was present at the annual general meeting held on 24th September 2009. The composition of the committee is in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

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

Date of the meeting	Members present M/s
25th April 2009	Vice Admiral P J Jacob (*), H Lakshmanan (*), Narayan K Seshadri and D E Udawadia
30th July 2009	Narayan K Seshadri, D E Udawadia and C N Prasad
27th August 2009	Narayan K Seshadri, D E Udawadia and C N Prasad
21st October 2009	Narayan K Seshadri, D E Udawadia and C N Prasad
18th January 2010	Narayan K Seshadri, D E Udawadia and C N Prasad

(*) resigned effective 30th July 2009

4. Disclosures

4.1 Materially significant related party transactions:

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

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

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

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

4.2 Disclosure of accounting treatment:

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

4.3 Risk Management:

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

4.4 Instances of non-compliances, if any:

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

4.5 Disclosure by senior management personnel:

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

4.6 CEO and CFO Certification:

The whole-time director (CEO) and Chief Financial Officer of the Company have certified to the board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2010.

4.7 Compliance with mandatory / non-mandatory requirements:

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

4.8 Management discussion and analysis report:

The management discussion and analysis report has been attached to the directors' report.

5. Remuneration Committee

The board has not constituted a remuneration committee, as the need for forming such committee has not arisen. The remuneration to the whole-time director was decided by the board of directors subject to the approval of the shareholders.

5.1 Remuneration to directors:

Mr P Kaniappan, director of the Company, was appointed as a whole-time director of the Company for a period of five years effective 17th June 2009 on a remuneration consisting salary and other perquisites in terms of the agreement entered into between him and the Company on 17th June 2009. Mr C N Prasad resigned as whole-time director from 17th June 2009. However he continues to be the director in the board.

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

The non-executive directors do not draw any remuneration from the Company other than sitting fees for attending each meeting of the board and committees thereof.

The Company has enhanced the payment of sitting fees from Rs.7,500/- to Rs.15,000/- to all the non-executive directors for attending each meeting of the board and/or committee thereof which is within the limits prescribed under the Companies Act, 1956, as approved by the board at its meeting held on 19th January 2010.

M/s Nikhil Madhukar Varty, Leon Liu, Trevor Lucas, Kurt Lehmann, directors, representing the promoters, namely M/s Clayton Dewandre Holdings Limited waived the sitting fees payable to them. The board also accepted their request for waiver at their meeting held on 19th January 2010.

5.3 Particulars of sitting fees paid to non-executive directors during the financial year 2009-2010:

Name of the non-executive directors M/s.	Sitting fee (Rs.)
Venu Srinivasan	52,500
C N Prasad	82,500
Narayan K Seshadri	97,500
D E Udwardia	97,500
H Lakshmanan	30,000
Vice Admiral P J Jacob (Retd.)	15,000
Total	3,75,000

5.4 Details of shareholdings of non-executive directors in the Company as on 31st March 2010:

None of the directors of the Company holds any share in the Company. There are no other particular pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company. None of the directors is related to each other.

5.5 Particulars of remuneration paid to the whole-time director during the financial year 2009-2010:

(Rs.in lakhs)

Name of the director (M/s.)	Salary	Contribution to PF and other funds	Perquisites & Allowances	Total
P Kaniappan @	38.08	4.02	19.63	61.73
C N Prasad #	11.80	0.87	7.38	20.05

@ remuneration for the period from 17th June 2009 to 31st March 2010

remuneration for the period from 1st April 2009 to 17th June 2009.

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

6. Investors' grievance committee:

6.1 As on 31st March 2010, the investors' grievance committee consisted of three members, viz., Mr Narayan K Seshadri, chairman, Mr C N Prasad, director and Mr P Kaniappan, whole-time director of the Company. The Committee met four times during the year.

6.2 As required by Securities and Exchange Board of India (SEBI), Mr R Madhavan, general manager (finance) and secretary of the Company has been appointed as the compliance officer. For any clarification/complaint, the shareholders may contact Mr R Madhavan, general manager (finance) and secretary of the Company.

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

6.4 Complaints received and redressed during the year 2009-10:

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

6.5. All the complaints were resolved and, as on 31st March 2010, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

6.6 Secretarial Audit

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

7. General body meeting:

7.1 Location and time where the annual general meetings were held during the last three years.

Year	Location	Date	Time
2006-2007	Registered Office: No.29 Haddows Road Chennai 600 006	28.09.2007	9.15 A.M.
2007-2008	The Music Academy, New No.168, T T K Road (Mowbrays Road), Chennai 600 014	29.09.2008	10.15 A.M.
2008-2009	Sathgurugnananda Hall, Narada Gana Sabha Trust, No.314, (Old No.254), TTK Road, Chennai 600 018	24.09.2009	10.15 A.M.

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

(a) At the extraordinary general meeting of the Shareholders of the Company held on 19th April 2007, approval of

the shareholders was obtained for the change of name of the Company under Section 21 and other applicable provisions, if any, of the Companies Act, 1956 from the then Auto (India) Engineering Limited to WABCO-TVS (INDIA) Limited.

(b) In pursuance of the order of the Hon'ble High Court of Madras, the meeting of the shareholders was convened on 22nd October 2007 for approving the Scheme of Arrangement made between the Company (Resulting Company) and Sundaram-Clayton Limited (Demerged Company) and their respective shareholders and creditors under Sections 391 - 394 of the Companies Act, 1956. The said Scheme of Arrangement was approved by the shareholders unanimously and the result of the poll is given as follows:

Total Number of Valid Votes	Votes cast In favour	Votes Against	% of votes cast in favour	% of votes cast in against
1,00,000	1,00,000	--	100%	--

The Hon'ble High Court of Madras vide its order dated 20th February 2008 sanctioned the said Scheme of Arrangement. The said order was filed with the Registrar of Companies, Tamil Nadu, Chennai on 28th March 2008 and the Scheme became effective on 28th March 2008.

(c) At the Extraordinary General meeting of the Shareholders of the Company held on 17th March 2008, consent / approval of the shareholders was obtained for the following:

- i. Authorization to make investments in securities or to provide loan or give guarantee upto a limit of Rs.200 crores more than the limits in terms of Section 372A of the Companies Act, 1956.
- ii. Approval for keeping and maintaining books, returns and documents at a place other than the Registered office of the Company in terms of Section 163 of the Companies Act, 1956.
- iii. Approval for adopting the new set of articles of association of the Company in terms of Section 31 and other applicable provisions of the Companies Act, 1956.
- iv. Approval for amendments to the main objects of the memorandum of association and the new set of Articles of Association of the Company under Section 31 and other applicable provisions of the Companies Act, 1956.

(d) At the annual general meeting of the Shareholders of the Company held on 24th September 2009, consent/ approval of the shareholders was obtained for alteration to certain clauses of Articles of Association of the Company under Section 31 and other applicable provisions of the Companies Act, 1956.

7.3 None of the subjects placed before the shareholders in the last / ensuing annual general meeting required/requires approval by a postal ballot.

8. Means of communication

8.1 Quarterly results:

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

8.2 Newspapers wherein results normally published:

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

8.3 Website:

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

9. General shareholder information

9.1 Annual general meeting:

Date and time : 26th August 2010 at 10.00 a.m.
Venue : "Sathguru Gnanananda Hall",
Narada Gana Sabha Trust,
No.314 (Old No.254) T.T.K Road,
Chennai 600 018

9.2 Financial year : 1st April to 31st March

Financial calendar

2010-11 (Tentative) :

Financial reporting for

the quarter ending : Financial calendar

30th June 2010 : between 15th to 31st July 2010

30th September 2010 : between 15th to 31st October 2010

31st December 2010 : between 15th to 31st January 2011

31st March 2011 : between 1st to 15th May 2011

Annual general Meeting

(next year) : August / September 2011

9.3 Date of book closure : 21st August 2010 to
26th August 2010
(both days inclusive)

9.4 Particulars of dividend payment

An interim dividend of Rs.2.50 per share for the year ended 31st March 2009 was paid to the shareholders on 19th December 2008 and no further dividend was recommended for the year ended 31st March 2009.

The board of directors has recommended a dividend of Rs.2.50 per share for the year 2009-2010, absorbing a sum of Rs.474.20 lakhs, for approval of the shareholders in the ensuing annual general meeting.

9.5 Listing on Stock Exchanges:

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

(Note: Annual listing fees for the year 2010-2011 have been duly paid to the above stock exchanges)

9.6 Market Price Data:

Month	Bombay Stock Exchange Limited (BSE) (in Rs)		National Stock Exchange of India Ltd. (NSE) (in Rs)	
	Month's high price	Month's low price	Month's high price	Month's low price
April 2009	165.00	127.55	164.00	127.00
May 2009	210.00	135.00	207.90	136.15
June 2009	290.00	185.75	274.30	181.70
July 2009	286.10	205.00	286.75	201.25
August 2009	385.00	280.00	389.00	275.10
September 2009	407.95	315.05	408.00	310.00
October 2009	460.00	366.30	501.00	363.05
November 2009	500.00	421.00	485.00	409.00
December 2009	549.95	455.10	555.00	453.00
January 2010	730.00	450.00	729.95	508.00
February 2010	763.60	636.10	769.80	630.20
March 2010	794.00	675.15	790.00	670.00

9.7 Share transfer agents (STA) and share transfer system:

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

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

- b. All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned elsewhere in this report.
- c. Shares lodged for transfer will be processed within 10 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation will be given to the depositories within 7 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc will be processed by the STA within 7 days.
- d. Pursuant to clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, will be issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.
- e. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company will be obtained.
- f. The Company, as required under clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in (share transfer agent) / madhavan.rajagopalan@wabco-tvs.co.in (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.

