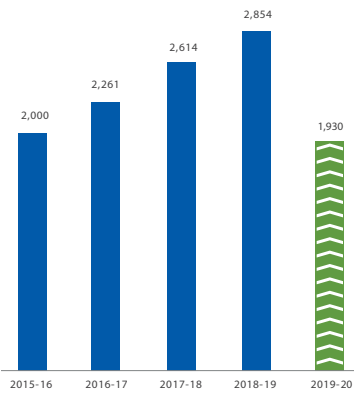


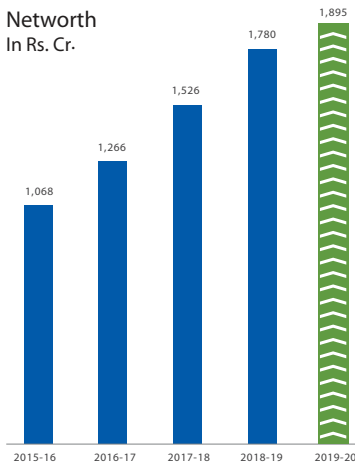
WABCO INDIA LIMITED

16th Annual Report 2020

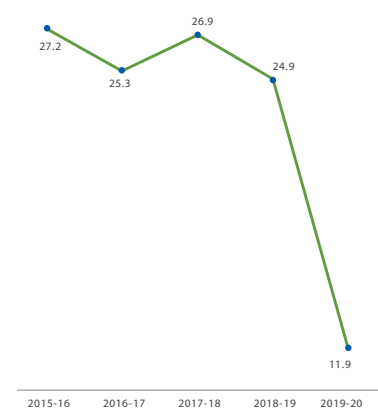
Revenue
In Rs. Cr.



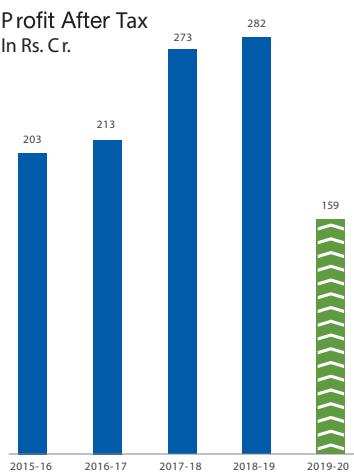
Networth
In Rs. Cr.



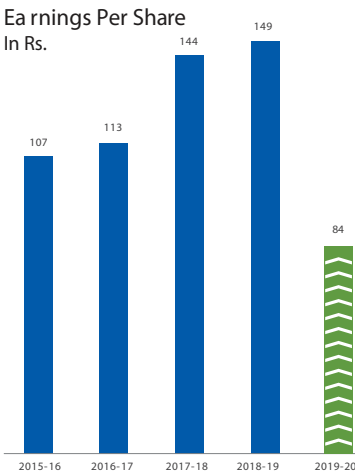
Return On Capital Employed
%



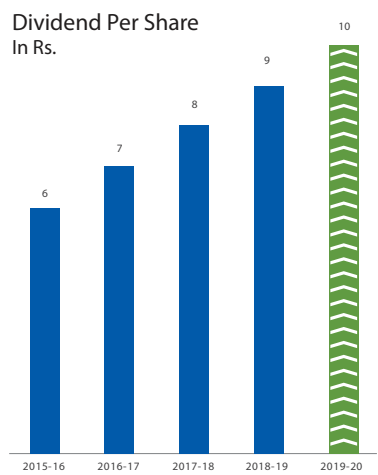
Profit After Tax
In Rs. Cr.



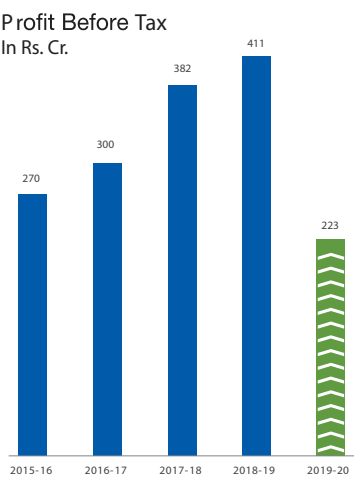
Earnings Per Share
In Rs.



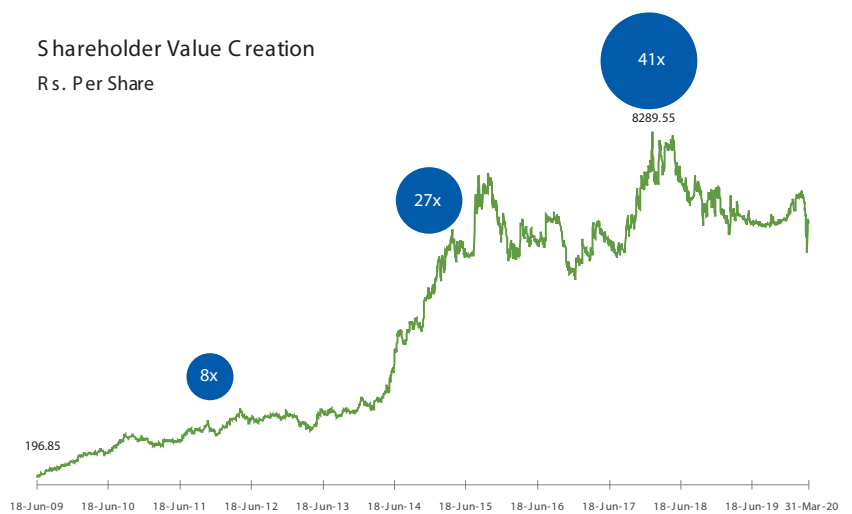
Dividend Per Share
In Rs.



