

WABCO-TV_S (INDIA) Limited

7th Annual Report 2011

Board of Directors

M LAKSHMINARAYAN*
Chairman

D E UDWADIA

NARAYAN K SESHADRI

C N PRASAD#

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#

TREVOR LUCAS@

Investors' Grievance Committee

NARAYAN K SESHADRI
Chairman

P KANIAPPAN

C N PRASAD#

TREVOR LUCAS@

Listing of Shares with

Madras Stock Exchange Limited
Chennai

National Stock Exchange of India Limited
Mumbai

Bombay Stock Exchange Limited
Mumbai

* from 25th October 2010

upto 12th May 2011

@ from 12th May 2011

Share Transfer Agent

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

Tel. : 044-2374 1889
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
3rd Floor, Sigappi Achi Building
18/3, Rukmanilakshmi pathy Road
Egmore, Chennai 600 008

Auditors

S.R. BATLIBOI & ASSOCIATES
Chartered Accountants
2nd Floor, TPL House,
No. 3, Cenotaph Road,
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 Centres

"Ispahani Centre", 7th & 5th Floor,
123/124 Nungambakkam High Road,
Chennai 600 034

Tel. : 044 2828 5000

Fax : 044 2833 2212

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FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 st	2007-08	2008-09	2009-10	2010-11
Profit and Loss Account				
Sales	54655	42594	59126	86780
Other income	1266	2003	1828	3143
Total income	55921	44597	60954	89923
Gross profit before interest, depn & tax	11822	7354	13574	20596
Depreciation	1012	1393	1444	1442
Profit before interest & tax	10810	5960	12130	19154
Interest	373	705	296	17
Profit before taxation	10437	5255	11834	19137
Profit after taxation	6984	3552	7819	12743
Balance Sheet				
Net Fixed assets	17407	19528	18677	19031
Investments	866	900	221	1220
Net current assets	843	5758	9178	19294
Total	19116	26186	28076	39545
Share capital	948	948	948	948
Reserves & surplus	15820	18818	26084	37725
Net worth	16768	19766	27032	38673
Loan funds	2024	6020	719	57
Deferred taxation (net)	324	400	325	815
Total	19116	26186	28076	39545
EPS (Rs)	36.82	18.73	41.22	67.18
DPS (Rs)	10.98	2.50	2.50	5.00
Book value per share (Rs) @	88.40	104.21	142.51	203.89
Return on capital employed (ROCE) % @	112.4	26.3	44.7	56.7
Return on net worth (RONW) % @	83.3	19.4	33.4	38.8
Fixed assets turnover (no of times) @	6.2	2.3	3.1	4.6
Working capital turnover (no of times)	129.1	12.9	7.9	6.1
Gross profit as % of sales (EBITDA)	21.6	17.3	23.0	23.7
Gross profit as % of total income	21.1	16.5	22.3	22.9
Net profit as % of total income	12.5	8.0	12.8	14.2

ROCE is profit before interest and taxation 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 demerger figures and hence not comparable with the ratios for 2008-09, 2009-10 and 2010-11.

Notice to the Shareholders

NOTICE is hereby given that the Seventh Annual General Meeting of the Company will be held at "The Music Academy", No. 168 (Old No. 368), TTK Road, Chennai 600 014 on Wednesday, the 27th July 2011 at 10.00 a.m. to transact the following business:

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

RESOLVED THAT the audited balance sheet as at 31st March 2011 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted.

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

RESOLVED THAT, pursuant to the recommendation of the board of directors of the Company, a dividend of Rs. 5.00 per share on 1,89,67,584 equity shares of Rs. 5/- each fully paid up absorbing a sum of Rs. 948.38 lakhs be and is hereby declared for the year ended 31st March 2011 and the same be paid to the shareholders whose name appear in the register of members of the Company as at the close of 21st July 2011.

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

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

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

RESOLVED THAT Mr P Kaniappan, Whole-time 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 M Lakshminarayan, who was appointed in the casual vacancy caused by the resignation of Mr Venu Srinivasan and holds office upto the date of this Annual General Meeting be and is hereby appointed as a director.

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

RESOLVED THAT Messrs. S.R. Batliboi & Associates, 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.

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

RESOLVED THAT pursuant to section 21 and other applicable provisions of the Companies Act 1956 and subject to the approval of the Central Government, the name of the company be changed to "WABCO INDIA LIMITED";

FURTHER RESOLVED THAT

- a. the said change of name shall be complete and take effect from the date of the fresh Certificate of Incorporation issued by the Registrar of Companies, Chennai pursuant to and in accordance with Section 23 of the said Act;
- b. the new name "WABCO INDIA LIMITED" be substituted in the Memorandum and Articles of Association for the existing name wherever necessary upon the change of name taking effect as aforesaid;
- c. the board of directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution.

By order of the board

Chennai
12th May 2011

R MADHAVAN
General Manager -
Finance and Secretary

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

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.**
2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item nos. **5 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 22nd July 2011 to 27th July 2011** (both days inclusive) for the purpose of dividend to be approved by the shareholders at the ensuing Annual General Meeting of the Company.
4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government on the due dates. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the annual report.

Members who have not encashed their dividend warrants in respect of the above periods are requested to make their claim by surrendering the unencashed warrants immediately to the Company.
5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
6. Members are requested to register their e-mail address with the Company/Share transfer Agents immediately and participate in the "Green initiative" launched by the Ministry of Corporate Affairs.
7. Members holding shares in depository are requested to register their e-mail address with their depository participants and participate in the "Green initiative" launched by the Ministry of Corporate Affairs.
8. Members are requested to 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 Narayan K Seshadri

Born on 13th April 1957, Mr Narayan K Seshadri is a graduate of Science from the University of Bangalore and a Chartered Accountant with over twenty five years of professional experience.

He was the founder Chairman and CEO of Halcyon Group, an Investment Advisory and Management Services organization. Halcyon Group runs a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Prior to establishing Halcyon, Mr Narayan K Seshadri was the Managing partner at KPMG's Business Advisory Service Practice which he helped turnaround and rebuild.

Besides the industry sectors that he currently works with, Mr Narayan Seshadri has advised the Power, Banking and Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT and ITES Sectors at different levels - from policy formulation to corporate strategy, restructuring and organization transformation.

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

S. No.	Name of the company	Position held	Committee membership/ chairmanship
1	Halcyon Resources and Management Private Limited	Director	
2	Development Credit Bank Limited	Director	Chairman- Audit Committee
3	DHFL Venture Capital India Private Limited	Director	

WABCO-TVS (INDIA) Limited

S. No.	Name of the company	Position held	Committee membership/ chairmanship
4	PI Industries Limited	Director	Member-Audit Committee
5	HGB Holdings Private Limited	Director	
6	Magma Fincorp Limited	Director	Chairman-Audit Committee
7	Kalpatru Power Transmission Limited	Director	Member-Audit Committee
8	Tranzmyoot Capital Management Private Limited	Director	
9	SBI Capital Markets Limited	Director	
10	Radiant Life Care Private Limited	Director	
11	Halcyon Enterprises Private Limited	Director	
12	IRIS Business Private Limited	Director	
13	TVS Investments Limited	Director	

Mr P Kaniappan

Mr P Kaniappan is a graduate in mechanical engineering from Regional Engineering College, Karnataka, India and postgraduate in manufacturing systems engineering from University of Warwick, UK. He also holds Executive MBA degree from Great Lakes Institute of Management Chennai.

His experience includes 10 years in TVS Motor Company Ltd, Hosur responsible for production management in different areas such as machining, fabrication, painting, engine and vehicle assembly. He was in the purchase department of brakes division in Sundaram-Clayton Limited (SCL) in various capacities during 1993 to 1999 and was in the rank of General Manager before elevated as business head of Foundry division of SCL. He held this position from 1999 to 2001 and became Operations head of brakes division of SCL from 2001 to May 2009 (since demerged to WABCO-TVS (INDIA) Limited (WTIL) from 28th March 2008.

He was appointed as whole time director of WTIL on 17th June 2009 and will hold that office for a period of five years from that date.

He has established a world class manufacturing system in WTIL incorporating some of the best practices such as Total Quality Management (TQM), Lean and Total productive Maintenance (TPM) with year over year productivity improvement.

He developed and implemented a vendor development model resulting in low cost and high quality supplier base.

He is not a director of any other company. He is a member of Investors' Grievance Committee and Administrative Committee of directors of WTIL.

He does not hold any share in the company and he is not related to any other directors of the company.

Mr M Lakshminarayan

Mr M Lakshminarayan holds Masters Degree in Technology from the Indian Institute of Technology, Mumbai. He has over 37 years experience in distinguished companies such as Tata Motors and Bosch Ltd (formerly MICO).

He has also headed a product group in Germany for over two years during his tenure in Bosch. He has served as Chairman of Southern Region at Confederation of Indian Industry and has been an Executive Council Member of the Indian machine Tool Manufacturer's Association. He is the Chairman of the Advisory Board of Central Manufacturing Technology Institute, Bangalore. At present he is the Managing Director of Harman International India Pvt Ltd, a 100% subsidiary of the Audio giant Harman.

He holds 50 shares 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	Carborundum Universal Limited	Director	
2	Rane (Madras) Limited	Director	
3	Kirloskar Oil Engines Limited	Director	
4	Harman International (India) Pvt Limited	Managing Director	

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

Item No. 5

Mr M Lakshminarayan was appointed as a Director at the Board meeting held on 25th October 2010 in the casual vacancy caused by the resignation of Mr Venu Srinivasan on 19th May 2010. Mr Venu Srinivasan would have held office as a director upto the date of this Annual General Meeting had he not resigned. Mr Lakshminarayan accordingly holds office upto the date of this Annual General Meeting pursuant to provisions of section 262 of the Companies Act, 1956.

Notice has been received from a member of the Company under section 257 of the Companies Act, 1956, along with a deposit of Rs 500/- signifying his intention to propose the candidature of Mr M Lakshminarayan for the office of director and to move the resolution as set out in item no. 5 of the notice.

The directors recommend the resolution at item no. 5 of the Notice to be approved as an ordinary resolution by the shareholders.

Mr M Lakshminarayan is interested or concerned in the resolution, since it relates to his appointment.