9.8 Shareholding pattern as on 31st March 2010:

Particulars	No. of shares held	% to total
(a) Shareholding of Promoter and Promoter Group		
(1) Indian - Bodies Corporate	-	-
(2) Foreign- Bodies Corporate	1,42,25,684	75.00
Total Shareholding of Promoter and promoter Group (A)	1,42,25,684	75.00
(b) Public Shareholding		
1. Institutions		
(a) Mutual Funds	21,43,667	11.30
(b) Banks, Financial Institutions, Insurance Companies (Central, State Government Institutions, Non-Govt. Institutions)	402	0.00
(c) Foreign Institutional Investors	72,266	0.38
Sub Total Institutions	22,16,335	11.68
2. Non - Institutions		
a) Bodies Corporate	3,59,347	1.90
b) Individuals <1 lakh	18,23,512	9.61
c) Individuals >1 lakh	3,21,222	1.70
d) NRI - Repatriable	13,027	0.07
e) NRI - Non-Repatriable	8,457	0.04
Sub Total Non-Institutions	25,25,565	13.32
Total (B)	47,41,900	25.00
Grand Total (A) +(B)	1,89,67,584	100.00

9.9 Distribution of Shareholding as on 31st March 2010:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	18,38,603	9.69	16,461	99.73
5,001-10,000	1,16,874	0.62	17	0.10
10,001-20,000	93,475	0.49	6	0.04
20,001-50,000	2,95,886	1.56	9	0.05
50,001-1,00,000	2,95,798	1.56	4	0.03
1,00,001 & above	1,63,26,948	86.08	9	0.05
Total	1,89,67,584	100.00	16,506	100.00

9.10 Dematerialization of shares and liquidity:

Out of 47,41,900 shares held by persons other than promoters, 43,61,716 shares have been dematerialised as on 31st March 2010 accounting for 91.98%.

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

9.12 Plant locations :

Factories :

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

Large Sector, Adityapur Industrial Area,
Gamharia, Seraikella-Kharsawan District,
Jharkhand 832 108
Tel : 0657 661 6800
Fax : 0657 238 7997

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

Software Design Centre:

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

Module No - 1107, D Block,
11th Floor Tidel Park,
No.4, Rajiv Gandhi Salai
Taramani, Chennai 600 113
Tel : 044 2254 5700
Fax : 044 2254 0909

9.13 Address for investors Correspondence:

(i) For transfer / dematerialisation of Sundaram-Clayton Limited shares, payment of dividend on share transfer department New No.22, Old No.31 shares and any other query relating to the shares of the Railway Colony, 3rd Street, Mehta Nagar, Chennai 600 029. Company.

(ii) for any query on non-receipt of annual report; and Tel : 044 2374 1889, 044 4224 2000,

(iii) for investors grievance & general correspondence 044 2374 2939 Fax: 044 2374 1889, 044 4224 2009

Email :

kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in
madhavan.rajagopalan@wabco-tvs.co.in

10. Non-mandatory disclosure:

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

10.1 The Board:

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

10.2 Remuneration committee:

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

10.3 Shareholder rights:

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

10.4 Audit Qualifications:

The statutory financial statements of the Company are unqualified.

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

The present board consists of well-experienced and responsible members of society. All the directors are

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

10.6 Whistle blower policy:

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

11. Request to shareholders:

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

Change of registered office:

Shareholders are requested to note the change of registered office of the Company from the present address i.e "Jayalakshmi Estates", No.29, Haddows Road, Chennai 600 006 to the factory premises located at **Plot No 3 (SP) III Main Road, Ambattur Industrial Estate, Chennai 600 058**, effective 1st April 2010, within the "postal limits" of Chennai City. Shareholders have already been notified about the change of registered office by way of a circular dated 22nd March 2010.

Demat of Shares:

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

Registration of Electronic Clearing Service (ECS) Mandate:

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

Transfer of shares in physical mode:

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

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

Shareholders are requested to note that as per SEBI circular no. MRD/DoP/Cir -05/1009 dated 20th May 2009, it is mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

Nomination in respect of shares - Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc.

It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Investors, who have not availed nomination facility, are requested to avail the same by submitting the nomination in form 2B. This form will be made available on request. Investors holding shares in demat form are advised to contact their DP's for making nominations.

Updation of address:

Shareholders are requested to update their address registered with the Company, directly through the STA located at the address mentioned above, to receive all communications promptly.

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

SMS Alerts:

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby investors will receive alerts for debits / credits (transfers) to their demat accounts a day

WABCO-TV S (INDIA) Limited

after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs).

No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsd1.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/ losing your right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

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

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

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

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

PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2007-08 (2nd interim)	20.08.2008	25.09.2008	25.09.2015
2008-09 (1st Interim)	08.12.2008	13.01.2009	13.01.2016

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

The Shareholders of the Company
WABCO-TV S (INDIA) Limited

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the relevant provision of clause 49 of the Listing Agreement, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of directors for the year ended 31st March 2010.

Chennai
4th May 2010

P Kaniappan
Whole-time Director

R Madhavan
Secretary

WABCO-TVS (INDIA) Limited

Auditors' Certificate on compliance of the provisions of the code of Corporate Governance in the listing agreement.

To

The shareholders of WABCO-TVS (INDIA) Limited

We have examined the compliance of conditions of corporate governance by WABCO-TVS (INDIA) Limited, Chennai 600 058 for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievances Committee.

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

For SUNDARAM & SRINIVASAN
Chartered Accountants
Registration No. 004207S

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
4th May 2010

Auditors' report to the Shareholders

We have audited the attached balance sheet of M/s.WABCO-TVS (INDIA) Limited, Chennai 600 058 as at 31st March 2010, the profit and loss account and the cash flow statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
 2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 3. Further to our comments in the annexure referred to above, we state that -
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
 - (iii) the balance sheet and profit and loss account and cash flow statement, dealt with by this report, are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the board of directors, we report that no director is disqualified from being appointed as a director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in so far as it relates to the balance sheet, of the state of affairs of the company as at 31st March 2010;
 - b. in so far as it relates to the profit and loss account, of the profit of the company for the year ended on that date; and
 - c. in so far as it relates to the cash flow statement, of the cash flows for the year ended on that date.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Registration No. 004207S

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
4th May 2010

Auditors' report to the Shareholders (Contd.)

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2010.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the company.
- (ii) (a) The inventory including those with third parties, other than in-transit have been physically verified at reasonable intervals during the year by the management. In our opinion the frequency of such verification is adequate.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business;
- (c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) During the year, the company has not granted or taken any loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangement that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register;
- (b) In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the year by rupees five lakhs in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposit from the public.
- (vii) The company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 for maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Customs duty, Excise duty, Service tax, Cess and other statutory dues with the appropriate authorities. The requirement as to depositing into Investors Education & Protection Fund with appropriate authorities does not arise in this year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Excise duty, Service tax and cess were in arrears as at 31st March 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities.

Nature of Statute	Nature of due	Amount (Rs. in lakhs)	Forum where the dispute is pending
Customs Act, 1962	Customs duty	5.17	Commissioner of Customs (Appeals), Chennai
Income Tax Act 1961	Income tax Asst. year 2007-08	93.34	Commissioner of Income Tax (Appeals), Chennai
Central Excise Act 1944	Excise duty-cenvat credit reversal	11.11	Commissioner of Central Excise (Appeals), Chennai
Service Tax	Reversal of Service tax credit on certain inputs	4.72	Commissioner of Central Excise (Appeals), Chennai

- (x) The company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding year.
- (xi) Based on our verification and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to any bank.

WABCO-TVS (INDIA) Limited

Auditors' report to the Shareholders (Contd.)

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2010.

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(xii) Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) The company is not a chit / nidhi / mutual benefit fund / society and as such clause (xiii) of the Order is not applicable;</p> <p>(xiv) The company is not dealing or trading in shares, securities, debentures and other investments, other than mutual fund instruments.</p> <p>(xv) During the year, there are no guarantees given by the company for loans taken by others.</p> <p>(xvi) During the year, the company has utilized rupee term loan availed in 2008-09 for the purpose for which the loan was obtained.</p> <p>(xvii) On the basis of our examination, the company has not used funds raised on short term basis for long term investment.</p> | <p>(xviii) During the year, the company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(xix) During the year, the company has not issued any secured debentures.</p> <p>(xx) During the year, the company has not raised any money by public issue.</p> <p>(xxi) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.</p> |
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For SUNDARAM & SRINIVASAN
Chartered Accountants
Registration No. 004207S

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
4th May 2010

WABCO-TVS (INDIA) Limited

Balance Sheet as at 31st March 2010

(Rupees in lakhs)