Profit Before Tax
In Rs. Cr.



Shareholder Value Creation
Rs. Per Share



WABCO INDIA LIMITED

Board of Directors

M LAKSHMINARAYAN
Chairman

MAHESH CHHABRIA

DR LAKSHMI VENU

LISA J BROWN

CHRISTIAN BRENNEKE

PHILIPPE COLPRON

Managing Director

P KANIAPPAN

Chief Financial Officer

R S RAJAGOPAL SASTRY

Company Secretary

M C GOKUL

Audit Committee

M LAKSHMINARAYAN
Chairman

MAHESH CHHABRIA

DR LAKSHMI VENU

LISA J BROWN

Stakeholders Relationship Committee

M LAKSHMINARAYAN
Chairman

LISA J BROWN

P KANIAPPAN

Corporate Social Responsibility Committee

P KANIAPPAN
Chairman

M LAKSHMINARAYAN

DR LAKSHMI VENU

LISA J BROWN

Nomination and Remuneration Committee

DR LAKSHMI VENU
Chairperson

M LAKSHMINARAYAN

LISA J BROWN

CHRISTIAN BRENNEKE

Risk Management Committee

CHRISTIAN BRENNEKE
Chairman

PHILIPPE COLPRON

P KANIAPPAN

R S RAJAGOPAL SASTRY

V RAMANATHAN

Listing of Shares with

National Stock Exchange of India Limited
Mumbai

BSE Limited, Mumbai

Share Transfer Agent

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

Tel. : 044 - 2827 2233

044 - 2828 4959

Fax : 044 - 2825 7121

E-mail : arockiaraj@scl.co.in
icsta@scl.co.in

Bankers

Citibank N.A.
3rd Floor, 2 Club House Road,
Chennai 600 002

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

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

ICICI Bank Limited
Prakash Presidium
110, Nungambakkam High Road,
Chennai - 600 034.

Auditors

B S R & Co. LLP
Chartered Accountants
KRM Tower 1st & 2nd Floor,
No. 1, Harrington Road, Chetpet
Chennai 600 031.

Registered Office

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

Website : www.wabcoindia.com
Email: info.india@wabco-auto.com

CIN: L34103TN2004PLC054667

Factories

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

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

Jharkhand 832 108

Tel. : 0657 398 5700

Fax : 0657 238 7997

Unit - 1 & Unit - 2

Plot No. AA8, Central Avenue,

Auto Ancillary SEZ,

Mahindra World City,

Nathan Sub-Post,

Chengalpet - 603 002

Tamil Nadu

Tel. : 044 3090 1200

044 4749 0006

Plot No.11, Sector 4, SIDCUL,

IIE Pantnagar,

Rudrapur Udhm Singh Nagar,

Uttarakhand - 263 153

Tel. : 05944 250885

KH 159-162, 164 Village Dhakauli

Nawabganj, Barkeni Dewa Road,

Somaiya Nagar, Barabanki,

Lucknow, Uttar Pradesh 225 123

Tel. : 05248 230065

WABCO Technology Centre of India & Global Business Services

"First Software Park",
Third & Second Floor,
110, Mount Poonamallee High Road,
Porur, Chennai - 600 116
Tel. : 044 6689 8000

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WABCO INDIA LIMITED

FINANCIAL HIGHLIGHTS

₹ in lakhs

Year ended March 31 st	2015-16	2016-17	2017-18	2018-19	2019-20
Profit and loss Account					
Revenue from Operations	199,954	226,057	261,385	285,414	192,956
Other income	4,012	3,615	4,653	7,247	6,388
Total income	203,966	229,672	266,038	292,661	199,344
Gross profit before interest, depn & tax	32,670	36,255	44,514	48,235	31,537
Depreciation	5,620	6,163	6,174	7,144	9,011
Profit before interest & tax	27,049	30,092	38,340	41,091	22,526
Interest	15	46	162	–	192
Profit before taxation	27,034	30,045	38,178	41,091	22,334
Profit after taxation	20,337	21,348	27,283	28,217	15,881
Balance Sheet					
Net Fixed assets	37,254	37,960	41,134	45,926	48,084
Investments	21,835	29,814	44,565	31,343	54,237
Net current assets	46,594	55,809	61,762	92,973	75,690
Non-current assets other than Fixed assets	3,426	5,579	8,163	11,270	13,731
Total	109,110	129,161	155,623	181,512	191,742
Share capital	948	948	948	948	948
Reserves & surplus	105,830	125,694	151,640	177,049	188,506
Networth	106,778	126,643	152,589	177,998	189,455
Non-current liabilities	1,326	1,660	2,659	3,119	2,287
Deferred taxation (net)	1,006	859	376	396	–
Total	109,110	129,161	155,623	181,512	191,742
EPS (Rs)	107.2	112.6	143.8	148.8	83.7
DPS (Rs)	6.0	7.0	8.0	9.0	10.0
Book value per share (Rs)	562.9	667.7	804.5	938.4	998.8
Return on capital employed (ROCE)%	27.2	25.3	26.9	24.9	11.9
Return on networth (RONW)%	21.1	18.3	19.5	17.1	8.6
Fixed assets turnover (no. of times)	5.5	6.1	6.5	6.4	4.0
Working capital turnover (no. of times)	4.4	4.4	4.5	3.7	2.3
Gross profit as % of sales (EBITDA)	16.3	16.0	17.0	16.9	16.3
Gross profit as % of total income	16.0	15.8	16.7	16.5	15.8
Net profit as % of total income	10.0	9.3	10.3	9.6	8.2
Debtors Turnover ratio	5.4	4.7	4.5	4.5	3.9
Inventory Turnover ratio	7.5	7.7	11.5	12.9	8.7
Current ratio	2.6	2.9	2.7	3.4	5.9