Item No: 7

In terms of the scheme of demerger approved by the Hon'ble Madras High Court and consequent to the acquisition of 35.83% of shares of our Company by Clayton Dewandre Holdings Limited from Indian promoters, viz., TVS group of Companies on 3rd June 2009, a Name and Trade Mark Licence Agreement was entered into with Sundaram-Clayton Limited (SCL).

Pursuant to this Agreement, SCL has granted WABCO-TVS (INDIA) Ltd a non exclusive licence to use the Trademark "TVS" in its corporate name and as a Trademark and logo

in connection with the promotion, sales, marketing and distribution of the Company's products including for the purpose of branding the Company's products, subject to the terms and conditions stated therein, for a period of 3 years from the agreement date i.e. up to 2nd June 2012.

The Company and SCL have however mutually agreed in writing to (i) the corporate name being changed by omitting therefrom SCL's trade mark 'TVS' and (ii) the Company continuing to use the trademark 'TVS' on products sold, prior to the change of name being effective to distributors/ secondary channels upto December 2011. The change of the Company's corporate name to WABCO INDIA LIMITED requires the approval of the shareholders and Central Government under the applicable provisions of the Companies Act, 1956. The change of name will become effective only upon issue of a fresh certificate of incorporation.

This resolution is hence being placed at the annual general meeting for the approval of the shareholders. The Directors recommend the resolution at item no. 7 of the Notice for approval of the shareholders.

Memorandum and Articles of Association is available for inspection at the registered office from 10 a.m. to 2 p.m. on all working days, up to the date of the meeting.

By order of the board

Chennai
12th May 2011

R MADHAVAN
General Manager -
Finance and Secretary

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

Directors' report to the shareholders

The directors have pleasure in presenting the seventh annual report and the audited accounts for the year ended 31st March 2011.

2. FINANCIAL HIGHLIGHTS

Details	Rs. in lakhs	
	Year ended 31.03.2011	Year ended 31.03.2010
Sales and other income	89,922.91	60,953.49
Gross profit before interest and depreciation	20,596.53	13,573.76
Interest	16.92	296.08
Depreciation	1,442.45	1,444.49
Profit before tax	19,137.16	11,833.19
Provision for taxation (including deferred tax and tax relating to earlier years)	6,393.98	4,014.23
Profit after tax	12,743.18	7,818.96
Surplus /(loss) brought forward from previous year	11,636.66	5,156.52
Total	24,379.84	12,975.48
Appropriations:		
Proposed dividend	948.38	474.20
Dividend tax payable	153.85	78.76
Transfer to general reserve	1,274.32	785.86
Surplus/(Loss) in profit & loss account	22,003.29	11,636.66
	24,379.84	12,975.48

3. DIVIDEND

The board of directors have recommended a dividend of Rs. 5.00 per share for the year ended 31st March 2011 absorbing a sum of Rs. 948.38 lakhs for approval of the shareholders in the ensuing annual general meeting.

4. PERFORMANCE

During the year 2010-11, the sales of medium and heavy commercial vehicles (MHCV) registered a positive growth of 33% over the previous year 2009-10 and the sale of light commercial vehicles (LCV) registered a positive growth of 28% during the same period. Overall, the commercial vehicle (CV) industry ended with a positive growth of 30% over the previous year.

During the year, the Company achieved a total turnover of Rs. 899 crores as against turnover of Rs. 609 crores registered a growth of 47%. 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. 60 crores is planned for the year 2011-12 after considering the industry growth in this year.

6. DIRECTORS

During the year, Mr Narayan K Seshadri, director, Mr P Kaniappan, whole-time director and Mr M Lakshminarayan, director, 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.

Notice has been received from a member of the Company signifying his intention to propose the appointment of Mr M Lakshminarayan as director of the Company in terms of section 257 of the Companies Act, 1956 along with the requisite deposit of Rs. 500/-.

On 12th May 2011, Mr C N Prasad, director resigned from the directorship of the company. The Board of Directors recorded the same at the board meeting held on 12th May 2011 and are not proposing to induct a new director to replace him.

The Board of Directors at this meeting have placed on record the valuable services rendered by him during his tenure as a director and also when he was a whole time director from 28th March 2008 to 17th June 2009.

Consequent to the resignation of Mr C N Prasad, director, the audit committee and Investors' Grievance Committee are reconstituted. In his place Mr Trevor Lucas a Non-Independent director is inducted as a member in both the committees effective 12th May 2011.

7. AUDITORS

Messrs S.R.Batilboi & Associates, Chartered Accountants, Chennai retire at the ensuing annual general meeting and are eligible for re-appointment.

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 2011, 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 2011 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 2011.

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

10. CHANGE OF NAME OF THE COMPANY

In terms of the scheme of demerger approved by the Hon'ble Madras High Court and consequent to the acquisition of 35.83% of shares of our Company by Clayton Dewandre Holdings Limited from Indian promoters, viz., TVS group of Companies on 3rd June 2009, a Name and Trademark Licence Agreement was entered into with Sundaram-Clayton Limited (SCL).

Pursuant to this Agreement, SCL has granted WABCO-TVS (INDIA) Ltd a non exclusive licence to use the Trademark "TVS" in its corporate name and as a Trademark and logo in connection with the promotion, sales, marketing and distribution of the Company's products including for the purpose of branding the Company's products, subject to the terms and conditions stated therein, for a period of 3 years from the agreement date i.e. up to 2nd June 2012.

The Company and SCL have however mutually agreed in writing to (i) the corporate name being changed by omitting therefrom SCL's trade mark 'TVS' and (ii) the Company continuing to use the trade mark 'TVS' on products sold, prior to the change of name being effective to distributors/ secondary channels upto December 2011. The change of the Company's corporate name to WABCO INDIA LIMITED requires the approval of its shareholders and Central Government under the applicable provisions of the Companies Act, 1956.

The change of name will become effective only upon issue of a fresh certificate of incorporation. A resolution to this effect is included in the Notice of Annual General Meeting.

11. ACKNOWLEDGEMENT

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

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

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

For and on behalf of the board

Chennai
12th May 2011

M LAKSHMINARAYAN
Chairman

Annexure I to the Directors' report

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

A. CONSERVATION OF ENERGY

1. Measures taken

- i) Changes of light connection of MCB's from 4 to 1 there by unnecessary light can be switched off.
- ii) Reduction of Compressor Power consumption by introducing drain valve modification.
- iii) Switching on the of Air Curtains through PLC during usage of doors.
- iv) Provided Thermal Insulation for Chiller Water Pipe line & minimized the wastage of Cooling in the pipe line.
- v) Reduction of Compressor Power consumption by providing hot air duct reduce inlet the temperature from 44 to 36 deg Celsius.
- vi) Provided LED Lights in Office areas in the First Floor for 200 nos. for first phase.
- vii) Removal of conveyor from machinery where minimum chips generated from machine.
- viii) Removal of not used coolant motor and unused function in the machine.
- ix) Modification of coolant system to suit our application of component machining.
- x) Introduce of High efficiency cutting tools in the machine to reduce power consumption.
- xi) Combining the machining operation and optimizing tool selection there by reduction of energy consumption.

The above measures have resulted in an annual saving of about Rs. 29.27 Lakhs per annum.

2. Measures Proposed

- i) Avoiding the Fluctuations in the Compressed Air at the end user by providing the Servo Valve.
- ii) Provision of Natural Light to Office areas at first floor.
- iii) Reduction of lighting power consumption by changing the light mounting position from Operational Standard to gang way center.
- iv) Replacement of street lights to CFL / LED lights wherever suitable.
- v) Recover the Waste Heat from Compressor and transferring the same to the Surface Protection Unit there by reducing the usage of electrical heaters.
- vi) Removal of conveyor from machinery where minimum chips generated from machine.
- vii) Replacement of High bay lights to CFL/LED lamp wherever suitable to maintain the luminous level.

- viii) Removal of not used coolant motor and unused function in the machine.
- ix) Modification of coolant system to suit our application of component machining.
- x) Introduce of High efficiency cutting tools in the machine to reduce power consumption.
- xi) Combining the machining operation and optimizing tool selection there by reduction of energy consumption.
- xii) Introducing efficient coolant in all grinding machines thereby resulting of power consumption.
- xiii) Replacement of all air guns by coolant guns in all machines.
- xiv) Introduce ceiling fans in production area instead of pedestal fan.
- xv) Modifying the light fittings in production area from both sides to centre line of the gang way resulted in half of the lighting power consumption.

This will result in a saving of about Rs 30.86 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) Automatic Slack Adjuster with patented adjustment mechanism certified by TUV, Germany and is production ready.
- (b) Air cylinder and mounting bracket assembly has been developed for Light Commercial vehicle applications for operating hydraulic brakes.
- (c) Type 24/24 Spring Brake Actuator (SBA) (Value engineered design) - The existing product has been redesigned.
- (d) Spring Brake Actuator Type 16/16 is a new design replacing the current Type 16/24 SBA for medium tonnage vehicle applications.
- (e) Development of Integral Pedal Unit for Indian customers.
- (f) New range of Graduated Hand Control Valves for Indian customers satisfying European regulations.

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

- (a) Market expansion and improved competitive position through significantly improved products for new markets.
- (b) Combating competition through new Graduated Hand Control Valves and Lift Axle Control System for Indian customers.
- (c) New opportunity in North America by introducing new range of valves with improved performance, temperature and corrosion resistance.

(d) Improved safety of vehicles through technology development of Automatic Slack Adjuster.

3. Future plan of action:

- (i) Development and launch of Lift axle control system for Indian market.
- (ii) Design and development of Hydraulic Brake Booster and Park Brake Module for North American OEMs.
- (iii) Series production of valve devices for North American OEMs.
- (iv) Value engineered Foot Brake Valve with integrated switch for Indian customers.

4. Expenditure on R & D:

	Rs. in Lakhs
Capital expenditure	169.45
Recurring expenditure (including salaries)	885.24
	1,054.69
Total expenditure as percentage of sales turnover	1.17%

Technology absorption, adaptation and innovation:

(a) Efforts in brief:

- 1. Knowledge acquisition in design and development area by standardizing continuously through the creation of new design guidelines, calculation methods and standards.
- 2. Development of new accelerated test standards for rubber components.
- 3. Increased use of engineering plastics in products to reduce cost and weight and innovatively combine functions.
- 4. Development of new surface protections like zinc aluminum flake coatings for fasteners to enhance the corrosion life of products.
- 5. Introduction of new analysis technologies through model based engineering to simulate the product performance and behavior.