	Schedule number		As at 31.03.2010		As at 31.03.2009
I. SOURCE OF FUNDS					
1. Shareholders' funds					
a) Capital	I		948.38		948.38
b) Reserves and surplus	II		<u>26,083.52</u>		<u>18,817.52</u>
			27,031.90		19,765.90
2. Loans					
a) Secured loans	III		719.23		5,520.44
b) Unsecured loans	IV		<u>—</u>		<u>500.00</u>
			719.23		6,020.44
3. Deferred taxation (net)					
	V		<u>324.57</u>		<u>399.93</u>
			28,075.70		<u>26,186.27</u>
II. APPLICATION OF FUNDS					
1. Fixed Assets					
	VI				
a) Gross block			26,478.94		26,327.37
b) Less : Depreciation including impairment			<u>8,462.91</u>		<u>7,187.80</u>
c) Net block			18,016.03		19,139.57
d) Capital work-in-progress			<u>661.31</u>		<u>388.37</u>
2. Investments					
	VII		220.24		900.69
3. Current assets, loans and advances					
a) Inventories	VIII		4,606.75		4,630.40
b) Sundry debtors	IX		13,143.15		7,026.03
c) Cash & bank balances	X		238.28		127.91
d) Other current assets	XI		4.55		8.86
e) Loans & advances	XII		<u>1,973.69</u>		<u>1,092.26</u>
	(a)		<u>19,966.42</u>		<u>12,885.46</u>
Less: current liabilities and provisions					
a) Current liabilities	XIII		8,610.26		5,357.60
b) Provisions	XIV		<u>2,178.04</u>		<u>1,770.22</u>
	(b)		<u>10,788.30</u>		<u>7,127.82</u>
Net current assets	(a)-(b)		9,178.12		5,757.64
			<u>28,075.70</u>		<u>26,186.27</u>

VENU SRINIVASAN
Chairman

P KANIAPPAN
Whole-time Director

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants

Chennai
4th May, 2010

R MADHAVAN
General Manager (Finance) and Secretary

T S RAJAGOPALAN
Chief Financial Officer

M BALASUBRAMANIAM
Membership No. F 7945
Partner

WABCO-TVS (INDIA) Limited

Profit & Loss Account for the year ended 31st March 2010

	Schedule number	Year ended 31.03.2010	Year ended 31.03.2009
(Rupees in lakhs)			
Sales (Gross)		64,123.40	48,303.53
Less: Excise duty		4,997.60	5,708.95
Sales (Net)		59,125.80	42,594.58
Other Income	XV	1,821.02	1,983.20
	a	60,946.82	44,577.78
Materials consumed	XVI	33,024.05	24,617.78
Salaries & wages, stores consumed and other expenses	XVII	14,355.68	12,625.89
	b	47,379.73	37,243.67
Profit before Interest depreciation and tax	c (a-b)	13,567.09	7,334.11
Interest (net)		289.41	685.42
Depreciation		1,444.49	1,393.21
	d	1,733.90	2,078.63
Profit before tax	e (c-d)	11,833.19	5,255.48
Provision - for Income tax		4,050.00	1,575.00
- for Fringe Benefit tax		-	51.94
- for Deferred tax		(75.36)	76.33
	f	3,974.64	1,703.27
Profit for the year (after tax)	g (e-f)	7,858.55	3,552.21
Balance profit (loss) brought forward		5,156.52	2,515.10
Profit (loss) for the year (after tax)		7,858.55	3,552.21
Total		13,015.07	6,067.31
Tax relating to earlier years		39.59	-
Interim dividend paid		-	474.20
Dividend tax paid		-	80.59
Proposed dividend		474.20	-
Dividend Tax payable		78.76	-
Transfer to general reserve		785.86	356.00
Balance carried to Balance Sheet		11,636.66	5,156.52
Total		13,015.07	6,067.31
Notes on accounts	XVIII		
Nominal value of each share in rupees		5.00	5.00
Basic earnings per share in rupees on 1,89,67,584 shares		41.43	18.73
Diluted earnings per share in rupees		41.43	18.73

	VENU SRINIVASAN <i>Chairman</i>	P KANIAPPAN <i>Whole-time Director</i>	As per our report annexed For SUNDARAM & SRINIVASAN <i>Chartered Accountants</i>
Chennai 4th May, 2010	R MADHAVAN <i>General Manager (Finance) and Secretary</i>	T S RAJAGOPALAN <i>Chief Financial Officer</i>	M BALASUBRAMANIAM Membership No. F 7945 <i>Partner</i>

WABCO-TVS (INDIA) Limited

Schedules

	(Rupees in lakhs)	
	As at 31.03.2010	As at 31.03.2009
I. SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares of Rs. 5/- each	1,000.00	1,000.00
Issued, subscribed and paid-up		
1,89,67,584 Equity Shares of Rs. 5/- each fully paid up.	948.38	948.38
a) Pursuant to the scheme of demerger of Brakes division in to the company from Sundaram-Clayton Limited, Chennai,(SCL) the shareholders of SCL are entitled for allotment of 1,89,67,584 equity shares of Rs 5/- each fully paid up for consideration other than in cash.		
b) These shares are deemed to be issued, subscribed and fully paid up in terms of the scheme of arrangement. These shares were allotted on 7th May 2008.		
c) On 3rd June 2009, M/s Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands(CDH) acquired 67,95,684 equity shares of Rs 5/- each fully paid up in the company. Consequently the aggregate number of equity shares held in the company stood at 1,42,25,684 equity shares. Thus the company became a subsidiary of CDH on and from the above date.		
II. RESERVES AND SURPLUS		
Capital reorganisation reserve		
As per last Balance Sheet	5.00	5.00
General reserve		
As per last Balance Sheet	13,656.00	13,300.00
Add: Transferred from Profit & Loss Account	785.86	356.00
	14,441.86	13,656.00
Surplus		
Balance in Profit & Loss account	11,636.66	5,156.52
	26,083.52	18,817.52
III. SECURED LOANS		
From banks		
Secured by hypothecation of raw materials, components, work-in-process, finished goods, book debts, stores, spares and tools	719.23	3,520.44
Secured by hypothecation of specific plant and machinery	-	2,000.00
	719.23	5,520.44
IV. UNSECURED LOANS		
From bank-short term	-	500.00

WABCO-TVS (INDIA) Limited

Schedules (continued)

		(Rupees in lakhs)	
		As at 31.03.2010	As at 31.03.2009
V. DEFERRED TAXATION (NET)			
Deferred tax liabilities			
Tax on - i) Depreciation		833.70	594.18
ii) Provision for doubtful debts		17.31	(22.95)
		<u>851.01</u>	<u>571.23</u>
Less : Deferred tax assets			
i) Employee related schemes		162.76	16.92
ii) Warranty		37.82	19.91
iii) Expenses relating to earlier years		7.20	76.95
iv) Others		318.66	57.52
		<u>526.44</u>	<u>171.30</u>
		<u>324.57</u>	<u>399.93</u>

VI. FIXED ASSETS

									(Rupees in Lakhs)	
Description	Land	Lease hold Land	Buildings	Plant & Machinery, Dies & Jigs	Furniture, Fixtures & Equipments	Vehicles	Others Fixed Assets @	Total as at		
								31.03.2010	31.03.2009	
Cost of assets										
As at 01.04.2009	1,556.81	356.87	5,510.82	17,104.07	1,327.91	168.15	302.74	26,327.37	22,787.46	
Additions	-	-	23.24	486.79	126.70	56.21	20.46	713.40	3,560.64	
Less: sales/transfer	-	-	-	524.54	36.83	0.46	-	561.83	20.73	
Total	1,556.81	356.87	5,534.06	17,066.32	1,417.78	223.90	323.20	26,478.94	26,327.37	
Depreciation										
Upto 31.03.2009	-	18.99	500.29	5,625.36	693.32	75.11	274.73	7,187.80	5,811.88	
For the year	-	6.09	180.38	1,084.91	117.01	18.09	38.01	1,444.49	1,393.21	
Deductions on sales/transfer	-	-	-	135.29	33.65	0.44	-	169.38	17.29	
Total	-	25.08	680.67	6,574.98	776.68	92.76	312.74	8,462.91	7,187.80	
Written down value										
As at 31.03.2010	1,556.81	331.79	4,853.39	10,491.34	641.10	131.14	10.46	18,016.03	-	
As at 31.03.2009	1,556.81	337.88	5,010.53	11,478.71	634.59	93.04	28.01	-	19,139.57	

@ vide note no XVIII (z) regarding Intangible Assets under Accounting standards 26

CAPITAL WORK-IN-PROGRESS (at cost)

Buildings	269.18	250.67
Electrical equipment	19.81	1.79
Machinery in transit / installation	372.32	135.91
	<u>661.31</u>	<u>388.37</u>

WABCO-TVS (INDIA) Limited

Schedules (continued)

	Face Value	As at 31.03.2010	(Rupees in lakhs) As at 31.03.2009
VII. INVESTMENTS (AT COST)			
1. Non-trade-Unquoted (fully paid up) - Long term			
ICICI Prudential Life Insurance Group Superannuation Fund Mumbai	220.24	220.24	220.24
2. Non-trade-quoted (fully paid up) - Short term			
53,982.865 units in last year in UTI Mutual Fund of UTI Asset Management Company Private Limited, Mumbai - UTI Treasury Advantage Fund (institutional plan - growth option)	-	-	634.45
3. Non-trade-quoted (fully paid up) - Long term			
4,60,000 units in last year SBI Mutual Fund of State Bank of India, Mumbai - SBI One India Fund - Dividend option	-	-	46.00
		<u>220.24</u>	<u>900.69</u>
SUMMARY			
Quoted Investments		-	680.45
Unquoted Investments		<u>220.24</u>	<u>220.24</u>
		<u>220.24</u>	<u>900.69</u>
Short term		-	634.45
Long term		<u>220.24</u>	<u>266.24</u>
		<u>220.24</u>	<u>900.69</u>
Market value of quoted investments		-	660.65
VIII. INVENTORIES			
Raw materials and components*		3,069.74	3,340.75
Work-in-process*		198.61	135.35
Finished goods*		926.27	542.47
Stores*		290.08	216.45
Goods in transit		<u>122.05</u>	<u>395.38</u>
		<u>4,606.75</u>	<u>4,630.40</u>
* As certified by whole-time director; at lower of weighted average cost or net realisable value as prescribed in Accounting Standard 2 issued by The Institute of Chartered Accountants of India			
IX. SUNDRY DEBTORS-UNSECURED, CONSIDERED GOOD			
a) Debts outstanding for a period exceeding six months			
- Considered good		-	-
- Considered doubtful		<u>124.50</u>	<u>242.92</u>
Total		<u>124.50</u>	<u>242.92</u>
b) Other debts		<u>13,143.15</u>	<u>7,026.03</u>
Less: Provision for bad and doubtful debts		<u>124.50</u>	<u>242.92</u>
		<u>13,143.15</u>	<u>7,026.03</u>
X. CASH AND BANK BALANCES			
a) Cash and cheques on hand		9.38	9.19
b) With scheduled banks - current accounts		<u>228.90</u>	<u>118.72</u>
		<u>238.28</u>	<u>127.91</u>
XI. OTHER CURRENT ASSETS			
Interest accrued on investments and deposits		<u>4.55</u>	<u>8.86</u>
		<u>4.55</u>	<u>8.86</u>
XII. LOANS AND ADVANCES-UNSECURED, CONSIDERED GOOD			
a) Advances recoverable in cash or in kind or for value to be received		1,585.97	896.25
b) Advance payment of income tax less provisions		<u>204.91</u>	-
c) Advance payment of fringe benefit tax less provisions		-	0.19
d) Deposits		<u>182.81</u>	<u>195.82</u>
		<u>1,973.69</u>	<u>1,092.26</u>