- (a) Figures are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013.
- (b) ROCE is profit before interest and taxation divided by average networth plus loan funds.
- (c) RONW is profit after tax divided by average networth.
- (d) Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.
- (e) Working capital turnover is sales divided by average net current assets as at the end of the year.
- (f) DPS is dividend declared for the year.
- (g) Debt Equity Ratio and Interest coverage ratio are not applicable as there are no borrowings.

WABCO INDIA LIMITED

Notice to the Members

NOTICE is hereby given that the sixteenth Annual General Meeting of the members of the Company (AGM) will be held on Friday, 25th September 2020 at 14:00 hrs. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:

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

RESOLVED THAT the audited financial statement of the company for the financial year ended 31st March 2020 consisting of the balance sheet as at 31st March, 2020, the statement of profit and loss, the cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to or forming part thereof together with the reports of the Board of Directors and Auditors' thereon, be and are hereby adopted.

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

RESOLVED THAT pursuant to Section 152(6) of the Companies Act, 2013, the vacancy arising in the Board of the Directors of the Company on account of Ms. Lisa Brown (DIN 07053317), the director retiring by rotation at the sixteenth annual general meeting, and not offering herself for re-appointment, be not filled up.

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

RESOLVED THAT pursuant to Sections 149, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the appointment of Mr. Mahesh Chhabria (DIN 00166049), as a Non-Executive and Independent Director of the Company for a term of five consecutive years from 16th May, 2020 to 15th May 2025 on such remuneration including sitting fees and profit-related commission as may be decided by the Board of Directors from time to time, be and is hereby approved.

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

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the

Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and out of pocket expenses at actuals, payable to M/s A N Raman & Associates, Cost Accountants, having firm registration number 102111, appointed by the Board of Directors as Cost Auditor to audit the cost records of the Company for the financial year ending on 31st March 2021, be and is hereby ratified.

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

RESOLVED THAT in terms of Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval be and is hereby accorded to the related party transactions entered into by the company with WABCO Europe BVBA, a related party, during the Financial year ended 31st March 2020, and the related party transactions proposed to be entered into with WABCO Europe BVBA during the financial year ending 31st March 2021 as shown in the explanatory statement; which transactions individually or taken together with previous transactions during the financial year, may exceed ten per cent of the annual consolidated turnover of the Company as per its last audited financial statement.

By order of the board

Chennai
22nd May 2020

M C GOKUL
Company Secretary

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

Notes:

1. In view of the outbreak of CoVID19 pandemic, social distancing norms is being followed coupled with the continuing restriction on movement of persons at several places in the country and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 and Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the

WABCO INDIA LIMITED

- Securities and Exchange Board of India("SEBI") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the Members at the AGM venue is not required and AGM can be held through Video Conferencing (VC) or Other Audio Visual Means(OAVM). Hence, Members can attend and participate at the ensuing AGM through VC/OAVM.
2. The statement of material facts pursuant to Section 102 of the Companies Act, 2013, with respect to the special businesses to be transacted at the sixteenth AGM as set out in the notice is annexed hereto.
 3. Pursuant to the aforesaid Circulars, any member entitled to attend the sixteenth AGM is not entitled to appoint another person as a proxy under Section 105 of the Act, to attend and vote on his behalf as the members are required to attend the AGM only through video conferencing facility and physical attendance has been dispensed with. However, Body Corporates are entitled to appoint authorised representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
 4. Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut-off date herein below mentioned), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
 5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 6. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the MCA dated 8th April 2020, 13th April 2020 and 5th May 2020 the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
 7. In line with MCA Circular No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.wabcoindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 8. AGM is been convened through VC/OAVM in compliance with applicable provisions of the Act, 2013 read with Circulars issued by MCA and SEBI in this regard.
 9. Members may also note that the Annual Report and the notice to the AGM will also be available on the Company's website viz., www.wabcoindia.com for their download. Electronic copy of the Annual Report and the notice of the AGM *inter-alia* indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
 10. Under Section 124 read with Section 125 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on Corporate Governance forming part of the Annual Report.
- In terms of Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2011-12 to 2018-19 as on 31st March 2019 on the website of IEPF viz., www.iepf.gov.in and under "investor section" on the website of the Company viz., www.wabcoindia.com. The objective of the IEPF Rules

WABCO INDIA LIMITED

is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. A separate reminder was also sent to those members having unclaimed dividends since 2012-13. Members who have not encashed their dividend warrants are advised to surrender the unencashed warrants immediately to the Company or the Share Transfer Agent and to claim the dividends.

11. Section 124 (6) was notified on 5th September 2016 along with the relevant rules therein on 5th September 2016 which mandates that all shares in respect of which dividend is remaining unpaid or unclaimed by the shareholder for a continuous period of seven years shall be transferred by the Company to the Investor Education & Protection Fund in the manner prescribed. In this regard the Company had sent reminders to these shareholders as prescribed in the rules. Subsequently, eligible shares were transferred to the demat account of the IEPF Authority as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 issued on 13th October 2017.