(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.

The new simulation technologies have reduced the product development time and cost significantly.

(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 2011 amounted to Rs. 11,778.97 lakhs.

Total foreign exchange used and earned:

- a) Foreign exchange used Rs. 8,722.81 lakhs
- b) Foreign exchange earned Rs. 14,154.45 lakhs

For and on behalf of the board

Chennai
12th May 2011

M LAKSHMINARAYAN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The financial year 2010-11 represents the first full year of operations of the Company after the raising of ownership position to 75 % by WABCO Holdings Inc., USA a global technology leader and tier one supplier to the commercial vehicle industry through its indirectly owned subsidiary Messrs. Clayton Dewandre Holdings Ltd, U.K.

The Company recorded all time high sales of Rs. 899 crores during 2010-11 as against Rs. 609 crores in 2009-10, registering a growth of 47%. Profit before tax also recorded all time high at Rs.191 crores as against Rs.118 crores in the previous year, representing an increase of 62%.

I. Industry Structure and Development:

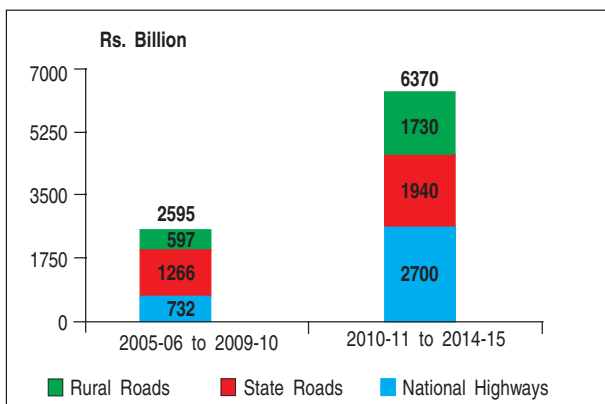
India's real Gross Domestic Product (GDP) increased by 8.9% in the first half of 2010-11, reflecting strong domestic demand, especially private consumption and investment, and improving external demand. Pumped by a strong agriculture growth and allied activities (estimated 5.4% in FY11), the economy is expected to grow at 8.6% during the current financial year as against 8% a year ago. However, inflation is increasing and is expected to be around at 9.3% for the year under review.

Growth Rate of Real GDP (%)												
Sector	2007-08	2008-09	2009-10				2009-10	2010-11				2010-11F
			Q1	Q2	Q3	Q4		Q1	Q2	Q3F	Q4F	
Agriculture	5.8	-0.1	1.9	0.9	-1.8	0.7	0.4	2.5	4.4	6.5	5.8	5.4
Industry	9.2	4.0	4.6	8.5	12.3	15.1	8.3	11.7	9.0	5.2	7.3	8.2
Services	10.4	9.5	8.0	10.2	7.3	8.5	9.7	9.4	9.7	9.6	9.5	9.4
Real GDP	9.3	6.8	6.3	8.7	6.5	6.6	8.0	8.9	8.9	8.2	8.5	8.6

Source : Central Statistical Organization

The commercial vehicle industry registered a significant revival in 2010-11 with a growth of 33% in Medium and Heavy Commercial Vehicles (MHCV) sales volume. This was a result of heightened industrial activity, government focus on infrastructure development, rapid urbanization, robust freight demand and improved transporter profitability.

The development of road infrastructure is a key factor that influences the growth of the Indian commercial vehicle industry. With the government paving the way for increased private investment in the road sector, the total investment is set to more than double to Rs. 6,370 billion over 2010-11 to 2014-15 from Rs. 2,595 billion during the preceding five year period. Since better quality of roads will improve transporters' turnaround time and fuel efficiency and improve their cash flow and profitability, demand for commercial vehicles will rise.



Source : CRISIL Research

Investment in Roads & Highways

Owing to the above growth drivers and enablers, the production of Medium and Heavy Commercial Vehicles (MHCV) in 2010-11 compared to 2009-10 has recorded a growth of 38% as per data given below:

Category	2010-11	2009-10	growth
Medium and Heavy Commercial Vehicles Production	344542	250171	38%

(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.

II. Business outlook and overview

In 2011-12, GDP growth will be propelled by a strong performance by the Industrial sector and growth in the Agricultural & allied sectors. The services sector too is expected to do well. The industrial sector is projected to grow by 7.9% mainly due to growth in manufacturing sector. Agriculture sector is expected to grow at 2.1% and Services sector is expected to grow at 9.9%.

This improved outlook of the economy is expected to have positive impact in the automotive sector, which will see a growth in 2011-12. The increased infrastructure development projects in the domestic market and increase in agricultural output will result in improved freight availability, and hence the MHCV industry is likely to register a positive growth of 10 ~ 12% in the year 2011-12.

III. Opportunities & Threats

The Company caters to requirements of commercial vehicle segment of the automotive industry. As the national highway network will

be strengthened, the mode of transportation for bulk commodities like steel products, cement and food grains will gradually shift from rail to road. The share of road in the transport of all commodities is hence likely to rise from 53% in 2009-10 to 58% in 2014-15. 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.

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. will result in increased business opportunities.

In the aftermarket side, so far, the Company has commissioned 162 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.

Being the part of WABCO, growth opportunities are available through productionising transfer projects (inter-company export sales) and technology transfer. The unit located at Mahindra World City, a Special Economic Zone caters to the needs of WABCO plants globally. With the revival of global economy expected in the near future, business opportunities for this unit will increase multifold. In line with this, the company has embarked on phase 2 expansion of this unit very recently and construction is progressing.

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 2011-12, operating expenses are likely to rise with the expected increase in prices of key raw materials. The basic raw material index for the automobile value chain has touched a 6-year peak in the fourth quarter of 2010-11. Prices of key raw materials - steel, rubber and aluminium - have risen sharply owing to supply constraints, driven by natural calamities/strong demand. The increase in prices of key raw materials will keep the basic raw material price index higher by 7-8 per cent across the automobile value chain in 2011-12 over a 22 per cent rise in 2010-11. The trend in prices of key raw materials is as follows:-

- Steel prices have increased by 13 per cent in 2010-11 and by a further 6-7 per cent in 2011-12, on the back of a corresponding rise in coking coal prices and recovery in demand. Prices of coking coal, a key input for manufacturing steel, rose sharply

in the fourth quarter of 2010-11 on account of the floods in Australia, a major producer.

- Rubber prices breached historical highs and rose by 65 per cent in 2010-11 as floods in Thailand led to a demand-supply gap. Average rubber prices are expected to be 12-15 per cent higher in 2011-12, as compared to 2010-11 levels.
- Domestic aluminium prices increased by 17 per cent in 2010-11 on account of stronger demand. The uptrend is expected to continue in 2011-12 as well.

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

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

V. Internal control system and their adequacy

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

VI. Operations review

A. Manufacturing

As part of expansion and to set up a plant near the major customers, the company has purchased land near Lucknow in the State of Uttar Pradesh and will take steps to set up the manufacturing facility there in the year 2012-13.

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 226 projects by applying statistical tools through QC Circles in 2010-11. The average number of suggestions implemented per employee is 61 in 2010-11 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 producers and price negotiation with customers helps 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 customers 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.

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

As of 31st March 2011, the Company had 1108 employees on its rolls.

VIII. Environment & Safety

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

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

- Reduction of Compressor Power consumption by introducing drain valve modification;
- Providing LED (Light Emitting Diode) Lights in Office areas in the first floor, 200 nos. for first phase;
- Introduction of High efficiency cutting tools in the machine to reduce power consumption;
- Provided thermal insulation for Chiller Water Pipe line & minimized the wastage of cooling in the pipe line;
- 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 to be undertaken in this regard will be identified and action will be taken thereof.

X. Financial statement

Particulars	Year ended 31st March 2011		Year ended 31st March 2010	
	Rs. in lakhs	%	Rs. in lakhs	%
Sales	86,779.73	96.5	59,125.80	97.0
Other income	3,143.18	3.5	1,827.69	3.0
Total income	89,922.91	100.0	60,953.49	100.0
Raw materials consumed	49,495.88	55.0	33,024.05	54.2
Staff cost	7,119.49	7.9	5,443.02	8.9
Stores & tools consumed	3,555.41	4.0	2,157.83	3.5
Power & fuel	1,430.63	1.6	988.97	1.6
Repairs & maintenance	808.69	0.9	685.55	1.1
Other expenses	6,916.28	7.7	5,080.31	8.4
Interest	16.92	0.0	296.08	0.5
Depreciation	1,442.45	1.6	1,444.49	2.4
Total expenditure	70,785.75	78.7	49,120.30	80.6
Profit before tax	19,137.16	21.3	11,833.19	19.4
Provision for taxation	6,393.98	7.1	4,014.23	6.6
Profit after tax	12,743.18	14.2	7,818.96	12.8

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 2011, the total strength of the Board of Directors (the board) was nine directors. All the directors except the whole-time director are non-executive directors.

Out of the eight Non-Executive Directors, three Directors viz., Messrs M Lakshminarayan, D E Udawadia and Narayan K Seshadri are independent Directors.

During 2010-11, Mr Venu Srinivasan resigned as Director and Chairman on 19th May 2010. Mr M Lakshminarayan was appointed as a Director and was elected as Chairman at the Board Meeting held on 25th October 2010. Mr C N Prasad has resigned as Director on 12th May 2011. The total strength of the Board of Directors as on 12th May 2011 is eight directors.

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

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

2.2 Board Meetings:

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

During the year 2010-11, the Board met 4 times on 4th May 2010, 28th July 2010, 25th October 2010 and 19th January 2011 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 26th August 2010 and also the number of other directorships and committee memberships/ chairmanships as on 31st March 2011 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
M Lakshminarayan	C-I	2	NA	5	—	—
P Kaniappan	WTD-NI	4	Yes	—	—	—
C N Prasad @	NE-NI	3	Yes	8	6	—
Narayan K Seshadri	NE-I	3	Yes	13	4	2
D E Udawadia	NE-I	3	Yes	18	9	1
Nikhil Madhukar Varty	NE-NI	1	No	3	—	—
Leon Liu	NE-NI	4	No	11	—	—
Trevor Lucas	NE-NI	2	Yes	5	—	—
Kurt Lehmann	NE-NI	1	Yes	—	—	—

@ resigned on 12th May 2011

* 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 a firm of Chartered Accountants are placed and discussed with functional heads.