WABCO-TVS (INDIA) Limited

Schedules (continued)

	As at 31.03.2010	As at 31.03.2009
		(Rupees in lakhs)
XIII. CURRENT LIABILITIES		
Sundry creditors	<u>8,610.26</u>	<u>5,357.60</u>
	8,610.26	5,357.60
XIV. PROVISIONS		
a) Proposed dividend	474.20	-
b) Dividend tax payable	78.76	-
c) Pension	697.40	615.72
d) Leave salary	198.61	162.47
e) Warranty	726.51	773.58
f) Provision for income tax less advance payments	-	217.60
g) Provision for fringe benefit tax less advance payments	2.56	-
h) Others	-	0.85
	<u>2,178.04</u>	<u>1,770.22</u>
	Year ended 31.03.2010	Year ended 31.03.2009
XV. OTHER INCOME		
a) Sale of scrap and empties	374.31	305.95
b) Profit on sale of assets	4.46	3.86
c) Profit on sale of investments	31.51	46.82
d) Software service export	997.74	1,041.40
e) Test track service usage	159.31	159.43
f) R & D Service export	87.43	373.40
g) Tool development income (net of expenses)	165.82	49.33
h) Dividend income	0.44	2.38
i) Miscellaneous income	-	0.63
	<u>1,821.02</u>	<u>1,983.20</u>
XVI. MATERIALS CONSUMED		
Opening stock :		
Raw materials	3,340.75	2,082.02
Work-in-process	135.35	119.29
Finished goods	542.47	364.99
	<u>4,018.57</u>	<u>2,566.30</u>
Add : Purchases	33,200.10	26,070.05
Total	(a) <u>37,218.67</u>	<u>28,636.35</u>
Less : Closing stock		
Raw materials	3,069.74	3,340.75
Work-in-process	198.61	135.35
Finished goods	926.27	542.47
Total	(b) <u>4,194.62</u>	<u>4,018.57</u>
Net	(a)-(b) <u>33,024.05</u>	<u>24,617.78</u>

WABCO-TVS (INDIA) Limited

Schedules (continued)

	Year ended 31.03.2010	(Rupees in lakhs) Year ended 31.03.2009
XVII. SALARIES & WAGES, STORES CONSUMED AND OTHER EXPENSES		
Salaries, wages and bonus (includes Rs. 76.68 lakhs to wholetime directors) (last year Rs. 83.36 lakhs)	4,508.00	4,180.81
Stores and tools consumed	2,157.83	1,624.65
Contribution to provident and other funds (includes Rs. 4.89 lakhs to wholetime directors) (last year Rs. 4.39 lakhs)	403.30	362.23
Power and fuel	988.97	736.58
Workmen and staff welfare expenses (includes Rs. 0.21 lakhs to wholetime directors) (last year Rs. 0.14 lakhs)	531.72	482.26
Rent	139.54	129.17
Rates and taxes	63.93	105.59
Repairs and maintenance		
a) Building	300.98	204.07
b) Machinery	349.49	272.33
c) Other assets	35.08	32.20
Insurance	21.28	49.95
Commission	23.81	55.19
Audit fees	20.12	18.49
Cash discount	32.12	31.31
Travel and conveyance	486.73	449.39
Packing and forwarding	2,195.15	1,356.76
Data processing	108.25	69.53
Sitting fees to directors	3.75	4.65
Research and development	471.74	314.32
Other expenses	1,473.76	2,113.69
Loss on sale of investments	-	30.15
Loss on sale / scrapping of assets	40.13	2.57
	<u>14,355.68</u>	<u>12,625.89</u>

Schedules (continued)

XVIII. NOTES ON ACCOUNTS

		(Rupees in lakhs)	
		As at/ Year ended 31.03.2010	As at/ Year ended 31.03.2009
1.	Accounting Standards		
	a) AS - 1 Disclosure of Accounting policies The accounts are maintained on accrual basis as a going concern.		
	b) AS - 2 Valuation of Inventories Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at lower of weighted average cost or net realisable value.		
	c) AS - 3 Cash Flow Statement Cash flow statement is prepared under "Indirect Method" and the same is annexed.		
	d) AS - 4 Contingencies and events occurring after balance sheet date	Nil	Nil
	e) AS - 5 Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies Rates and Taxes	-	21.19
	f) AS - 6 Depreciation Accounting Depreciation has been provided under the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956 with applicable shift allowance. In respect of the assets added / sold during the year, pro-rata depreciation has been provided. Depreciation in respect of computers and vehicles has been provided @30% and 18% respectively which is higher than the rate prescribed in schedule XIV of the Companies Act, 1956. Depreciation in respect of assets acquired during the year whose actual cost does not exceed Rs. 5,000/- has been provided at 100%.		
	g) AS - 7 Construction contracts This accounting standard is not applicable.		
	h) AS - 8 Research and Development This accounting standard is withdrawn.		
	i) AS - 9 Revenue Recognition The income of the company is derived from sale of air brake equipment, parts and accessories thereof net of trade discount, tool development income and software services and includes realised exchange fluctuation on exports amounting to Rs 173.58 lakhs (last year Rs 111.90 lakhs). Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. The revenue and expenditure are accounted on a going concern basis.		
	j) AS - 10 Accounting for Fixed Assets All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition as reduced by Central Value Added Tax (CENVAT) credit less depreciation.		
	k) AS - 11 Accounting for effects in Foreign exchange rates		
	a) Foreign Currency transactions Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising out of such translation are recognised in the Profit and Loss Account.		
	b) Net exchange differences debited (last year credited) to Profit and Loss Account - purchase of raw materials and components	17.28	30.87

31

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

**As at/
Year ended
31.03.2010** **As at/
Year ended
31.03.2009**

c) Foreign currency exposures

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

Sl.No	Description		Value in Foreign Currency in Millions		Value in Indian Rupees in lakhs	
			2010	2009	2010	2009
1	Import of goods and services	USD	0.07	0.03	33.28	15.54
		Euro	0.23	0.36	139.83	242.62
	Total				173.11	258.16
2	Export of goods & services	USD	1.46	0.82	659.04	417.77
		EURO	1.84	1.09	1,114.30	733.48
	Total				1,773.34	1,151.25

l) AS - 12 Accounting for Government grants

The Company has not received any grants from the Government.

m) AS - 13 Accounting for Investments

Investments are valued at cost. Provision for diminution in the carrying cost of long term investments is made if such diminutions is other than temporary in nature in the opinion of the management.

(i) Investments made during the year

SBI Funds Management Private Limited, Mumbai	3,200.00	-
UTI Asset Management Company Private Limited, Mumbai	7,644.77	634.45
DSP Merrill Lynch Investment Managers Limited, Mumbai	-	50.00
Lotus India Asset Management Company Private Limited, Mumbai	-	50.00
Total	10,844.77	734.45

(ii) Investments realised during the year

SBI Funds Management Private Limited, Mumbai	3,246.00	-
UTI Asset Management Company Private Limited, Mumbai	8,279.22	-
6.75% Tax Free Bonds in Unit Trust of India, Mumbai	-	599.54
DSP Merrill Lynch Investment Managers Limited, Mumbai	-	50.00
Lotus India Asset Management Company Private Limited, Mumbai	-	50.00
Total	11,525.22	699.54

(The amounts of Rs. 10,844.77 lakhs (last year 734.45) and Rs. 11,525.22 lakhs (last year 699.54) are cumulative figures)

Cost of investments held as at balance sheet date	220.24	900.69
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n) AS - 14 Accounting for Amalgamation

During the year there was no amalgamation.

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

o) AS - 15 Accounting for Retirement Benefits

Disclosure is made as per the requirements of the standard and the same is furnished below:

A Defined contribution plans

(a) Contribution to provident fund is in the nature of defined contribution plan and are made to a recognised trust. The company has discontinued contribution to superannuation fund.

B Defined benefit plans

(a) The company extends defined benefit plans in the form of leave salary to employees. In addition, the company also extends pension to senior managers of the company. Provision for leave salary and pension is made on actuarial valuation basis.

(b) The company also extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India in accordance with the scheme framed by the Corporation.