Shareholders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to the demat account of the IEPF Authority by filing application to the IEPF Authority in WebForm IEPF- 5 and submitting the same along with relevant documents to the Company. Required instructions in this regard for claiming the shares are available on the website <http://www.iepf.gov.in>.

12. Shareholders are requested to note that as per SEBI has mandated that from 1st April 2019, the company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have already been sent to the shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat the shares to avoid any issues in future.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

15. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015 in respect of the Director seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors has furnished the requisite consent and declaration for his appointment.

16. Voting through electronic means

- I. In compliance with provisions of Section 108 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 16th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL)
- II. Remote e-Voting means the facility of casting votes by a member using an electronic voting system
- III. The members holding shares as on the "cut-off date" viz., 18th September 2020 are eligible for voting either through electronic voting system or ballot.
- IV. The Remote e-Voting period commences on 22nd September 2020 (9:00 hrs IST) and ends on 24th September 2020 (17:00 hrs IST) (three days). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September 2020, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

WABCO INDIA LIMITED

- V. Voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September 2020.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September 2020 may obtain the login ID and password by sending an email to evoting@nsdl.co.in by mentioning his Folio No. /DP ID and Client ID No.
- VII. A member may participate in the meeting even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the meeting.
- VIII. Instructions for remote e-Voting by shareholders are as under:
- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below: How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID

	For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if Folio Number is 001*** and EVEN No. is 113918 then user ID is 101456001***

1. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' would be communicated to you on your email ID. Trace the email sent to you from NSDL from your

mailbox. Open the email and open the attachment i.e. a.pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.

5. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is mentioned below:
How to cast your vote electronically on NSDL e-Voting system?

1. After successful login as provided in Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of WABCO India Limited for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate(front and back), PAN and AADHAR

WABCO INDIA LIMITED

(self-attested scanned copy) by email to info.india@wabco-auto.com / icsta@scl.co.in.

In case shares are held in demat mode, please provide DPIDCLID(16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN and AADHAR (self-attested scanned copy) to info.india@wabco-auto.com / icsta@scl.co.in.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- iii. Members who have already voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:

- i. Members will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the

User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- ii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - iii. It is recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - iv. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/ folio number, email id, mobile number at info.india@wabco-auto.com/arockiaraj@scl.co.in atleast 48 hours in advance before the start of the meeting i.e. by 23rd September 2020 by 14:00 hrs. (IST).
 - v. Members who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to info.india@wabco-auto.com/arockiaraj@scl.co.in. The same will be responded to by the Company suitably.
 - vi. Those members who register themselves as a speaker will only be allowed to speak at the meeting.
 - vii. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's e-mail-id at info.india@wabco-auto.com/arockiaraj@scl.co.in atleast 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
17. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail skco.cs@gmail.com with a copy marked to evoting@nsdl.co.in.

WABCO INDIA LIMITED

18. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
19. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to participate in the meeting, avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
20. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/or contact Mr Amit Vishal, Senior Manager - NSDL atamitv@nsdl.co.in/ 022-24994360 / +91 9920264780 or Mr Sagar Ghosalkar, Assistant Manager - NSDL atsagar.ghosalkar@nsdl.co.in/ 022-24 994553 / +919326781467.
21. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
22. Mr K Sriram, Practising Company Secretary, (Membership No. F6312 CP No.2215), Chennai has been appointed as the Scrutinizer to scrutinize the e-Voting process (both remote e-Voting prior to the AGM and the remote e-Voting at the AGM) in a fair and transparent manner.
23. The Scrutinizer shall after the conclusion of the voting at the Annual General Meeting, unblock the votes cast through remote e-Voting prior to as well during the AGM and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent within 48 (forty-eight) hours from the conclusion of the AGM to the Chairman or a person authorized by him in this regard, who shall then countersign the report and declare the result of the voting forthwith.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.wabcoindia.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him and simultaneously communicated to the stock exchanges where the shares of the Company are listed.
25. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the Sixteenth AGM and the Annual Report for the financial year ended 31st March 2020, only soft copies of the said documents are being sent by email to the Members.

Therefore, those Members, whose e-mail address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report and other communications from the Company, can get their e-mail address registered by following the steps as given below:-
 - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, e-mail address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by e-mail to the Company's e-mail address info.india@wabco-auto.com / icsta@scl.co.in
 - b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
26. In terms of Regulation 36(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015, a brief profile of the director, whose appointment is proposed to be approved in this AGM, the nature of his expertise in specific functional areas, his other directorships and committee memberships in listed entities, his shareholding and relationship with other directors of the Company are also furnished herein below.

By order of the board

Chennai
22nd May 2020

M C GOKUL
Company Secretary

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

WABCO INDIA LIMITED

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Appointment of Mr. Mahesh Chhabria as an Independent Director

Mr. Mahesh Chhabria is a Non-executive Independent Director in terms of relevant provisions of the Companies Act, 2013 and the Listing regulations. Based on the recommendation of the nomination and remuneration committee, the Board has appointed him as a Non-Executive and Independent Director for a term of five consecutive years from 16th May 2020 to 15th May 2025, subject to the approval of the shareholders through an ordinary resolution and accordingly, the Board recommends the resolution set out as Item No.3 of the notice, for the approval by the shareholders of the Company. The Board of Directors have also appointed him as the Chairman of the Audit Committee with effect from 22nd May 2020.