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

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

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

All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2011. 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:

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

Name of the directors - (Messrs)	Status
Narayan K Seshadri	Non-executive, Independent director
D E Udwadia	Non-executive, Independent director
C N Prasad #	Non-executive, Non-Independent director
Trevor Lucas ##	Non-executive, Non-Independent director

resigned as Director on 12th May 2011 and ceased to be a member of audit committee on that date.

appointed as a member of audit committee on 12th May 2011.

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 26th August 2010. The composition of the committee is in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

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

Date of the meeting	Members present Messrs
4 th May 2010	Narayan K Seshadri and D E Udwadia
26 th July 2010	Narayan K Seshadri, D E Udwadia and C N Prasad
25 th October 2010	Narayan K Seshadri and D E Udwadia
19 th January 2011	Narayan K Seshadri, D E Udwadia and C N Prasad

4. Disclosures

4.1 Materially significant related party transactions:

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

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

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

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

4.2 Disclosure of accounting treatment:

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

4.3 Risk Management:

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

4.4 Instances of non-compliances, if any:

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

4.5 Disclosure by senior management personnel:

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

4.6 CEO and CFO Certification:

The Whole-time Director (CEO) and Chief Financial Officer 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 2011.

4.7 Compliance with mandatory / non-mandatory requirements:

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

4.8 Management discussion and Analysis Report:

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

5. Remuneration Committee

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

5.1 Remuneration to directors:

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

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. During 2010-11, the Non-Executive Independent Directors have not drawn any remuneration from the Company other than sitting fees for attending each meeting of the board and committees thereof.

During 2010-11, the Company has obtained approval of the shareholders by passing Special resolution by Postal Ballot for payment of Commission to Non Executive Independent Directors from 1st April 2011 subject to the limits fixed by the board of directors and that aggregate of such Commission will be within 1% of net profit of the Company in terms of section 309 of the Companies Act, 1956.

5.2 Particulars of sitting fees paid to non-executive directors during the financial year 2010-11

Name of the non-executive directors Messrs	Sitting fee (Rs.)
Venu Srinivasan #	15,000
M Lakshminarayan ##	30,000
D E Udawadia	1,05,000
Narayan K Seshadri	1,65,000
C N Prasad ###	1,20,000
Total	4,35,000

resigned on 19th May 2010

appointed on 25th October 2010

resigned on 12th May 2011

Other non-executive directors, Messrs Leon Liu, Nikhil Madhukar Varty, Trevor Lucas and Kurt Lehmann have waived the sitting fees payable to them.

5.3 Details of shareholdings of non-executive directors in the Company as on 31st March 2011:

Mr M Lakshminarayan holds 50 shares and all other directors do not hold 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.

5.4 Particulars of remuneration paid to the whole-time director during the financial year 2010-11:

(Rs. in lakhs)

Name of the director (M/s.)	Salary	Contribution to PF and other funds	Perquisites & Allowances	Total
P Kaniappan	52.20	5.30	23.94	81.44

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

6. Investors' grievance committee:

6.1 As on 31st March 2011, the investors' grievance committee consisted of three members, viz., Mr Narayan K Seshadri, Director, Mr C N Prasad, Director and Mr P Kaniappan, Whole-time Director of the Company. The Committee met four times during the year. On 12th May 2011, Mr C N Prasad ceased to be a member of Investors' Grievance Committee in view of his resignation as a director. Mr Trevor Lucas, a non-independent director was appointed as a member of Investors' Grievance Committee on 12th May 2011.

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 2010-11:

S.No.	Nature of complaint	No. of complaints
1	Non receipt of share certificates	3
2	Non receipt of dividend warrants	6
3	Non receipt of annual reports	4
	Total	13

6.5. All the complaints were resolved and, as on 31st March 2011, 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
2007-08	The Music Academy, No. 168, (Old No. 368), TTK Road Chennai 600 014	29.09.2008	10.15 A.M.
2008-09	Sathgurugnananda Hall, Narada Gana Sabha Trust, No. 314, (Old No. 254), TTK Road, Chennai 600 018	24.09.2009	10.15 A.M.
2009-10	Sathgurugnananda Hall, Narada Gana Sabha Trust, No. 314, (Old No. 254), TTK Road, Chennai 600 018	26.08.2010	10.00 A.M.

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

- (a) 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.
- (b) Approval of shareholders by way of Special Resolution was obtained pursuant to section 309 of the Companies Act 1956 for payment of commission to Non-executive Independent Directors effective 1st April 2011 by way of Postal Ballot process. The result was announced on 21st December 2010.

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" or "Times of India" and "The Economic Times" or "Business Line" 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 : 27th July 2011 at 10.00 a.m.

Venue : "The Music Academy",
No. 168 (Old No. 306) TTK Road,
Chennai 600 014

9.2 Financial year : 1st April to 31st March

Financial calendar
2011-12 (Tentative) :

Financial reporting for
the quarter ending : Financial calendar

30th June 2011 : between 15th to 31st July 2011

30th September 2011 : between 15th to 31st October 2011

31st December 2011 : between 15th to 31st January 2012

31st March 2012 : between 1st to 15th May 2012

Annual general Meeting
(next year) : July / August 2012

9.3 Date of book closure : 22nd July 2011 to 27th July 2011
(both days inclusive)

9.4 Particulars of dividend payment

The board of directors had recommended a dividend of Rs. 2.50 per share for the year 2009-10, absorbing a sum

of Rs.474.20 lakhs, and approved by the shareholders in the last Annual General Meeting. This dividend was paid on 1st September 2010.

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 2011-12 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 2010	817.30	686.00	817.70	693.20
May 2010	852.90	702.05	857.80	705.50
June 2010	824.00	704.00	820.00	709.30
July 2010	982.90	766.00	983.00	766.60
August 2010	1058.00	918.00	1059.45	921.25
September 2010	1316.00	1002.05	1224.00	1000.00
October 2010	1165.00	1088.05	1245.00	1070.05
November 2010	1169.00	975.05	1149.00	961.40
December 2010	1175.85	1011.60	1145.00	1000.20
January 2011	1150.00	935.00	1140.00	900.05
February 2011	977.90	863.00	978.80	856.20
March 2011	1085.00	895.00	1080.00	881.10

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

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

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

- b. All matters connected with the share transfer, both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned elsewhere in this report.
- c. Shares lodged for transfer will be processed within 10 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation will be given to the depositories within 7 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc will be processed by the STA within 7 days.
- d. Pursuant to clause 47(c) of the Listing Agreement with Stock Exchanges, certificates, on half-yearly basis, will be issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.
- e. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company were 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.rajabopalan@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 2011:

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

Particulars	No. of shares held	% to total
(b) Public Shareholding		
1. Institutions		
(a) Mutual Funds	20,48,085	10.80
(b) Banks, Financial Institutions, Insurance Companies (Central, State Government Institutions, Non-Govt. Institutions)	402	0.00
(c) Foreign Institutional Investors	3,72,556	1.96
Sub Total Institutions	24,21,043	12.76
2. Non - Institutions		
a) Bodies Corporate	3,12,021	1.65
b) Individuals <1 lakh	16,82,829	8.88
c) Individuals >1 lakh	2,97,774	1.57
d) NRI - Repatriable	13,040	0.07
e) NRI - Non-Repatriable	15,193	0.04
Sub Total Non-Institutions	23,20,857	12.25
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 2011:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5,000	17,27,494	9.11	16,392	99.74
5,001 - 10,000	96,359	0.51	13	0.08
10,001 - 20,000	81,909	0.43	5	0.03
20,001 - 50,000	4,19,299	2.21	12	0.07
50,001 - 1,00,000	5,26,529	2.78	7	0.04
1,00,001 & above	1,61,15,994	84.96	7	0.04
Total	1,89,67,584	100.00	16,436	100.00

9.10 Dematerialization of shares and liquidity:

Out of 47,41,900 shares held by persons other than promoters, 43,91,684 shares have been dematerialised as on 31st March 2011 accounting for 92.61 %.

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,
Nathan Sub-Post, Chengalpet,
Kancheepuram District 603 002
Tel : 044 4744 2000
Fax : 044 4749 0006

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

9.13 Address for investors Correspondence:

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

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the depository participants

(DPs) to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) Mandate:

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

Transfer of shares in physical mode:

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

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

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

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

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

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

Updation of address:

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

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

SMS Alerts:

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby investors will receive alerts for debits/credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs).

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

Unclaimed shares in physical form:

As per the requirement of amended Clause 5 A of Listing agreement, the Company sent first reminder letter to the shareholders whose share certificates were returned undelivered or unclaimed. It is also proposed to send second and third reminder letters during the current year 2011-12. Action will be taken thereafter to transfer the shares unclaimed to "Unclaimed Suspense Account" to comply with the amended Clause 5 A.

Green initiative in the Corporate Governance:

The Ministry of Corporate affairs (MCA) has taken a green initiative to provide paperless compliance by the Companies. MCA has issued circular nos. 17 & 18/2011 dated 21st April 2011 and 29th April 2011 respectively clarifying that service of notice/document to members can be made by electronic mode provided the Company has obtained e-mail addresses of the members.

The Company proposes to send notices/documents like the Annual Report in electronic form to the members who have registered their email addresses with the depositories or the Company.

Members holding shares in dematerialised form are requested to register their e mail addresses with their depository participants. Members holding shares in physical form are requested to register their email address to the Company's Share Transfer Agents (STA), Sundaram-Clayton Limited, New No 22 (Old No 31) Railway Colony 3rd Street, Mehta Nagar Chennai 600 029 or to the Company to the attention of Compliance Officer and Secretary, R Madhavan, Plot No 3(SP) III Main Road, Ambattur Industrial Estate, Chennai 600 058.

E-mail addresses of the STA and compliance officer:

STA:

kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in

Compliance officer:-

madhavan.rajagopalan@wabco-tvs.co.in

In case any member desires to receive the notices/documents in physical form, member may request the Company or STA.

Service of notices/documents to the members whose e-mail addresses are not registered with the depositories or Company will be effected by modes of service as provided under section 53 of the Companies Act, 1956.