C Disclosure as required by Accounting Standard 15

	(Rupees in lakhs)		
	Leave salary	Pension	Gratuity
(a) Expenses recognised in the Profit & Loss Account			
i) Current service cost	25.60	-	44.84
ii) Interest cost	13.14	52.35	47.25
iii) Expected return on plan assets	-	-	(53.82)
iv) Net actuarial loss / (gain) recognised in the year	13.45	29.32	36.69
Total	<u>52.19</u>	<u>81.67</u>	<u>74.96</u>
(b) Change in defined benefit obligation during the year ended 31st March 2010			
i) Present value of obligation as at beginning of the year (01.04.2009)	162.47	615.72	590.67
ii) Interest cost	13.14	52.35	47.25
iii) Current service cost	25.61	-	44.84
iv) Benefits paid	(16.05)	-	(150.07)
v) Actuarial loss on obligation	13.44	29.32	36.70
vi) Present value of obligation as at the end of the year (31.03.2010)	198.61	697.39	569.39
(c) Change in fair value of plan assets during the year ended 31st March 2010			
i) Fair value of plan assets at the beginning of the year (01.04.2009)	-	-	669.87
ii) Expected return on plan assets	-	-	53.82
iii) Contributions made during the year	-	-	-
iv) Benefits paid	-	-	(150.07)
v) Actuarial gain on plan assets	-	-	-
vi) Fair value of plan assets as at the end of the year 31.03.2010	-	-	573.62

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

(d) Balance Sheet movements			
i) Value of benefit obligations / (net assets) at the beginning of the year (01.04.2009)	162.47	615.72	669.87
ii) Actual return on plan assets	-	-	53.82
iii) Contributions made during the year	-	-	-
iv) Expenses	52.19	81.67	-
v) Benefits paid	(16.05)	-	(150.07)
vi) Value of benefit	-	-	-
vii) Fair value of plan assets as at the end of the year 31.03.2010	198.61	697.39	573.62
Funded Status			4.22
The net asset in respect of gratuity plan is not recognised as it is lying in an irrecoverable trust fund approved by Income tax authorities.			
(e) Actuarial assumptions			
i) Discount rate used	9.00%	9.50%	8.00%
ii) Expected return on plan assets	NA	NA	8.00%
Estimates of future salary increase considered in actuarial valuation taking into account the inflation, seniority and other relevant factors.			
p) AS - 16 Borrowing Cost			
The borrowing cost has been treated in accordance with Accounting Standard on borrowing cost (AS 16) issued by The Institute of Chartered Accountants of India. During the year, there were no borrowings attributable to qualifying assets and hence no borrowing costs were capitalised.			
q) AS - 17 Segment Reporting			
The company operates in only one segment viz., Automotive Components and there are no separate reportable segments. As the income from software services division is less than 10% of total income, it is not recognised as a separate segment.			
r) AS - 18 Related Party Disclosure			
Disclosures are made as per the requirements of the standard and clarifications issued by The Institute of Chartered Accountants of India.			
s) AS - 19 Accounting of leases			
As the company has not entered in to any lease agreement during the year, this standard is not applicable.			
t) AS - 20 Earnings Per Share (EPS)			
Disclosure is made in the Profit and Loss Account as per the requirements of the standard.			
u) AS - 21 Consolidated Financial Statements			
Not applicable as the company has no subsidiary.			
v) AS - 22 Accounting for Taxes on Income			
Current tax is determined as the amount of tax payable in respect of taxable income for the period.			

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

	As at/ Year ended 31.03.2010	(Rupees in lakhs) As at/ Year ended 31.03.2009
<p>Deferred tax liability and asset are recognised, subject to the consideration of prudence, on timing differences using the tax rates substantively enacted on the Balance Sheet date.</p>		
<p>w) AS - 23 Accounting for Investments in Associates in Consolidated Financial Statements</p> <p>Not applicable as the company has no shareholding/control in any associates.</p>		
<p>x) AS - 24 Discontinuing Operations</p> <p>Not applicable as the company has not discontinued any operations during the year.</p>		
<p>y) AS - 25 Interim Financial Reporting</p> <p>The company has elected to publish quarterly financial results which were subject to limited review by the statutory auditors.</p>		
<p>z) AS - 26 Intangible Assets</p> <p>During the year, the company acquired the following assets falling under the definition of intangible assets as per the Accounting Standard and the following disclosure is made in respect of those assets :</p> <p>Licences & Software :</p>		
- Useful life of the assets	2 years	2 years
- Amortisation rate used	50% each year as depreciation	50% each year as depreciation
- Gross carrying amounts at the beginning and at the end of the period together with additions and deletions during the year		
Opening balance	302.74	247.34
Additions during the year	20.46	55.40
Total	(A) <u>323.20</u>	<u>302.74</u>
Amortisation		
Opening balance	274.73	218.33
During the year	38.01	56.40
Total amortisation	(B) <u>312.74</u>	<u>274.73</u>
Closing balance	(A – B) <u>10.46</u>	<u>28.01</u>
<p>aa) AS - 27 Financial Reporting of Interests in Joint Ventures</p> <p>The company has no interest in any joint venture.</p>		
<p>ab) AS - 28 Impairment of Assets</p> <p>During the year 2009-2010, the carrying amount of the assets net of accumulated depreciation as on the balance sheet date is not less than the recoverable amount of those assets.</p>		

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

	As at/ Year ended 31.03.2010	(Rupees in lakhs) As at/ Year ended 31.03.2009
ac) AS - 29 Provisions, contingent liabilities and contingent assets		
i) Provisions In respect of warranty obligations, provision is made in accordance with terms of sale vide Schedule XIV to Balance Sheet		
ii) Contingent liabilities Amount for which the company is contingently liable is disclosed in note 6.		
iii) Contingent assets Contingent assets which are likely to give rise to possibility of inflow of economic benefits - Nil		
iv) Contested liabilities are detailed in note 6.		
2. Amount of loan repayable within one year:		
a) Secured - from banks	719.23	3,895.44
b) Unsecured - from banks	-	500.00
3. Sundry creditors include:		
a) Total outstanding dues to Micro and Small enterprises	360.93	220.05
b) Total outstanding dues to creditors other than Micro and Small enterprises The above dues are furnished based on the information available with the company in respect of Micro, Small and Medium Enterprises (as defined in the Micro, Small and Medium Enterprises Development Act, 2006). The company is regular in making payments of dues to such enterprises before due dates agreed upon. Hence the question of payment/provision of interest towards belated payments does not arise.	5,080.20	2,510.98
c) Investor Education and Protection Fund Unclaimed dividend	6.99	7.39
4. Bank balance include: Unclaimed dividend	6.99	7.39
5. Loans and Advances include:		
- Amount lying with central excise	30.00	5.00
- Amount due from an officer of the company	1.74	1.81
- Maximum amount due from an officer of the company at any time during the year	1.81	1.91
6. Liability not provided for:		
a) Contingent liabilities		
i. On counter guarantee given to bankers	1.80	59.03
ii. On letters of credit opened with bankers	15.05	18.61
iii. Capital commitments not provided	308.12	82.93
iv. On account of future export obligations (under Export Promotion Capital Goods scheme and Advance Licence)	327.43	1,913.23
v. Bills discounted	7,470.49	2,966.48

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

	As at/ Year ended 31.03.2010	(Rupees in lakhs) As at/ Year ended 31.03.2009
b) Contested liabilities		
i. Customs duty	5.17	5.17
ii. Excise duty	11.11	-
iii. Income tax	93.34	-
iv. Service tax	4.72	-
7. Tax deducted at source on		
a) Interest receipts	1.25	0.71
b) Miscellaneous income	5.64	11.48
8. Audit fees consists of		
a) Audit fees	12.00	12.00
b) Certification fees	1.00	2.00
c) Taxation matters	2.00	2.00
d) Reimbursement of expenses	3.37	1.99
e) Other services	1.75	0.50
9. Contribution to provident and other funds include :		
a) Contribution towards gratuity as per scheme framed by Life Insurance Corporation of India	38.98	4.20
b) Contribution to pension fund	143.21	147.19
c) Contribution towards deposit linked insurance as per scheme framed by Life Insurance Corporation of India	4.18	3.83
10. Repairs include		
Stores consumed	26.61	19.74
11. Interest paid comprises of:		
a) Interest on fixed loans	95.63	134.30
b) Interest on others	200.45	570.65
c) Less: Interest receipts on Bonds, deposits, staff advances and other advance made (gross)	6.67	19.53
Interest (net of income)	289.41	685.42
12. Expenses in excess of 1% of the total revenue		
Fees paid for management services (In this year the fees paid is less than 1% of total revenue)	-	685.22
13. Research and development		
Revenue Expenditure	867.17	561.95
Capital Expenditure		
a. Land and buildings	-	23.82
b. Other than land & buildings	108.06	108.34
14. Previous year's figures have been regrouped wherever necessary to conform to current year's classification.		