Mr. Mahesh Chhabria, 55 years, is the Managing Director of Kirloskar Industries Limited. He holds a Bachelor of Commerce degree from the University of Mumbai and is an Associate Member of the Institute of Chartered Accountants of India. In his career spanning over three decades in the financial services industry, he has undertaken several leadership roles across private equity and investment banking firms. He is currently driving the business strategy and capital allocation of the Kirloskar Group.

He is also a member on the board of several Kirloskar Group companies as set out herein below. He is a Non-Independent Director on the Boards of Kirloskar Oil Engines Ltd, Kirloskar Ferrous Industries Ltd. and Kirloskar Proprietary Ltd. He also represents the Kirloskar Group as its Nominee Director on the board of Arka Fincap Ltd. In addition to playing an active role in business operations of the Kirloskar Group, he also serves as an Independent Director on the Boards of Deepak Fertilizers

& Petrochemicals Corporation Limited, Tube Investments of India Limited and Enam Asset Management Co. Pvt. Ltd. At Tube Investments of India Ltd., he is a member of the audit, risk and CSR committees. His belief in emerging India growth story and corporate India's global aspiration led him to join Actis, a long standing leading private equity fund. Before Actis, he was a Partner at 3i, another private equity fund for whom he was a Global Lead Partner for healthcare investing. Before 3i, he had a long stint at Enam, one of the leading investment banks in India, in the capacity of Co-head of Investment Banking.

Under the Listing regulations, a Director along with his relatives holding less than 2% of the share capital of the Company is considered Independent with regard to the Company. Mr. Mahesh Chhabria along with his relatives and through entities wherein he is a member holds 1,475 shares in the Company constituting 0.0078% of the total number of shares; details of which are given below:

Particulars	Relationship	No. of Shares held
Mahesh Chhabria	Self	275
Mahesh R Chhabria HUF	Member	150
Bhagibai Ramchand Chhabria HUF	Member	1,000
Anjali Chhabria	Wife	50
Total		1,475

Mr. Mahesh Chhabria satisfies the conditions for being considered as an Independent Director under 149(6) of the Act and the Listing Regulations and is eligible to hold office for a term of upto five consecutive years from the date of appointment and will not be subject to retirement by rotation. As per Schedule IV of the Act his appointment as an Independent Director also requires approval of shareholders.

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

Name of the Company	Position	Committees membership / Chairmanship
Kirloskar Industries Ltd.	Managing Director	- Risk Management Committee
Kirloskar Oil Engines Limited	Director	- Audit Committee - Nomination and Remuneration Committee
Deepak Fertilizers and Petrochemicals Corporation Limited	Director	- Audit Committee (Chairman)
Kirloskar Ferrous Industries Limited	Director	-
Tube Investments of India Limited	Director	- Audit Committee - Corporate Social Responsibility Committee - Risk Management Committee

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Name of the Company	Position	Committees membership / Chairmanship
Kirloskar Proprietary Limited	Director	- Nomination and Remuneration Committee
Arka Fincap Limited	Director	- Audit Committee (Chairman) - Nomination and Remuneration Committee - Risk Management Committee - IT Strategy Committee - Wholesale Lending Credit Committee - Asset Liability Committee - Allotment Committee (Chairman)
SOX Control Solutions Private Limited	Director	-
Enam Asset Management Company Private Limited	Director	-

He has given a declaration confirming that he satisfies the criteria of independence as required under the Section 149 (6) of the Companies Act, 2013 and applicable Securities and Exchange Board of India (SEBI) Regulations and that he is not disqualified to be appointed as a Director. The Board of Directors, while approving his appointment opined that, Mr. Mahesh Chhabria fulfils the conditions specified in the Companies Act, 2013, SEBI Regulations and rules made thereunder for Company and he is independent of the management. Copy of the letter of appointment issued to Mr. Mahesh Chhabria as an Independent Director would be available for inspection without any fee by the members at the company's Registered Office during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Mr. Mahesh Chhabria brings with him significant professional expertise and rich experience in corporate strategy, management, finance, audit, legal and compliance. The Board considers that his association and experience would be of immense benefit to the Company and it is desirable to avail his services as an independent director and accordingly, recommends the ordinary resolution set out as Item No.3 of the notice for the approval by the shareholders of the Company.

Other than Mr. Mahesh Chhabria, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.3. This statement may also be regarded as a disclosure under regulation 36(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Item No. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of Companies (Cost Records and Audit)

Rules, 2014 including amendments and re-enactments and clarifications issued by the Ministry of Corporate Affairs, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

Based on recommendation of the audit committee, the Board at its meeting held on 22nd May 2020, considered and approved the re-appointment of M/s. A.N Raman & Associates, as Cost Auditor for the financial year 2020-21 at a remuneration of ₹ 4,00,000 plus applicable taxes and reimbursement of out of pocket expenses at actuals. The remuneration payable to M/s. A.N Raman & Associates, requires to be ratified by the Members at the forthcoming annual general meeting. Hence, the resolution is being proposed as item no. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for approval of the Members.

Item No. 5

WABCO Europe BVBA is a related party as defined in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company is a fellow subsidiary of WABCO Europe BVBA, headquartered at Berne, Switzerland. WABCO Europe BVBA is one of the major overseas customers of the Company. The orders placed by WABCO Europe BVBA are progressively growing year after year. This coupled with seamless technology and technical knowhow supplied by them has significantly contributed to the increase in the Company's turnover and profits.