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

PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2007-08 (2 nd interim)	20.08.2008	25.09.2008	25.09.2015
2008-09 (1 st Interim)	08.12.2008	13.01.2009	13.01.2016
2009-10	26.08.2010	01.10.2010	01.10.2017

12. Change of name of the Company:

In terms of the scheme of demerger approved by the Hon'ble Madras High Court and consequent to the acquisition of 35.83% of shares of our Company by Clayton Dewandre Holdings Limited from Indian promoters, viz., TVS group of Companies on 3rd June 2009, a Name and Trade Mark Licence Agreement was entered into with Sundaram-Clayton Limited (SCL).

Pursuant to this Agreement, SCL has granted WABCO-TVS (INDIA) Ltd a non exclusive licence to use the Trademark "TVS" in its corporate name and as a Trademark and logo in connection with the promotion, sales, marketing and distribution of the Company's products including for the purpose of branding the Company's products, subject to the terms and conditions stated therein, for a period of 3 years from the agreement date i.e. up to 2nd June 2012.

The Company and SCL have however mutually agreed in writing to (i) the corporate name being changed by omitting therefrom SCL's trade mark 'TVS' and (ii) the Company continuing to use the trade mark 'TVS' on products sold, prior to the change of name being effective to distributors / secondary channels upto December 2011. The change of the Company's corporate name to WABCO INDIA LIMITED requires the approval of its shareholders and Central Government under the applicable provisions of the Companies Act, 1956.

The change of name will become effective only upon issue of a fresh certificate of incorporation. A resolution to this effect is included in the Notice of Annual General Meeting.

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

To

The shareholders of WABCO-TVS (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 2011.

Chennai
12th May 2011

P Kaniappan
Whole-time Director

R Madhavan
General Manager - Finance and Secretary

Auditors' Certificate

To

The Members of WABCO-TV_S (INDIA) Limited

We have examined the compliance of conditions of corporate governance by WABCO-TV_S (INDIA) Limited ('the Company'), for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

Chennai
May 12, 2011

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

Per S BALASUBRAHMANYAM
Partner
Membership No. 053315

Auditors' report to the Shareholders

To

The Members of WABCO-TVS (INDIA) Limited

1. We have audited the attached Balance Sheet of WABCO-TVS (INDIA) Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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, 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 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 the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Place : Chennai
Date : May 12, 2011

Auditors' report to the Shareholders (Contd.)

Annexure referred to in paragraph 3 of our report of even date Re: WABCO-TVS (INDIA) Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of automotive parts and accessories and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Statutory dues in respect of investor education and protection fund are not applicable to the Company.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Nature of Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	183.30	2006 - 2007 2007 - 2008	Commissioner of Income Tax (Appeals), Chennai
Central Excise Act, 1944	Excise duty-Cenvat credit reversal	11.27	2008 - 2009 2009 - 2010	Commissioner of Central Excise (Appeals), Chennai
Service Tax	Reversal of service tax credit on certain inputs	8.67	2007 to 2010	Commissioner of Central Excise (Appeals), Chennai

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

Auditors' report to the Shareholders (Contd.)

Annexure referred to in paragraph 3 of our report of even date Re: WABCO-TVS (INDIA) Limited ('the Company')

- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no dues to financial institutions or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, the provisions of clause 4(xx) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Place : Chennai
Date : May 12, 2011

Balance Sheet as at 31st March 2011

(Rupees in lakhs)

	Schedule number		As at 31.03.2011	As at 31.03.2010
I. SOURCE OF FUNDS				
1. Shareholders' funds				
a) Capital	I	948.38	948.38	
b) Reserves and surplus	II	<u>37,724.47</u>	<u>26,083.52</u>	
			38,672.85	27,031.90
2. Loans				
a) Secured loans	III		56.90	719.23
3. Deferred taxation (net)				
	IV		<u>815.22</u>	<u>324.57</u>
			<u>39,544.97</u>	<u>28,075.70</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
a) Gross block	V	27,887.63	26,478.94	
b) Less : Depreciation		<u>9,848.47</u>	<u>8,462.91</u>	
c) Net block			18,039.16	18,016.03
d) Capital work-in-progress			991.73	661.31
2. Investments				
	VI		1,220.24	220.24
3. Current assets, loans and advances				
a) Inventories	VII	7,986.29	4,606.75	
b) Sundry debtors	VIII	17,118.38	11,937.85	
c) Cash and bank balances	IX	1,285.97	238.28	
d) Other current assets	X	4.60	4.55	
e) Loans and advances	XI	<u>4,209.75</u>	<u>1,964.54</u>	
	(a)	<u>30,604.99</u>	<u>18,751.97</u>	
Less: Current liabilities and provisions				
a) Current liabilities	XII	8,605.89	7,434.57	
b) Provisions	XIII	<u>2,705.26</u>	<u>2,139.28</u>	
	(b)	<u>11,311.15</u>	<u>9,573.85</u>	
Net current assets	(a)-(b)		19,293.84	9,178.12
			<u>39,544.97</u>	<u>28,075.70</u>

Notes on accounts

XVII

The schedules referred to above and notes on accounts form an integral part of the Balance Sheet

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

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

Chennai
12th May, 2011

R MADHAVAN
General Manager (Finance) and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

WABCO-TVS (INDIA) Limited

Profit & Loss Account for the year ended 31st March 2011

(Rupees in lakhs)			
	Schedule number	Year ended 31.03.2011	Year ended 31.03.2010
Sales (Gross)		95,297.33	64,123.40
Less: Excise duty		8,517.60	4,997.60
Sales (Net)		86,779.73	59,125.80
Other Income	XIV	3,143.18	1,827.69
	a	89,922.91	60,953.49
Materials consumed	XV	49,495.88	33,024.05
Salaries & wages, stores consumed and other expenses	XVI	19,830.50	14,355.68
	b	69,326.38	47,379.73
Profit before Interest depreciation and tax	c = (a-b)	20,596.53	13,573.76
Interest		16.92	296.08
Depreciation		1,442.45	1,444.49
	d	1,459.37	1,740.57
Profit before tax	e = (c-d)	19,137.16	11,833.19
Provision - for Income tax		5,900.00	4,050.00
- for Income tax relating to earlier years		3.33	39.59
- for Deferred tax		490.65	(75.36)
	f	6,393.98	4,014.23
Profit for the year (after tax)	g = (e-f)	12,743.18	7,818.96
Balance profit brought forward		11,636.66	5,156.52
Profit for the year (after tax)		12,743.18	7,818.96
Total		24,379.84	12,975.48
Proposed dividend		948.38	474.20
Dividend Tax payable		153.85	78.76
Transfer to general reserve		1,274.32	785.86
Balance carried to Balance Sheet		22,003.29	11,636.66
Total		24,379.84	12,975.48
Notes on accounts	XVII		
Nominal value of each share in rupees		5.00	5.00
Basic and diluted earnings per share in rupees on 1,89,67,584 shares		67.18	41.22

The schedules referred to above and notes on accounts form an integral part of the Profit and Loss Account

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

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

Chennai
12th May, 2011

R MADHAVAN
General Manager (Finance) and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Schedules

	As at 31.03.2011	(Rupees in lakhs) As at 31.03.2010
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.	<u>948.38</u>	<u>948.38</u>
a) Pursuant to the scheme of demerger of Brakes division in to the company from Sundaram-Clayton Limited, Chennai,(SCL) the shareholders of SCL were entitled for allotment of 1,89,67,584 equity shares of Rs 5/- each fully paid up for consideration other than in cash.		
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, 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	14,441.86	13,656.00
Add: Transferred from Profit & Loss Account	<u>1,274.32</u>	<u>785.86</u>
	15,716.18	14,441.86
Surplus		
Balance in Profit & Loss account	22,003.29	11,636.66
	<u>37,724.47</u>	<u>26,083.52</u>
III. SECURED LOANS		
From banks		
Secured by hypothecation of raw materials, components, work-in-process, finished goods, book debts, stores, spares and tools	56.90	719.23
	<u>56.90</u>	<u>719.23</u>
IV. DEFERRED TAXATION (NET)		
Deferred tax liabilities		
a) Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	1,753.44	1,295.56
	<u>1,753.44</u>	<u>1,295.56</u>
Deferred tax assets		
a) Provisions relating to employee benefits	455.12	433.09
b) Provision for warranty	185.00	241.33
c) Others	298.10	296.57
Total	<u>938.22</u>	<u>970.99</u>
Net Deferred tax liability	<u>815.22</u>	<u>324.57</u>

WABCO-TVS (INDIA) Limited

Schedules (continued)

V. FIXED ASSETS

Description	Land	Lease hold Land	Buildings	Plant & Machinery, Dies & Jigs	Furniture, Fixtures & Equipments	Vehicles	Others Fixed Assets (Intangibles)	(Rupees in Lakhs)	
								Total as at 31.03.2011	31.03.2010
Cost of assets									
As at 01.04.2010	1,556.81	356.87	5,534.06	17,066.32	1,417.78	223.90	323.20	26,478.94	26,327.37
Additions	259.40	–	81.39	974.95	139.26	0.74	15.86	1,471.60	713.40
Less: sales	–	–	–	6.26	45.33	11.32	–	62.91	561.83
Total	1,816.21	356.87	5,615.45	18,035.01	1,511.71	213.32	339.06	27,887.63	26,478.94
Depreciation									
Upto 31.03.2010	–	25.08	680.67	6,574.98	776.68	92.76	312.74	8,462.91	7,187.80
For the year	–	6.09	181.95	1,084.54	132.18	20.98	16.71	1,442.45	1,444.49
Deductions on sales	–	–	–	5.94	40.19	10.76	–	56.89	169.38
Total	–	31.17	862.62	7,653.58	868.67	102.98	329.45	9,848.47	8,462.91
Written down value									
As at 31.03.2011	1,816.21	325.70	4,752.83	10,381.43	643.04	110.34	9.61	18,039.16	–
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

	(Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
CAPITAL WORK-IN-PROGRESS (at cost)		
Buildings	331.35	269.18
Furniture, fixtures and equipments	11.24	19.81
Machinery under installation	649.14	372.32
	991.73	661.31

VI. INVESTMENTS (AT COST)

Face Value

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

62,144.598 units (last year Nil) in UTI Mutual Fund of UTI Asset Management Company Private Limited, Mumbai - UTI Liquid Cash Plan (institutional plan - growth option)