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

15. Related party disclosure

LIST OF RELATED PARTIES

- | | |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Reporting entity | WABCO-TV S (INDIA) Limited |
| b) Subsidiary companies | The reporting entity does not have any subsidiary company. |
| c) Associate companies | <ul style="list-style-type: none">• Sundaram Industries Limited, Madurai• Southern Roadways Limited, Madurai• T V Sundram Iyengar & Sons Limited, Madurai• Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands <ul style="list-style-type: none">• ceased to be associate companies with effect from 3rd June 2009 consequent to the disposal of 35.83% of the shares held in the reporting entity to Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands• The Reporting entity became a subsidiary of Clayton Dewandre Holdings Limited, (CDH) Rotterdam, The Netherlands with effect from 3rd June 2009 consequent to the purchase of 35.83% shares. |
| d) Holding company | Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands
(became a holding Company of this company from 3rd June 2009. |
| e) Ultimate holding company | WABCO Holdings Inc., USA |
| f) Fellow Subsidiary companies | <ol style="list-style-type: none">1 WABCO Fahrzeugsysteme GmbH, Germany2 WABCO China Co Ltd, China3 WABCO France SAS, France4 Meritor WABCO Vehicle Control Systems, USA5 Shandong Weiming Automotive Product Co. Ltd, China6 WABCO (Shanghai) Management Co Limited, China7 WABCO Automotive SouthAfrica8 WABCO Automotive UK Ltd, United Kingdom9 WABCO Australia Pty Limited, Australia10 WABCO Compressor Manufacturing Co. USA11 WABCO Hong Kong Limited, Hong Kong12 WABCO Japan Inc, Japan13 WABCO Korea Ltd, Korea14 WABCO Polska Sp. z.o.o, Poland15 WABCO Development GmbH, Germany16 WABCO Logistics GmbH, Germany17 WABCO Asia Private Limited, Singapore18 WABCO Europe BVBA, Belgium19 WABCO Austria GesmbH, Austria20 WABCO Belgium BVBA SPRL, Belgium21 WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil |

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

- 22 WABCO Brzdy K Vozidlum spol S.R.O, Czeh Republic
- 23 WABCO GmbH, Germany
- 24 WABCO Radbremsen GmbH, Germany
- 25 WABCO Automotive Italia SRL, Italy
- 26 WABCO BV, Netherlands
- 27 WABCO Europe Holdings BV, Netherlands
- 28 WABCO Espana SLU, Spain
- 29 WABCO Automotive AB, Sweden
- 30 WABCO (Schweiz) GmbH, Switzerland
- 31 WABCO Automotive B.V, Netherlands
- 32 WABCO ARAC Kontrols Sistemleri Destek VE Pazarlama Limited Sirketi ,
Turkey
- 33 WABCO Middle East and Africa FZCO, Dubai
- 34 WABCO Centro de Distribuicao de Pecas Automotivas Ltda, Brazil

g) Key management personnel

Mr C N Prasad - Whole Time Director till 17.06.2009
Mr P Kaniappan - Whole Time Director from 17.06.2009

16. Related party transactions

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Associate		Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended		Year Ended	
			31.03.2010 [®]	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	Purchase of goods	Sundaram Industries Limited, Madurai	113.29	816.64	-	-	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	19.12	2.87	-	-
		WABCO Fahrzeugsysteme GmbH, Germany	-	-	1,354.24	1443.05	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil	-	-	32.19	1.80	-	-
		WABCO France S.A.S, France	-	-	151.79	98.35	-	-
		WABCO China Co Ltd	-	-	85.12	540.97	-	-
		WABCO Compressor Manufacturing Co, USA	-	-	10.87	0.69	-	-
			113.29	816.64	1,653.33	2,087.73	-	-
2	Receiving of services	Southern Roadways Limited, Madurai	0.20	42.14	-	-	-	-
		T.V.Sundram Iyengar & Sons Limited ,Madurai	-	0.97	-	-	-	-
		WABCO (Shanghai) Management Co., Limited, China	-	-	-	61.38	-	-
			0.20	43.11	-	61.38	-	-
3	Sale of goods	T V Sundram Iyengar & Sons Limited, Madurai.	641.29	946.10	-	-	-	-
		Meritor WABCO Vehicle Control Systems, USA	-	-	118.24	191.27	-	-
		WABCO Logistics GmbH, Germany	-	-	413.22	938.31	-	-
		WABCO China Co Ltd, China	-	-	2,038.91	1,080.92	-	-
		WABCO Automotive, SouthAfrica	-	-	11.62	10.01	-	-
		WABCO Compressor Manufacturing Co USA	-	-	1,964.75	879.52	-	-
		WABCO Polska sp.z.o.o, Poland	-	-	291.84	162.47	-	-
		WABCO Automotive UK Ltd, United Kingdom	-	-	359.13	205.82	-	-
		WABCO Korea Ltd, Korea	-	-	22.02	-	-	-

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

Sl. No.	Nature of transactions	Name of the company	Associate		Fellow Subsidiary		Key Management Personnel	
			Year ended		Year ended		Year Ended	
			31.03.2010 [@]	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
		WABCO France S.A.S, France	-	-	4.71	-	-	-
		WABCO do Brasil Industria e Comercio.de Freios Ltda, Brazil	-	-	17.08	-	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	118.72	-	-	-
		WABCO GmbH, Germany	-	-	71.50	-	-	-
		WABCO Asia Private Ltd,, Singapore	-	-	22.72	-	-	-
		WABCO Middle-East & Africa FZCO, Dubai	-	-	1.66	-	-	-
		WABCO Development GmbH,Germany	-	-	1.21	-	-	-
		WABCO Europe BVBA, Belgium	-	-	225.69	-	-	-
			641.29	946.10	5,683.03	3,468.32	-	-
4	Rendering of Services							
	Software and R & D service	WABCO Development GmbH, Germany	-	-	1,058.18	1,356.29	-	-
	R & D Service	WABCO France S.A.S, France	-	-	39.62	-	-	-
	R & D Service	WABCO Do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	0.24	-	-	-
	R & D Service	WABCO Polska sp.z.o.o, Poland	-	-	2.87	-	-	-
			-	-	1,100.92	1,356.29	-	-
5	Sale of fixed assets	WABCO China Co Ltd, China	-	-	383.55	-	-	-
6	Receivables as on 31.03.2010	T V Sundram Iyengar & Sons Limited, Madurai.	-	174.71	-	-	-	-
		WABCO Logistics GmbH, Germany	-	-	258.86	202.34	-	-
		WABCO China Co Ltd, China	-	-	577.67	328.21	-	-
		WABCO Automotive UK Ltd, United Kigdom	-	-	74.04	120.78	-	-
		Meritor WABCO Vehicle Control Systems, USA	-	-	22.49	22.38	-	-
		WABCO Development GmbH, Germany	-	-	202.37	322.88	-	-
		WABCO Compressor Manufacturing Co. USA	-	-	60.19	120.94	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	37.02	-	-	-
		WABCO Polska sp.z.o.o, Poland	-	-	142.45	29.11	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	5.30	-	-	-
		WABCO Asia Private Ltd, Singapore	-	-	7.08	-	-	-
		WABCO Europe BVBA, Belgium	-	-	16.94	-	-	-
		WABCO GmbH, Germany	-	-	35.63	-	-	-
		WABCO France S.A.S, France	-	-	40.84	-	-	-
			-	174.71	1,480.88	1,146.64	-	-
7	Payables as on 31.03.2010	Sundaram Industries Limited, Madurai	-	61.58	-	-	-	-
		Southern Roadways Limited ,Madurai	-	7.01	-	-	-	-
		T.V.Sundram Iyengar & Sons Limited,Madurai	-	1.83	-	-	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	10.71	0.27	-	-
		WABCO Compressor Manufacturing Co. USA	-	-	-	0.69	-	-
		WABCO France S.A.S, France	-	-	10.86	-	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	5.37	-	-	-
		WABCO Fahrzeugsysteme GmbH, Germany	-	-	98.90	191.44	-	-
			-	70.42	125.84	192.40	-	-
8	Remuneration to Key Management Personnel							
	Mr C N Prasad - Whole Time Director		-	-	-	-	20.05	87.89
	Mr P Kaniappan - Whole Time Director		-	-	-	-	61.73	-

[@] details for period from 1 4 2009 to 3 6 2009 only since these companies ceased to be associates from that date.

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

17. Disclosure made in terms of clause 32 and clause 41 of the listing agreement with stock exchanges

Particulars	Name of the company	Amount outstanding as on 31.03.2010	Maximum amount due at any one time during the year	Amount outstanding as on 31.03.2009
(a) Loans and advances				
(i) Loans and advances in the nature of loans made to subsidiary company	The company does not have any subsidiary.			
(ii) Loans and advances in the nature of loans made to associate company	The company does not have any associate company.			
(iii) Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested	The company has not given any advance to firms/companies in which directors of the company are interested.			
(b) Investments by the company				
(i) In subsidiary companies	The company does not have any subsidiary.			
(ii) In associate companies	The company does not have any associate company.			
(iii) In joint venture	The company does not have any joint venture.			
(c) Investments by the holding company	On 3rd June 2009, the company became a subsidiary of Clayton Dewandre Holdings Limited, Rotterdam, The Netherlands, when the latter acquired 35.83% of share capital and is now holding 75 % of share capital.			