Transactions with a related party during a financial year in excess of 10% of the turnover during the immediately preceding financial year, are regarded as "material transactions" with a related party in terms of Regulation 23(1) of the Securities and Exchange Board of India

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(SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015. Such material transactions with a related party require approval of the Shareholders of the Company through an ordinary resolution. Anticipating that the total transactions with M/s WABCO Europe BVBA during the financial year ending 31st March 2020 would cross the threshold of 10% of the turnover for the financial year ended 31st March 2019, the Company had obtained the approval of the shareholders, for the anticipated transactions beyond the 10% limit, at the previous annual general meeting held on 14th August 2019.

The actual transaction entered into with them during the financial year ended 31st March 2020 are as set out below:

Sl. No.	Nature of transaction	Amount (₹ in Lakhs)
1.	Sale of Automotive Components	28,149.8
2.	Services rendered	14,638.9
3.	Royalty	4,422.5
4.	Reimbursement of Expenses	114.8
	Total	47,326.0

Aggregate of the transactions stated above amounts to 16.17% of the turnover for the financial year ended 31st March 2019.

The Company expects to enter into material transactions with WABCO Europe BVBA during the financial year ending 31st March 2021 also. This is likely to exceed ₹ 199.34 Crores (which is 10% of the turnover of ₹ 1993.4 Crores for the financial year ended 31st March 2020).

Hence approval of the members is being sought for the actual quantum of above material related party transactions entered during the financial year ended 31st March 2020 and to transactions proposed to be entered into with WABCO Europe BVBA during the financial year ending 31st March 2021.

The material terms for the agreements which have been entered into by the Company with WABCO Europe BVBA are:

- a) Credit terms of 90 days from the date of invoice;
- b) Warranty for the period of 12 months for the product specifications;

- c) Mark-up on cost of raw materials, conversion cost and other relevant expenses and
- d) Expenditure reimbursements at actuals.

As per the prevailing transfer pricing regime and practice across the globe, M/s WABCO Europe BVBA charges a royalty to WABCO India Ltd., at the rate of 4% of net sales [total product sales (less) inter-company sales (less) inter-company purchases] for the products manufactured by the Company using WABCO Technology and for the knowhow and best practices of M/s WABCO Europe BVBA that have been adopted and implemented by the Company. An agreement effective 1st January 2016 in this regard was entered into with M/s WABCO Europe BVBA for the payment of royalty. During the year ended 31st March 2020 royalty of ₹ 4,422.5 lakhs was paid to M/s WABCO Europe BVBA which amounts to 1.5% of the turnover for the financial year 2018-19. This is included in the above table. Pursuant to the royalty agreement with WABCO Europe BVBA, the Company would continue pay a royalty of 4% on net sales during the financial year ending 31st March 2021.

Pursuant to Regulation 23(1) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015, such approval of members is required to be obtained by way of an ordinary resolution. Hence, the ordinary resolution at Item No.5 of the notice. Voting by related parties on the ordinary resolution will be governed by the applicable provisions of the Listing Regulation. All transactions with WABCO Europe BVBA are in ordinary course of business and are done on arms-length basis.

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

By order of the board

Chennai
22nd May 2020

M C GOKUL
Company Secretary

Directors' report to the shareholders

The directors have pleasure in presenting the 16th annual report and the audited financial statements for the financial year ended 31st March 2020.

1. FINANCIAL HIGHLIGHTS

Details	₹ in lakhs	
	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	192,956.15	285,413.56
Other Income	6,388.05	7,247.53
Total Income	199,344.20	292,661.09
Profit before interest depreciation and tax	31,536.73	48,235.10
Finance costs	191.94	–
Depreciation	9,011.08	7,143.69
Profit before tax	22,333.71	41,091.41
Provision for taxation (including deferred tax and tax relating to earlier years)	6,452.34	12,874.48
Profit after tax	15,881.37	28,216.93
Other Comprehensive Income / (Loss) for the year net of tax	(79.66)	(197.96)
Total Comprehensive Income for the year Net of Tax	15,801.71	28,018.97

2. DIVIDEND

The Board of Directors of the Company at its meeting held on 19th March 2020, declared an interim dividend of ₹ 10 per share (200%) for the year 2019-20, absorbing a sum of ₹ 18.97 crores. The same was paid to all the shareholders who had registered their bank account details, on 30th March 2020. In respect of other shareholders dividend warrants were sent to them. The dividend distribution tax of ₹ 3.90 crores on the said dividend was also paid by the Company. The Board does not recommend any further dividend for the year. The Company has not transferred any amount to the general reserves during the year.

3. PERFORMANCE

During the year 2019-20, the Company achieved total income of ₹ 1,993 crores as against ₹ 2,927 crores in the previous year. The profit before tax was ₹ 223 crores as against ₹ 411 crores in the previous year and the Profit after tax was ₹ 159 crores as against ₹ 282 crores in the previous year. There has been no change in the business of the Company during the financial year ended 31st March 2020.

4. AGREEMENT FOR ACQUISITION OF WABCO HOLDINGS INC., US

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

Under the agreement, ZF will acquire all outstanding shares of WABCO Holdings Inc., US for \$136.50 per share in an all-cash transaction for an equity value of over \$7 billion. The acquisition price represents a 13 percent premium to the closing stock price of \$120.75 on February 26, 2019, the date prior to media reports and WABCO's confirmation that ZF had approached the company. The transaction also represents a premium of approximately 18 percent and 23 percent to the undisturbed Volume Weighted Average Price (VWAP) for the 30 and 90 days ended February 26, 2019, respectively.