1,000.00 **1,000.00** –

1,220.24 220.24

SUMMARY

Quoted Investments	1,000.00	–
Unquoted Investments	220.24	220.24
	1,220.24	220.24
Short term	1,000.00	–
Long term	220.24	220.24
	1,220.24	220.24

Market value of quoted investments

1,000.56 –

refer note 4 of Schedule XVII

Schedules (continued)

	As at 31.03.2011	(Rupees in lakhs) As at 31.03.2010
VII. INVENTORIES - LOWER OF WEIGHTED AVERAGE COST OR NET REALISABLE VALUE		
a) Raw materials and components	4,439.53	3,069.74
b) Work-in-process	342.14	198.61
c) Finished goods	2,104.63	926.27
d) Stores	569.93	290.08
e) Goods in transit - raw materials and components	530.06	122.05
	<u>7,986.29</u>	<u>4,606.75</u>
VIII. SUNDRY DEBTORS-UNSECURED, CONSIDERED GOOD		
a) Debts outstanding for a period exceeding six months		
- Considered good	467.07	163.80
- Considered doubtful	150.49	124.50
Total	<u>617.56</u>	<u>288.30</u>
b) Other debts - considered good	16,651.31	11,774.05
Less: Provision for doubtful debts	150.49	124.50
	<u>17,118.38</u>	<u>11,937.85</u>
IX. CASH AND BANK BALANCES		
a) Cash and cheques on hand	10.07	9.38
b) With scheduled banks - current accounts	1,275.90	228.90
	<u>1,285.97</u>	<u>238.28</u>
X. OTHER CURRENT ASSETS		
Interest accrued on investments and deposits	4.60	4.55
	<u>4.60</u>	<u>4.55</u>
XI. LOANS AND ADVANCES-UNSECURED, CONSIDERED GOOD		
a) Advances recoverable in cash or in kind or for value to be received	3,069.28	1,576.82
b) Advance payment of income tax less provisions	728.84	204.91
c) Deposits	411.63	182.81
	<u>4,209.75</u>	<u>1,964.54</u>
XII. CURRENT LIABILITIES		
Sundry creditors (refer note 9 of Schedule XVII)	8,605.89	7,434.57
	<u>8,605.89</u>	<u>7,434.57</u>
XIII. PROVISIONS		
a) Proposed dividend	948.38	474.20
b) Dividend tax payable	153.85	78.76
c) Pension	794.03	697.39
d) Leave salary	234.26	198.61
e) Warranty	570.19	687.76
f) Provision for fringe benefit tax less advance payments	4.55	2.56
	<u>2,705.26</u>	<u>2,139.28</u>

Schedules (continued)

	Year ended 31.03.2011	Year ended 31.03.2010
		(Rupees in lakhs)
XIV. OTHER INCOME		
a) Sale of scrap & empties	650.98	374.31
b) Profit on sale of assets	1.50	4.46
c) Profit on sale of investments	101.08	31.51
d) Software service export	1,383.58	997.74
e) Test track service usage	264.35	159.31
f) Research and Development service export	384.61	87.43
g) Tool development income (net of expenses)	300.83	165.82
h) Dividend income	-	0.44
i) Interest income (gross) (refer note 13 of Schedule XVII)	56.25	6.67
	<u>3,143.18</u>	<u>1,827.69</u>
XV. MATERIALS CONSUMED		
Opening stock :		
Raw materials and components	3,069.74	3,340.75
Work-in-process	198.61	135.35
Finished goods	926.27	542.47
	<u>4,194.62</u>	<u>4,018.57</u>
Add : Purchases	52,187.56	33,200.10
Total	(a) <u>56,382.18</u>	<u>37,218.67</u>
Less : Closing stock		
Raw materials and components	4,439.53	3,069.74
Work-in-process	342.14	198.61
Finished goods	2,104.63	926.27
Total	(b) <u>6,886.30</u>	<u>4,194.62</u>
Net	(a)-(b) <u>49,495.88</u>	<u>33,024.05</u>

Schedules (continued)

	Year ended 31.03.2011	Year ended 31.03.2010
		(Rupees in lakhs)
XVI. SALARIES & WAGES, STORES CONSUMED AND OTHER EXPENSES		
Salaries, wages and bonus (includes Rs. 75.92 lakhs to wholetime directors) (last year Rs. 76.68 lakhs)	5,873.87	4,508.00
Contribution to provident and other funds (includes Rs. 5.30 lakhs to wholetime directors) (last year Rs. 4.89 lakhs)	450.85	403.30
Workmen and staff welfare expenses (includes Rs. 0.22 lakhs to wholetime directors) (last year Rs. 0.21 lakhs)	794.77	531.72
Stores and tools consumed	3,555.41	2,157.83
Power and fuel	1,430.63	988.97
Rent	259.08	139.54
Rates and taxes	79.67	63.93
Repairs and maintenance		
a) Building	296.65	300.98
b) Machinery	470.05	349.49
c) Other assets	41.99	35.08
Insurance	55.51	21.28
Commission	48.61	23.81
Audit fees (refer note 14 of Schedule XVII)	17.90	20.12
Cash discount	34.87	32.12
Travel and conveyance	683.07	486.73
Packing and forwarding	3,926.13	2,195.15
Data processing	100.86	108.25
Sitting fees to directors	4.35	3.75
Research and development	577.15	471.74
Other expenses	1,125.08	1,473.76
Loss on sale / scrapping of assets	4.00	40.13
	<u>19,830.50</u>	<u>14,355.68</u>

Schedules (continued)

XVII. NOTES ON ACCOUNTS

1. Background

WABCO-TV S (INDIA) Limited ("the Company") was incorporated originally as Auto (India) Engineering Limited on 18th November 2004. The name of the company was changed to WABCO-TV S (INDIA) Limited on 3rd May 2007. The company is into its present business pursuant to the scheme of demerger of the brakes division of Sundaram-Clayton Limited into the company. The Company is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The Company also provides software development services to the group companies of WABCO.

On June 3, 2009, Clayton Dewandre Holdings Limited increased its percentage ownership to 75% by acquiring the shares from the other joint venture partner, TVS Group. Post acquisition, the Company has become a subsidiary of Clayton Dewandre Holdings Limited and the company's ultimate holding company is WABCO Holdings Inc.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Inventories

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

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

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

(d) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(e) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(f) Depreciation

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

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

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

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

Leasehold lands are amortised over the primary lease period.

(g) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.
- iv. During the year there was no provision for impairment.

(h) Intangible assets

- i. Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software, or over the license period of the software, whichever is shorter. Other fixed assets (Intangibles) are amortised over a period of two years.
- ii. Research costs are expensed as incurred.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. In accordance with the terms of arrangements with the customers, in the current year, the company has not recognised sales of Rs 1774.00 lakhs and the related costs and margin on the materials despatched to the customer locations as such materials have not been received by the customers as at the balance sheet date. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Income from Services

Income from services is recognised in accordance with the specific terms of the contract with the customer.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

Dividends

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

Profit on sale of investments

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

(j) Foreign currency translation

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange differences

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

(k) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value, if any, is made to recognise a decline other than temporary in the value of the investments.

(l) Retirement and other employee benefits

- i.* Retirement benefits in the form of provident fund and employee state insurance are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the funds are due. There are no other obligations other than the contribution payable to the funds.
- ii.* Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii.* Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method
- iv.* Actuarial gains/losses are taken to profit and loss account and are not deferred.
- v.* Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account when such payments are made.

(m) Segment reporting

The Company is engaged in the business of manufacture of automotive components and related services and accordingly this is the only primary segment. The Company has considered geographical segment as the secondary segment, based on the location of the customers.

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

(n) Leases

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

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares if any.

(p) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the net impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

(q) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates or on actuarial valuation where applicable. Provision for warranty is estimated based on trend of past claims.

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

(Rupees in lakhs)

	As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010	As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010
3. Disclosure under Accounting Standard 11				
a) Net exchange differences debited to Profit and Loss Account				
– purchase of raw materials and components			138.86	17.28
– sale of goods and services			211.59	173.58

b) 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		In Foreign currency - lakhs			
1	Import of goods and services	USD	8.20	0.70	369.18	33.28
		JPY	0.49	–	0.26	–
		Euro	3.70	2.30	235.48	139.83
2	Import of capital goods	JPY	6.76	–	3.65	–
					608.57	173.11
3	Export of goods & services	USD	37.15	14.60	1,663.02	659.04
		Euro	45.51	18.40	2,868.00	1,114.30
					4,531.02	1,773.34

4. Disclosure under Accounting Standard 13

(i)	Investments made during the year.			
	77,83,747.44 units (last year 1,58,63,553.7847) in SBI Funds Management Private Limited, Mumbai		1,600.00	3,200.00
	26,05,998.321 Units (last year 5,67,573.79) UTI Asset Management Company Private Limited, Mumbai		38,800.00	7,644.77
			40,400.00	10,844.77
(ii)	Investments realised during the year			
	77,83,747.44 units (last year 1,63,23,553.7847) in SBI Funds Management Private Limited, Mumbai		1,600.00	3,246.00
	25,43,853.723 Units (last year 6,21,600.6660) UTI Asset Management Company Private Limited, Mumbai		37,800.00	8,279.22
			39,400.00	11,525.22

(The amounts of Rs 40,400.00 lakhs (last year 10,844.77) and Rs 39,400.00 (last year 11,525.22) are cumulative figures).