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVIII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

18. Information pursuant to the provisions of part II of Schedule VI of the Companies Act, 1956 (vide Notification dated 30th October, 1973 of the Department of Company Affairs, Government of India)

	Year ended 31.03.2010		Year ended 31.03.2009	
	Quantity	Value	Quantity	Value
I. RAW MATERIALS CONSUMED				
1. a) Basic raw materials				
Steel sheets, bar materials & tubes	Kgs	19,507	37,232	24.96
Castings and forgings	Nos	51,72,099	43,99,336	5,299.54
b) Intermediates and components (which individually do not account for 10 % or more of the total value of consumption)		26,581.93		19,486.82
		<u>33,471.11</u>		<u>24,811.32</u>
	% of total consumption		% of total consumption	
2 Consumption of raw materials and components				
a) Imported		11.3	9.0	2,225.36
b) Indigeneous		88.7	91.0	22,585.96
		<u>100.0</u>	<u>100.0</u>	<u>24,811.32</u>
II. CONSUMPTION OF MACHINERY SPARES				
a) Imported		-	2.0	1.81
b) Indigeneous		100.0	98.0	105.78
		<u>100.0</u>	<u>100.0</u>	<u>107.59</u>
III. IMPORTS (CIF value)				
a) Raw materials		4,115.47		3,147.55
b) Spares, stores and components		149.76		193.88
c) Capital goods		154.53		743.82
IV. EXPENDITURE IN FOREIGN CURRENCY				
a) Commission on export sales		2.50		27.17
b) Travel		122.41		109.10
c) Training		5.21		14.56
d) Consultancy, retainer				
- Productivity improvement		27.08		10.12
- Recruitment		-		61.37
e) Books and periodicals		-		0.50
f) Others		45.45		77.26
V. PAYMENT TO NON RESIDENT SHAREHOLDERS				
a) No. of non resident shareholders		One		One
b) No. of shares held by non residents		1,42,25,684		74,30,000
c) Dividend				
- relating to 31st March 2008 interim		-		445.78
- relating to 31st March 2009 interim		-		185.74
VI. EARNINGS IN FOREIGN EXCHANGE				
a) Exports (on FOB basis)		5,367.31		3,433.18
b) Freight and insurance recovery		158.17		100.44
c) Software service		997.74		1,041.40
d) R & D Service		87.43		373.40
e) Others		995.30		662.22

WABCO-TVS (India) Limited

Schedules (continued)

VII. PRODUCTION, SALES, OPENING & CLOSING STOCKS OF GOODS PRODUCED

(Rupees in lakhs)

Product	Quantity in	Year ended 31.03.2010						Year ended 31.03.2009										
		Opening Stock		Production meant for sale		Sales		Closing Stock		Opening Stock		Production meant for sale		Sales		Closing Stock		
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
A Manufactured items																		
a) Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	(Sets)	2,639	509.80	341,402	342,873	39,183.05	1,168	888.38	3,124	333.69	266,561	267,046	28,727.21	2,639	509.80			
b) Spares			32.67			10,977.01		37.89		31.30			8,947.92		32.67			
c) Exports						5,525.48							3,533.62					
d) Anti lock braking system						3,440.26							1,385.83					
			542.47			59,125.80		926.27		364.99			42,594.58		542.47			

Licensed / installed capacities information is not furnished in view of the abolition of the Industrial Licensing requirements

WABCO-TVS (INDIA) Limited

Cash Flow Statement for the year ended 31st March 2010

	Year ended 31.03.2010	Year ended 31.03.2009
		(Rupees in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	11,833.19	5,255.48
Adjustments for:		
Depreciation	1,444.49	1,393.21
Profit on sale of investments	(31.51)	(46.82)
Interest (net)	289.41	685.42
	1,702.39	2,031.81
Operating profit before working capital changes	13,535.58	7,287.29
Adjustments for:		
Inventories	23.65	(1,527.90)
Sundry debtors	(6,117.12)	551.86
Other current assets	4.31	8.37
Loans and advances	(676.71)	439.53
Current liabilities	3,252.66	(4,481.33)
Provisions	69.90	170.29
	(3,443.31)	(4,839.18)
	10,092.27	2,448.11
Interest paid	(296.08)	(704.95)
Direct taxes paid	(4,509.35)	(1,406.58)
Net cash from operating activities	(A) 5,286.84	336.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including capital work in progress	(986.34)	(3,517.56)
Sale of fixed assets during the year (net)	392.45	3.44
Redemption / (Purchase) of investments (net)	680.45	(34.91)
Profit on sale of investments	31.51	46.82
Interest received	6.67	19.53
Net cash from / (used in) investing activities	(B) 124.74	(3,482.68)

WABCO-TVS (INDIA) Limited

Cash Flow Statement for the year ended 31st March 2010 (continued)

		(Rupees in lakhs)	
		Year ended 31.03.2010	Year ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES			
Rupee term loan availed		-	2,000.00
Rupee term loan repaid		(2,000.00)	-
Unsecured loans availed (repaid)		(500.00)	499.94
Dividend and dividend tax paid		-	(1,886.26)
Net cash from financing activities	(C)	(2,500.00)	613.68
D. NET INCREASE IN CASH AND CASH EQUIVALENTS			
	(A+B+C)	2,911.58	(2,532.42)
Opening cash and cash equivalents (01.04.2009)			
- Cash and bank balances	127.91	1,163.27	
- Cash credit utilisation	(3,520.44)	(3,392.53)	(860.11)
Closing cash and cash equivalents (31.03.2010)			
- Cash and bank balances	238.28	127.91	
- Cash credit utilisation	(719.23)	(480.95)	(3,392.53)

Notes :

1. The above statement has been prepared in indirect method except in case of dividend and investments which have been considered on the basis of actual movement of cash.
2. Cash and cash equivalents include cash and bank balances

	VENU SRINIVASAN <i>Chairman</i>	P KANIAPPAN <i>Whole-time Director</i>	As per our report annexed For SUNDARAM & SRINIVASAN <i>Chartered Accountants</i>
Chennai 4 th May, 2010	R MADHAVAN <i>General Manager (Finance) and Secretary</i>	T S RAJAGOPALAN <i>Chief Financial Officer</i>	M BALASUBRAMANIAM Membership No. F 7945 <i>Partner</i>

WABCO-TVS (INDIA) Limited

Balance Sheet abstract and Company's General Business Profile

I Registration Details

Registration No. of
 State Code
 Balance Sheet Date - -

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/>	Total Assets	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/>
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Source of Funds

Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="8"/>	Reserves & Surplus	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="2"/>
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/>	Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Deferred Tax Liability	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="7"/>		

Application of Funds

Net Fixed Assets	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="3"/>	Capital work-in-progress	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/>
Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="4"/>	Net current Assets	<input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="2"/>
Misc. Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="2"/>	Total Expenditure	<input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="3"/>
Profit before tax	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/>	Profit after tax	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="5"/>
Earning per share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="4"/> <input type="text" value="3"/>	Dividend Rate - %	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/>

V Generic names of three Principal Products / Services of Company (As per monetary terms) (ITC Code)

Product Description	Item Code No. (ITC Code)
Air assist and full air actuation systems for automotive and non-automotive applications and elements thereof	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>

WABCO-TVS (INDIA) Limited

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending member _____

DP Id.* _____ Client Id* _____

Folio No.** _____ No. of shares _____

Name of proxy _____
(If proxy attends instead of member)

I hereby register my presence at the annual general meeting.

Venue : "Sathguru Gnanananda Hall",
Narada Gana Sabha Trust,
No.314 (Old No.254) T.T.K Road,
Chennai 600 018

Date : 26th August 2010

Time : 10.00 a.m.

Signature of member/proxy

* Applicable for investors holding shares in electronic form.

** Applicable for investors holding shares in physical form.

REQUEST TO MEMBERS

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

Tear here

WABCO-TVS (INDIA) Limited

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

PROXY FORM

DP Id.* _____ Client Id.* _____ Folio No. ** _____

I/We _____ of _____ in the district of _____ being a Member/Members of WABCO-TVS (INDIA) LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the annual general meeting of the company to be held on Thursday the 26th August 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

For Office use	
Proxy No.	
Date of receipt	
No. of shares	

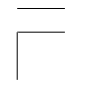
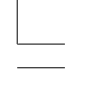
Revenue Stamp

N.B.: The instrument appointing proxy should be deposited with the Share transfer department at least 48 hours before the commencement of the meeting

* Applicable for investors holding shares in electronic form.

** Applicable for investors holding shares in physical form.

Please fill in the particulars, viz. Folio No./DP Id/Client Id as given in the address slip.



Notice to the Shareholders

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held at "Sathguru Gnanananda Hall", Narada Gana Sabha Trust, No.314 (Old No.254) T.T.K Road, Chennai 600 018 on Thursday, the 26th August 2010 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

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

RESOLVED THAT the audited balance sheet as at 31st March 2010 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted.

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

RESOLVED THAT, pursuant to the recommendation of the board of directors of the Company, a dividend of Rs.2.50 per share on 1,89,67,584 equity shares of Rs.5/- each fully paid up absorbing a sum of Rs.474.20 lakhs be and is hereby declared for the year ended 31st March 2010 and the same be paid to the shareholders whose name appear in the register of members of the Company as at the close of 20th August 2010.

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

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

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

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

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

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

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

RESOLVED THAT M/s S R Batliboi & Associates, Chartered Accountants, 2nd floor, TPL House, No.3 Cenotaph Road, Chennai 600 018, holding Firm Registration No.101049W allotted by the Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix their remuneration and reimburse their travelling and out of pocket expenses.

SPECIAL BUSINESS

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

RESOLVED THAT subject to Section 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto and in partial modification of the ordinary resolution at item No.8 passed by the shareholders, in the Fifth Annual General Meeting of the Company held on 24th September, 2009, approval of the shareholders of the Company be and is hereby accorded to the increase in the remuneration payable to Mr P Kaniappan, Wholetime Director from 1st April 2010 until the expiry of his present term of office on 16th June 2014 as under :

- (i) Salary and commission on net profits or performance linked incentive or bonus:

Subject to a ceiling of Rs 65 lakhs per annum and

- (ii) Perquisites and allowances:

Perquisites like unfurnished accommodation/house rent allowance, conveyance allowance, leave travel assistance for self and family, club fees, earned leave, medical/personal accident insurance premia and other benefits or amenities in aggregate restricted to a sum not exceeding Rs 35 lakhs per annum.