The transaction, once consummated, will bring together two global technology leaders with highly complementary and innovative technology offerings to address future serving OEMs and fleets in the automotive and commercial vehicle industry, combining WABCO's capabilities in commercial vehicle safety and efficiency, including technologies involved in vehicle dynamics control, active air suspension systems, and fleet management systems with ZF's leading position in driveline and chassis technologies for cars and commercial vehicles.

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

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

Hence, under Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations, a public announcement of an open offer for the acquisition of up to 4,741,900 fully paid-up equity shares of face value of ₹ 5/- each of WABCO India Limited, representing 25% of the total voting equity capital of WABCO India Limited, comprising fully of public shareholders was given by ZF Friedrichshafen AG on 2nd April 2019 at ₹ 6,318/- per share. This public announcement excluded the promoters / promoter group of WABCO India Limited.

In this regard, WABCO Holdings Inc. and ZF Friedrichshafen AG had on 16th May 2020 announced that all required regulatory approvals have now been received and WABCO and ZF expect to close the merger on May 29, 2020, subject to the satisfaction of all other closing conditions.

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5. CAPITAL EXPENDITURE

Capital expenditure of ₹ 101.5 Crores was incurred during the year 2019-20 as against the plan of ₹ 119.7 Crores and Capital Expenditure of ₹ 104.8 Crores is planned for the year 2020-21.

6. DIRECTORS

On the recommendation of the Nomination & Remuneration Committee, Mr. Mahesh Chhabria has been appointed as an Independent Director by the Board with effect from 16th May 2020 for a term of 5 consecutive years subject to the approval of shareholders at the ensuing Annual General Meeting.

Mr. Narayan K Seshadri, ceased to be an Independent Director on the conclusion of his second term on 31st March 2020.

Mr. Sean Deason resigned from the Board with effect from 19th March 2020 due to his other commitments.

Ms. Lisa Brown retires by rotation at the ensuing annual general meeting of the Company. She has not offered herself for re-appointment.

The Board wishes to place on record its appreciation for the valuable guidance and services rendered by Mr. Narayan Seshadri and Mr. Sean Deason during their tenure as Directors.

The composition of the Board, taking into account the above changes, is in compliance with the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") - three independent directors, three non-executive non-independent directors and an executive director as on date.

The independent directors continue to fulfill the criteria of independence as defined under Section 149(6) of the Act and Regulation 16(b) of Listing regulations and have furnished the requisite declarations in this regard and the Board confirms that they are independent of the management.

7. AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants, holding firm Registration No 101248W / W-100022 have been appointed as statutory auditors of the Company by the shareholders for a term of five consecutive years from the 15th Annual General Meeting upto the conclusion of the 20th Annual General Meeting as per the Section 139 of the Companies Act, 2013.

The Consolidated remuneration paid to Auditors / affiliated firms / entities for Audit and services rendered in other capacities is provided in the notes to the financial statements.

The Auditors' report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark or disclaimer and the same is attached with the annual financial statements.

8. SECRETARIAL AUDITOR

M/s. S Krishnamurthy & Co., Company Secretaries have carried out Secretarial Audit under the provisions of Section 204 of the Act, for the financial year 2019-20 and submitted their report, which is annexed to this report. The report does not contain any qualification, reservation or adverse remark or disclaimer.

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

9. COST AUDITOR

Pursuant to Section 148 of the Act, the Board of Directors of the Company upon recommendation made by the audit committee has re-appointed M/s A. N Raman & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year ending 31st March 2021 and has recommended his remuneration to the shareholders for their ratification at the ensuing Annual General Meeting.

10. KEY MANAGERIAL PERSONNEL

Mr. P Kaniappan - Managing Director

Mr. R S Rajagopal Sastry - Chief Financial Officer

Mr. M C Gokul - Company Secretary

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

12. ANNUAL EVALUATION OF THE BOARD'S PERFORMANCE

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

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

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism through "WABCO Whistle Blower Policy" to enable employees and directors to report genuine concerns dealing with instances of fraud and mismanagement, if any. The mechanism provides for adequate safeguards against victimization of the whistle blower and also provides for direct access to the Chairman of the audit committee in appropriate or exceptional cases or chief ethics officer of the Company as the case may be to report any concerns or unethical activities.

14. BUSINESS RESPONSIBILITY

The Company is one among the top 1000 listed companies as per the market cap as on 31st March 2020 and hence as per the Listing regulations, the Business Responsibility Report forms part of the annual report. In this regard, the Company has developed a Business Responsibility policy which is approved by the Board. As per this policy Mr. P Kaniappan, Managing Director is responsible for the implementation of the Business Responsibility initiatives. The initiatives of the Company in this regard for the year 2019-20 are provided in the Business responsibility report.

15. STATUTORY STATEMENTS

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

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

Towards the Company's continual commitment of utilizing renewable energy, the Company had commissioned a 400 KW roof top solar plant during the year 2018-19. This has resulted in increasing the overall renewable power share from zero to 5% of the total consumption during the year 2019-20.

During 2019-20, the Company had incurred a capital expenditure of ₹ 45 lakhs towards a total of 60 energy reduction projects implemented during the year in air conditioners, compressed air systems and other projects which yielded energy savings of 8.59 Lakh units and cost savings of ₹ 68.75 Lakhs per annum. Further, these initiatives have also resulted in carbon footprint reduction of about 400 Ton in Co2 emissions per annum.