Cost of investments held as at balance sheet date	1,220.24	220.24
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Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

		(Rupees in lakhs)			
		As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010	As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010
5.	Disclosure under Accounting Standard 15	Pension		Gratuity	
(a)	Expenses recognised in the Profit & Loss Account				
(i)	Current service cost	-	-	43.02	44.84
(ii)	Interest cost	59.28	52.35	45.55	47.25
(iii)	Expected return on plan assets	-	-	(52.53)	(53.82)
(iv)	Net actuarial loss /(gain) recognised in the year	37.36	29.32	29.02	36.69
	Total	96.64	81.67	65.06	74.96
(b)	Change in defined benefit obligation during the year				
(i)	Present value of obligation as at beginning of the year	697.39	615.72	569.39	590.67
(ii)	Interest cost	59.28	52.35	45.55	47.25
(iii)	Current service cost	-	-	43.02	44.84
(iv)	Benefits paid	-	-	(79.93)	(150.07)
(v)	Actuarial gain/ (loss)on obligation	37.36	29.32	29.02	36.70
(vi)	Present value of obligation as at the end of the year	794.03	697.39	607.05	569.39
(c)	Change in fair value of plan assets during the year				
(i)	Fair value of plan assets at the beginning of the year	-	-	573.62	669.87
(ii)	Expected return on plan assets	-	-	52.53	53.82
(iii)	Contributions made during the year	-	-	61.21	-
(iv)	Benefits paid	-	-	(79.93)	(150.07)
(v)	Actuarial gain on plan assets	-	-	-	-
(vi)	Fair value of plan assets as at the end of the year	-	-	607.43	573.62
(d)	Balance Sheet movements				
(i)	Value of benefit obligations / (net assets) at the beginning of the year	697.39	615.72	573.62	669.87
(ii)	Actual return on plan assets	-	-	52.53	53.82
(iii)	Contributions made during the year	-	-	61.21	-
(iv)	Expenses	96.64	81.67	-	-
(v)	Benefits paid	-	-	(79.93)	(150.07)
(vi)	Value of benefit	-	-	-	-
(vii)	Fair value of plan assets as at the end of the year	794.03	697.39	607.43	573.62
	Funded status	-	-	0.38	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	8.50%	9.50%	8.00%	8.00%
(ii)	Expected return on plan assets	NA	NA	8.00%	8.00%
	Estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority and other relevant factors.				

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

		(Rupees in lakhs)	
		As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010
6. Disclosure under Accounting Standard 17			
a) Sales			
India		75,000.76	53,600.32
Others		11,778.97	5,525.48
Total		<u>86,779.73</u>	<u>59,125.80</u>
b) Total assets			
India		46,325.10	35,876.21
Others		4,531.02	1,773.34
Total		<u>50,856.12</u>	<u>37,649.55</u>
c) Capital expenditure			
India		1,802.02	986.34
Others		-	-
Total		<u>1,802.02</u>	<u>986.34</u>
7. Disclosure under Accounting standard 29			
Warranty			
Opening balance		687.76	773.78
Provision made during the year		221.12	295.59
Total		<u>908.88</u>	<u>1,069.37</u>
Less: Utilised / withdrawn during the year		<u>338.69</u>	<u>381.61</u>
Closing balance		<u>570.19</u>	<u>687.76</u>
8. Amount of loan repayable within one year:			
Secured - from banks		56.90	719.23
9. Sundry creditors include:			
a) Total outstanding dues to Micro and Small enterprises		394.25	360.93
b) Total outstanding dues to creditors other than Micro and Small enterprises		3,526.32	5,080.21
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.			
c) Investor Education and Protection Fund			
Unclaimed dividend		9.27	6.99
10. Bank balance include:			
Unclaimed dividend		9.27	6.99
11. Loan and Advances include:			
a) Amount lying with central excise		-	30.00
b) Amount due from an officer of the company		1.66	1.74
c) Maximum amount due from an officer of the company at any time during the year		1.81	1.81

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

		(Rupees in lakhs)	
		As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010
12. Liability not provided for			
a) Contingent liabilities			
i) On counter guarantee given to bankers		37.92	1.80
ii) On letters of credit opened with bankers		22.08	15.05
iii) On account of future export obligations (under Export Promotion Capital Goods scheme and Advance Licence)		-	327.43
iv) Bills discounted		8,586.58	7,470.49
b) Contested liabilities			
i) Customs duty		-	5.17
ii) Excise Duty		11.27	11.11
iii) Income Tax		183.30	93.34
iv) Service Tax		8.67	4.72
v) License fees due to local authorities		19.53	-
vi) Tamilnadu Town and Country Planning Department		49.25	-
c) Capital commitments not provided for		347.14	308.12
13. Tax deducted at source on :			
a) Interest receipts		6.51	1.25
b) Miscellaneous income		7.70	5.64
14. Audit fees consists of :			
a) Audit fees		13.00	12.00
b) Certification fees		-	1.00
c) Taxation matters		3.00	2.00
d) Reimbursement of expenses		1.90	3.37
e) Other services		-	1.75
15. Contribution to provident and other funds include:			
a) Gratuity as per scheme framed by Life Insurance Corporation of India		31.64	38.98
b) Pension fund		96.63	143.21
c) Deposit linked insurance as per scheme framed by Life Insurance Corporation of India		8.65	4.18
16. Repairs include :			
Stores consumed		11.52	26.61
17. Interest			
a) Interest on fixed loans		-	95.63
b) Interest on others		16.92	200.45
c) Less: Interest receipts on Bonds, deposits, staff advances and other advances made (gross)		56.25	6.67
Net interest expense (income)		<u>(39.33)</u>	<u>289.41</u>

Schedules (continued)

XVII. NOTES ON ACCOUNTS (Continued)

(Rupees in lakhs)

As at/ Year ended 31.03.2011	As at/ Year ended 31.03.2010
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18. Research and development

a) Revenue Expenditure	885.24	867.17
b) Capital Expenditure - Land and buildings	61.01	-
c) Capital Expenditure - other than land and buildings	108.44	108.06

19. Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

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

(Rupees in lakhs)

Particulars	Name of the company	Amount outstanding as on 31.03.2011	Maximum amount due at any one time during the year	Amount outstanding as on 31.03.2010
(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.			

Schedules (continued)

XVII. NOTES ON ACCOUNTS (continued)

21. 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	Nil
d) Holding company	Clayton Dewandre Holdings Limited, (CDH) Rotterdam, The Netherlands (became a subsidiary of this company from 3 rd June 2009)
e) Ultimate holding company	WABCO Holdings Inc., USA
f) Fellow Subsidiary companies	<ol style="list-style-type: none"> 1 WABCO Fahrzeugsysteme, GmbH, Germany 2 WABCO China Co Ltd, China 3 WABCO France SAS, France 4 Meritor WABCO Vehicle Control Systems, USA 5 Shandong Weiming Automotive Products Co. Ltd, China 6 WABCO (Shanghai) Management Co Limited, China 7 WABCO Automotive SouthAfrica 8 WABCO Automotive UK Ltd, United Kingdom 9 WABCO Asia Private Limited, Singapore (Direct subsidiary of CDH) 10 WABCO Compressor Manufacturing Co. USA 11 WABCO Hong Kong Limited, Hong Kong 12 WABCO Japan Inc, Japan 13 WABCO Korea Ltd, Korea 14 WABCO Polska Sp.z o.o. Poland 15 WABCO Development GmbH, Germany 16 WABCO Logistics GmbH, Germany 17 WABCO Australia Pty Limited, Australia (Subsidiary of CDH through WABCO Asia Private Limited) 18 WABCO Europe BVBA, Belgium 19 WABCO Austria GesmbH, Austria 20 WABCO Belgium BVBA/SPRL, Belgium 21 WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil 22 WABCO Brzdy K Vozidlum spol S.R.O, Czech Republic 23 WABCO GmbH, Germany 24 WABCO Radbremsen GmbH, Germany 25 WABCO Automotive Italia SRL, Italy 26 WABCO BV, Netherlands 27 WABCO Europe Holdings BV, Netherlands

Schedules (continued)

XVII. NOTES ON ACCOUNTS (continued)

- 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 Automotives Ltda, Brazil
- 35 WABCO Foundation Brakes Private Limited, Chennai
(Subsidiary of CDH through WABCO Asia Private Limited)
- 36 WABCO IP Holdings LLC
- 37 WABCO Automotive Products Ltd
- 38 WABCO Air Compressor Holdings Inc.,
- 39 WABCO Automotive Control Systems Inc.,
- 40 WABCO Group Inc.,
- 41 WABCO Group International Inc.,

- g) Key management personnel** Mr.P Kaniappan - Whole Time Director (from 17-06-2009)
Mr C N Prasad - Whole Time Director (till 17-06-2009)

22. 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	
			31.03.2011	31.03.2010 [@]	31.03.2011	31.03.2010	31.03.2011	31.03.2010
1	Purchase of goods	Sundaram Industries Limited, Madurai	-	113.29	-	-	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	18.14	19.12	-	-
		WABCO Fahrzeugsysteme GmbH, Germany	-	-	2,312.69	1,354.24	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda., Brazil	-	-	124.12	32.19	-	-
		Meritor WABCO Vehicle Control Systems, USA	-	-	3.17	-	-	-
		WABCO BV, Netherlands	-	-	0.37	-	-	-
		WABCO France S.A.S, France	-	-	126.64	151.79	-	-
		WABCO China Co Ltd, China	-	-	59.71	85.12	-	-
		WABCO Compressor Manufacturing Co, USA	-	-	4.76	10.87	-	-
				-	113.29	2,649.60	1,653.33	-
2	Receiving of services	Southern Roadways Limited, Madurai	-	0.20	-	-	-	-
		WABCO (Shanghai) Management Co., Limited, China	-	-	-	61.38	-	-
			-	0.20	-	61.38	-	-
3	Sale of goods	T V Sundram Iyengar & Sons Limited, Madurai.	-	641.29	-	-	-	-
		Meritor WABCO Vehicle Control Systems, USA	-	-	199.73	118.24	-	-
		WABCO Logistics GmbH, Germany	-	-	1,090.58	413.22	-	-
		WABCO China Co Ltd, China	-	-	1,959.25	2,038.91	-	-
		WABCO Automotive, SouthAfrica	-	-	15.94	11.62	-	-
		WABCO Compressor Mfg. Co, USA	-	-	2,985.72	1,964.75	-	-
		WABCO Polska sp.z.o.o, Poland	-	-	1,315.48	291.84	-	-
		WABCO Automotive UK Ltd, United Kingdom	-	-	190.18	359.13	-	-
		WABCO Korea Ltd, Korea	-	-	29.07	22.02	-	-

WABCO-TVS (INDIA) Limited

Schedules (continued)