RESOLVED FURTHER THAT all other terms and conditions of the appointment and payment of remuneration to Mr P Kaniappan, Wholetime Director, as approved by the shareholders by the said ordinary resolution passed at the Fifth Annual General Meeting of the Company held on 24th September, 2009, shall remain unchanged.

RESOLVED FURTHER THAT the Supplemental Agreement dated 28th July 2010 between the Company and Mr P Kaniappan placed on the table incorporating the above increase in his remuneration, be and is hereby approved.

By order of the board

Chennai
28th July 2010

R MADHAVAN
General Manager (Finance) and Secretary

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

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.**
2. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no.6 and 7 as set out in the notice is annexed hereto.
3. The Register of Members and the share transfer register will remain closed for a period of 6 days from 21st August 2010 to 26th August 2010 (both days inclusive) for the purpose of payment of dividend to be approved by the shareholders at the ensuing annual general meeting of the Company.
4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government on the due dates. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the annual report.

Members who have not encashed their dividend warrants in respect of the above periods are requested to make their claim by surrendering the unencashed warrants immediately to the Company.
5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
6. Members are requested to notify to the Company immediately any change in their address. Members holding shares in depository are requested to advise change of address to their depository participants.
7. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.
8. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
9. In terms of clause 49 (IV)(G) of the listing agreement with the stock exchanges, a brief resume of directors, who are proposed to be re-appointed in this meeting, nature of their expertise in specific functional areas, their other directorships and committee

memberships and their shareholdings in the Company and their relationships with other directors in the Company are given below:

Brief resume and other information in respect of directors seeking re-appointment at the annual general meeting

Mr D E Udwardia

Mr Darius E Udwardia is a post graduate from University of Bombay. He is an advocate and solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Mr Udwardia was a partner of Crawford Bayley & Co., Mumbai, one of the India's leading law firms for nearly 20 years. He is a founder partner of Udwardia & Udeshi, Advocates and Solicitors, Mumbai.

He has during his nearly 45 years of active law practice acquired valuable knowledge, experience and expertise in the areas of corporate law, mergers, acquisitions and take overs, corporate restructuring, foreign collaboration, joint ventures, project finance, international loan and finance related transactions and financial instruments, mutual funds, real estate and conveyancing.

He is a member of the audit committee of directors of the Company. He does not hold any share in the Company and he is not related to any other directors of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

S. No.	Name of the company	Position held	Committee membership/ chairmanship
1	ABB Ltd.	Director	Member - Audit Committee - Chairman - Shareholders' grievance Committee
2	ADF Foods Ltd.	Director	
3	AstraZeneca Pharma India Ltd.	Chairman	Member - Audit Committee
4	The Bombay Burmah Trading Corporation. Ltd.	Director	Member - Audit Committee
5	Development Credit Bank Ltd.	Director	Member - Audit Committee
6	Eureka Forbes Ltd.	Director	
7	ITD Cementation India Ltd.	Director	Member - Audit Committee
8	JM Financial Ltd.	Director	
9	MPS Limited	Director	Member - Audit Committee
10	Mechanalysis (India) Ltd.	Director	

WABCO-TVS (INDIA) Limited

S. No.	Name of the company	Position held	Committee membership/ chairmanship
11	Nitesh Estates Ltd.	Director	Chairman- Audit Committee
12	Wyeth Ltd.	Director	Member - Audit Committee
13	Habasit Iakoka Pvt .Ltd.	Director	
14	JM Financial & Investment Consultancy Services Pvt. Ltd.	Director	
15	JM Financial Trustee Company Pvt. Ltd.	Director	
16	JM Financial Consultants Pvt. Ltd.	Director	
17	Quantum Advisors Pvt. Ltd.	Director	Member - Audit Committee
18	Rossi Gearmotors (India) Pvt. Ltd.	Director	
19	Conservation Corporation of India Pvt . Ltd.	Director	
20	R & P Management Communications Pvt. Ltd.	Director	

Mr Leon Liu

Born on 13th November 1961, Mr Leon Liu is WABCO Vehicle Control Systems' regional president for the Asia & Pacific (Asia) business unit. Leon is responsible for WABCO's business objectives in Asia and he leads the team that drives regional business, integrates local market needs and requirements and implements strategies aligned with product and aftermarket business units.

Mr Leon Liu brings more than 20 years of U.S and Asia Pacific Automotive Engineering and Tier 1 Supplier experience to WABCO. His career began with major Japanese Tier 1 suppliers, then progressed to Ford Motor Company and Visteon Corporation where he held management positions of responsibility, in product development, product launches, program management, corporate strategy and business development. Mr Leon Liu joined WABCO after serving as Visteon's director of business planning and strategy for the company's Asia operations.

A native of China, Mr Leon Liu earned a bachelor's degree in engineering from Donghua University, Shanghai, China, a master's degree in business administration in general management from Michigan State University, East Lansing, Mich., U.S. and a Ph.D in materials science and engineering from the Tokyo Institute of Technology in Japan. He is fluent in Japanese, English and Chinese.

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

S. No.	Name of the company	Position held
1	WABCO Korea Limited	Director
2	Shandong Weiming Automotive Product Co. Ltd.	Chairman / Director
3	WABCO (China) Co.Limited	Chairman / Director
4	WABCO Automotive Products Limited	President / Director
5	WABCO Asia Private Limited	Director
6	WABCO Australia Pty.Limited	Chairman / Director
7	WABCO Hong Kong Limited	Director
8	WABCO Logistic (Qingdao) Co.Limited	Chairman / Director
9	WABCO (Shanghai) Management Co.,Limited	Chairman / Director
10	WABCO Japan Inc.	Director

Mr Nikhil Madhukar Varty

Born on 16th August 1964, Mr Nikhil Madhukar Varty is a post graduate in commerce from University of Bombay and a Chartered Accountant. He also has an MBA degree from University of Scranton, Pennsylvania, USA. He has worked with Sony Orson and Borosil Glass works in India and for Coopers & Lybrand, Allied Signal (now Honeywell) and Great Lakes Chemicals in the USA.

He has 24 years of experience in various business leadership, finance and consulting roles. At present, he is the vice president and business unit leader for the Compression & Braking business unit of WABCO Vehicle Control Systems and works in Brussels, Belgium.

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

S. No.	Name of the company	Position held
1	WABCO Holdings Inc U S A	Executive Officer
2	WABCO Compressor Manufacturing Company, USA	Chairman
3	WABCO Automotive AB, Sweden	Director

**Explanatory statement pursuant to Section 173(2)
of the Companies Act, 1956**

Item No. 6

The current statutory auditors of the Company, Messrs. Sundaram & Srinivasan, Chartered Accountants, retire at the ensuing annual general meeting. They have advised the Company that they do not wish to be re-appointed as the Company's auditors at the ensuing annual general meeting. In view thereof, your Directors have recommended that Messrs. S.R. Batliboi & Associates, Chartered Accountants, holding firm registration no.101049W allotted by the Institute of Chartered Accountants of India, be appointed as the Company's auditors at the ensuing annual general meeting.

The Company has also received a letter from M/s. S R Batliboi & Associates, Chartered Accountants, expressing their willingness and stating that their appointment, if made, will be within the prescribed limit under section 224(1B) of the Companies Act, 1956.

Accordingly, the resolution is placed before the shareholders for their approval.

The directors recommend the resolution as set out in Item No.6 of the accompanying notice to be approved as an ordinary resolution by the Shareholders.

Item No: 7

Mr P Kaniappan was appointed as a Wholetime Director for a period of five years with effect from 17th June 2009 by the board of directors of the company on 17th June 2009. The appointment and payment of remuneration to Mr P Kaniappan was approved by the shareholders by an ordinary resolution passed at the Fifth Annual General Meeting of the Company held on 24th September 2009.

In line with the general increase in remuneration payable to senior executives of the Company and in recognition of the valuable services provided by him, the board of directors, in their meeting held on 28th July 2010, has revised the remuneration payable to Mr P Kaniappan as per details given below with effect from 1st April 2010 until the expiry of his present term of office on 16th June 2014. The increase in remuneration of Mr P Kaniappan is well within the limits prescribed under Schedule XIII of the Companies Act, 1956.

1. Salary and commission on net profits or performance linked incentive or bonus:

Subject to a ceiling of Rs 65 lakhs per annum as against the present limit of Rs 45 lakhs per annum;

2. Perquisites and allowances:

Perquisites like unfurnished accommodation/house rent allowance, conveyance allowance, leave travel assistance for self and family, club fees, earned leave, medical/personal accident insurance premia and other benefits or amenities, in aggregate restricted to a sum not exceeding Rs 35 lakhs per annum as against the present limit of Rs 25 lakhs per annum.

All other terms and conditions of his appointment, as approved by the shareholders at the Fifth Annual General Meeting of the Company held on 24th September 2009, shall remain unchanged.

A Supplemental Agreement dated 28th July 2010 has been entered into by the Company with Mr P Kaniappan incorporating the above increase in his remuneration.

The above increase in Mr Kaniappan's remuneration as reflected in the said Supplemental Agreement may be treated as an abstract of variation under section 302 of the Companies Act, 1956.

A copy of the Supplemental Agreement dated 28th July 2010 referred to in the ordinary resolution will be open for inspection by shareholders between 11.00 a.m. and 2.00 p.m. on any working day of the Company at the Company's Registered Office.

The directors recommend the resolution at item no. 7 of the Notice for approval by the shareholders.

None of the directors, except Mr P Kaniappan is deemed to be interested or concerned in the resolution.

By order of the board

Chennai
28th July 2010

R MADHAVAN
General Manager (Finance) and Secretary

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