XVII. 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	
			31.03.2011	31.03.2010 [@]	31.03.2011	31.03.2010	31.03.2011	31.03.2010
		WABCO France S.A.S, France	-	-	884.02	4.71	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	123.07	17.08	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	15.35	118.72	-	-
		WABCO GmbH, Germany	-	-	243.28	71.50	-	-
		WABCO Asia Private Ltd., Singapore	-	-	35.43	22.72	-	-
		WABCO Middle-East & Africa FZCO, Dubai	-	-	0.83	1.66	-	-
		WABCO Development GmbH, Germany	-	-	24.60	1.21	-	-
		WABCO Europe BVBA, Belgium	-	-	1,589.72	225.69	-	-
			-	641.29	10,702.25	5,683.02	-	-
4	Rendering of Services	WABCO Development GmbH, Germany	-	-	1,555.41	1058.18	-	-
	Software Service *	WABCO France S.A.S, France	-	-	-	39.62	-	-
	R & D Service	WABCO Europe BVBA, Belgium	-	-	213.52	-	-	-
	R & D Service	WABCO Development GmbH, Germany	-	-	171.09	-	-	-
	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	-	-
			-	-	1,940.02	1,100.91	-	-
5	Sale of fixed assets	WABCO China Co Ltd, China	-	-	-	383.55	-	-
6	Receivables	WABCO Logistics GmbH, Germany	-	-	136.77	258.86	-	-
		WABCO China Co Ltd, China	-	-	543.86	577.67	-	-
		WABCO Automotive UK Ltd, United Kingdom	-	-	0.73	74.04	-	-
		Meritor WABCO Vehicle Control Systems, USA	-	-	18.09	22.49	-	-
		WABCO Development GmbH, Germany	-	-	175.92	202.37	-	-
		WABCO Compressor Manufacturing Co, USA	-	-	950.34	60.19	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	0.29	37.02	-	-
		WABCO Polska sp.z.o.o, Poland	-	-	956.82	142.45	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	27.53	5.30	-	-
		WABCO Asia Private Ltd., Singapore	-	-	3.19	7.08	-	-
		WABCO Europe BVBA, Belgium	-	-	215.29	16.94	-	-
		WABCO GmbH, Germany	-	-	562.76	35.63	-	-
		WABCO Automotive South Africa	-	-	3.24	-	-	-
		WABCO France S.A.S, France	-	-	645.65	40.84	-	-
		WABCO Korea Ltd, Korea	-	-	5.82	-	-	-
			-	-	4,246.30	1,480.88	-	-
7	Payables	Meritor WABCO Vehicle Control Systems, USA	-	-	3.17	-	-	-
		WABCO China Co Ltd, China	-	-	5.55	-	-	-
		WABCO BV, Netherlands	-	-	0.37	-	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	-	-	-	10.71	-	-
		WABCO France S.A.S, France	-	-	3.28	10.86	-	-
		Shandong Weiming Automotive Product Co. Ltd, China	-	-	0.29	5.37	-	-
		WABCO Fahrzeugssysteme GmbH, Germany	-	-	27.26	98.90	-	-
			-	-	39.92	125.84	-	-
8	Remuneration to Key Management Personnel	Mr C N Prasad – Whole Time Director	-	-	-	-	-	20.05
		Mr P Kaniappan – Whole Time Director	-	-	-	-	81.44	61.73

[@] details for period from 01.04.2009 to 03.06.2009 only since these companies ceased to be associates from that date.

* include capital expenditure reimbursements Rs. 196.43 lakhs (last year Rs. 35.43 lakhs).

Schedules (continued)

XVII. NOTES ON ACCOUNTS (continued)

(Rupees in lakhs)

23. 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 31.03.2011		Year ended 31.03.2010	
	Quantity	Value	Quantity	Value
I. RAW MATERIALS CONSUMED				
1. a) Basic raw materials				
Steel sheets, bar materials & tubes	Kgs	2,36,795	19,507	19.68
Castings and forgings	Nos	1,19,56,354	51,72,099	6,869.50
b) Intermediates and components (which individually do not account for 10 % or more of the total value of consumption)		37,554.09		26,581.93
		50,817.77		33,471.11
	% of total consumption		% of total consumption	
2 Consumption of raw materials and components				
a) Imported		9.1 4,633.91	11.3	3,798.08
b) Indigeneous		90.9 46,183.86	88.7	29,673.03
		100.0 50,817.77	100.0	33,471.11
II. CONSUMPTION OF MACHINERY SPARES				
a) Imported		0.5 0.83	-	-
b) Indigeneous		99.5 166.84	100.0	130.84
		100.0 167.67	100.0	130.84
III. IMPORTS (CIF value)				
a) Raw materials and components		7,665.08		4,115.47
b) Stores and tools		186.70		149.76
c) Capital goods		207.46		154.53
IV. EXPENDITURE IN FOREIGN CURRENCY				
a) Commission on export sales		20.72		2.50
b) Travel		151.96		122.41
c) Training		13.11		5.21
d) Consultancy, retainer - Productivity improvement		58.56		27.08
e) Others		63.58		45.45
V. PAYMENT TO NON RESIDENT SHAREHOLDERS				
a) No. of non resident shareholders		One		One
b) No. of shares held by non residents		14,225,684		14,225,684
c) Dividend - relating to 31st March 2010		355.64		-
VI. EARNINGS IN FOREIGN EXCHANGE				
a) Exports (on FOB basis)		11,441.86		5,367.31
b) Freight and insurance recovery		337.11		158.17
c) Software service		1,383.58		997.74
d) R & D Service		384.61		87.43
e) Others		607.29		995.30

WABCO-TVS (India) Limited

Schedules (continued)

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

(Rupees in lakhs)

Product	Quantity in	Year ended 31.03.2011						Year ended 31.03.2010									
		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)	1,168	888.38	463,785	464,171	55,633.94 [®]	782	2,031.21	2,639	509.80	341,402	342,873	39,183.05 [®]	1,168	888.38		
b) Spares			37.89			13,911.97		73.42		32.67			10,977.01				37.89
c) Exports						11,778.97							5,525.48				
d) Anti lock braking system						5,454.85							3,440.26				
			926.27			86,779.73		2,104.63		542.47			59,125.80				926.27

[®] Includes sale of assemblies and parts for which quantitative details are not furnished in view of large number of items

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

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Whole-time Director

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

Chennai
12th May, 2011

R MADHAVAN
General Manager (Finance) and Secretary

T S RAJAGOPALAN
Chief Financial Officer

Per S. BALASUBRAHMANYAM
Partner
Membership No. 053315

Cash Flow Statement for the year ended 31st March 2011

	Year ended 31.03.2011	Year ended 31.03.2010
		(Rupees in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	19,137.16	11,833.19
Adjustments for:		
Depreciation	1,442.45	1,444.49
Profit on sale of investments	(101.08)	(31.51)
Loss / (Profit) on sale of fixed assets	2.50	35.67
Interest (net)	(39.33)	289.41
	1,304.54	1,738.06
Operating profit before working capital changes	20,441.70	13,571.25
Adjustments for:		
(Increase) / decrease in Inventories	(3,379.54)	23.64
(Increase) / decrease in Sundry debtors	(5,180.53)	(4,911.82)
(Increase) / decrease in other current assets	(0.05)	4.31
(Increase) / decrease in Loans and advances	(1,721.28)	(667.56)
Increase / (decrease) in Current liabilities	1,171.32	2,076.97
Increase / (decrease) in Provisions	14.71	31.15
	(9,095.37)	(3,443.31)
	11,346.33	10,127.94
Interest paid	(16.92)	(296.08)
Direct taxes paid	(6,425.27)	(4,509.35)
Net cash from operating activities	(A) 4,904.14	5,322.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including capital work in progress	(1,802.02)	(986.34)
Sale of fixed assets during the year	3.52	356.78
Purchase of investments	(40,400.00)	(10,844.77)
Redemption of investments	39,400.00	11,525.22
Profit on sale of investments	101.08	31.51
Interest received	56.25	6.67
Net cash from / (used in) investing activities	(B) (2,641.17)	89.07

Cash Flow Statement for the year ended 31st March 2011 (continued)

		(Rupees in lakhs)	
		Year ended 31.03.2011	Year ended 31.03.2010
C. CASH FLOW FROM FINANCING ACTIVITIES			
Rupee term loan availed		–	(2,000.00)
Unsecured loans availed (repaid)		–	(500.00)
Dividend and dividend tax paid		(552.95)	–
Net cash from financing activities	(C)	<u>(552.95)</u>	<u>(2,500.00)</u>
D. NET INCREASE IN CASH AND CASH EQUIVALENTS			
	(A+B+C)	1,710.02	2,911.58
Opening cash and cash equivalents			
– Cash and bank balances		238.28	127.91
– Cash credit utilisation		(719.23)	(3,520.44)
Closing cash and cash equivalents			
– Cash and bank balances		1,285.97	238.28
– Cash credit utilisation		(56.90)	(480.95)
		<u>1,229.07</u>	<u>(719.23)</u>

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 equivalent include cash and bank balances.

	M LAKSHMINARAYAN <i>Chairman</i>	P KANIAPPAN <i>Whole-time Director</i>	As per our report of even date For S.R. BATLIBOI & ASSOCIATES <i>Chartered Accountants</i> Firm Registration No. 101049W
Chennai 12th May, 2011	R MADHAVAN <i>General Manager (Finance) and Secretary</i>	T S RAJAGOPALAN <i>Chief Financial Officer</i>	Per S BALASUBRAHMANYAM <i>Partner</i> Membership No. 053315

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

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

Total Liabilities	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/>	Total Assets	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/>
Source of Funds			
Paid-up Capital	<input type="text"/> <input type="text"/> 9 4 8 3 8	Reserves & Surplus	<input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="7"/>
Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 6 9 0	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> -
Deferred Tax Liability	<input type="text"/> <input type="text"/> <input type="text"/> 8 1 5 2 2		
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="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="6"/>	Capital work-in-progress	<input type="text"/> <input type="text"/> <input type="text"/> 9 9 1 7 3
Investments	<input type="text"/> <input type="text"/> 1 2 2 0 2 4	Net current Assets	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="4"/>
Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> -		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/>	Total Expenditure	<input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/>
Profit before tax	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/>	Profit after tax	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/>
Earning per share in Rs.	<input type="text"/> <input type="text"/> 6 7 . 1 8	Dividend Rate - %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 0 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="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 : "The Music Academy",
No.168 (Old No.368) TTK Road, Chennai 600 014

Date : 27th July 2011

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 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.
4. 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.
5. 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.

Tear here

WABCO-TVS (INDIA) Limited

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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 Wednesday the 27th July 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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.