15.2 Corporate Social Responsibility

As required under Section 134(3)(o) of the Act, details about policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year ended 31st March 2020 are given in Annexure 2 to this report

15.3 Directors' Responsibility Statement

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the profit of the Company for the year ended on that date;

- c. That directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. DISCLOSURES UNDER COMPANIES ACT, 2013

16.1 Extract of the Annual Return

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

16.2 Number of Board Meetings

The Board of Directors met six times during the year 2019-20. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

16.3 Committees of Board of Directors

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

The Board has accepted / considered all recommendations made by the Committees to the Board during the financial year

16.4 Related Party Transactions

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

Certain related party transactions entered into during the year ended 31st March 2020 and transactions proposed to be entered into during the year ending 31st March 2021 between the Company and WABCO Europe BVBA, a fellow subsidiary of the company, are material in nature and require the approval of members by ordinary resolution as per the Listing regulation. An ordinary resolution seeking shareholders' approval is included in the notice to shareholders.

WABCO INDIA LIMITED

The Company pays royalty to M/s WABCO Europe BVBA, a fellow subsidiary and related party at the rate of 4% per annum on the net sales (Total sales (less) inter-company sales (less) inter-company purchases) effective 1st January 2016 for the intellectual property, knowhow and processes supplied by WABCO Europe BVBA. M/s WABCO Europe BVBA charges Royalty to all its associated entities in line with the global practices and transfer pricing norms. During the year ended 31st March 2020 royalty of ₹ 44.22 crores was paid to M/s WABCO Europe BVBA which amounts to 1.5% of the total turnover for the financial year 2018-19.

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

17. POLICIES

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

http://www.wabco-auto.com/en/investor_relations/wabco_india_investor_relations

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

17.2 Policy on director appointment and remuneration

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

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

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

Name	Ratio
Mr. P. Kaniappan, Managing Director	58.09:1
Mr. M. Lakshmi Narayan - Independent Director	2.29:1
Mr. Narayan Seshadri, Independent Director	2.11:1
Dr. Lakshmi Venu, Independent Director	1.95:1

Directors other than those mentioned above have not drawn any remuneration for the financial year 2019-20.

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

Mr. M. Lakshminarayan, Chairman	3.61%
Mr. Narayan K Seshadri, Director	(3.80%)
Dr. Lakshmi Venu, Director	(2.67%)
Mr. P. Kaniappan, Managing Director	23.09%
Mr. R.S Rajagopal Sastry, Chief Financial Officer	10.70%
Mr. M.C Gokul, Company Secretary	33.08%

18.3 The percentage increase in the median remuneration of employees in the financial year: 3.17%

18.4 The number of permanent employees on the rolls of company as on 31st March 2020: 1839

18.5 Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.6%

Percentage increase in the managerial remuneration in the last financial year was 20.67%. There are no exceptional circumstances for increase in the managerial remuneration. With respect to the Managerial Personnel, variable component is paid in the form of incentive, as per the remuneration policy of the Company and based on the financial and non-financial parameters based on their individual performance and the performance of the Company.

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

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

18.8 Particulars of Employees

The statement of particulars of employees as per Section 197 of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March 2020, is given in Annexure 5 and forms part of this Report.

19. CORPORATE GOVERNANCE

The Company has complied with the provisions of the Listing Regulations concerning corporate governance and a report to this effect is attached, as required by Under Schedule V of the Listing Regulation. The certificate issued by the auditors of the Company regarding compliance with the corporate governance requirements is also annexed to this report. The Managing Director, (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the board on financial statements and other matters in accordance with Regulation 17(8) of the Listing Regulations pertaining to CEO / CFO certification for the financial year ended 31st March 2020. Further, applicable Secretarial Standards have been complied with.

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

20. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

The Company also issues appointment letters to the Independent Directors which also incorporates their role, duties and responsibilities. Further, regulatory updates on regulatory changes are also periodically placed before the Board. The details of familiarisation programme have been hosted in the web site of the

Company under the weblink <http://wabco-auto.com/investor-relations/wabco-india-investorrelations>

21. OTHER PARTICULARS

- The Company has not accepted any deposits from the public within the meaning of Sections 76 of the Companies Act, 2013 for the year ended 31st March 2020.
- The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of property, plant and equipment, inventories, revenue & receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and concluded that no adjustments are required to the financial results. The Company will continue to monitor the developing scenario or any material changes.
- There are no significant and material orders passed by regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.
- The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate Company during the financial year 2019-20.
- The Company has not raised any funds during the year.

Acknowledgement

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

For and on behalf of the board

Chennai
22nd May 2020

M. LAKSHMINARAYAN
Chairman

A. CONSERVATION OF ENERGY

1. Measures taken

- i) CNC machines were refurbished using new energy efficient technology to reduce energy consumption.
- ii) Ambient temperature was used during night shifts through air wash unit to reduce energy consumption on air-conditioning systems.
- iii) 70W ceiling fans in shop floor were replaced with 35W energy efficient super ceiling fans.
- iv) Optimization of compressed air pressure in machines at all locations.
- v) Intelligent flow controller was installed for air compressor at the Mahindra World City plant.
- vi) Installation of compact power pack instead of ordinary hydraulic power pack.
- vii) Automatic switching off of machines during idle time.
- viii) Energy saved through auto switch off of Lighting, fan's and air conditioners during Lunch and Break time.
- ix) LPG Consumption was reduced through proportional control mechanism
- x) Seasonal Control was installed in AHU to reduce energy consumption.

These measures resulted in substantial energy savings of about 8.59 lakhs units of power and ₹ 68.75 lakhs per annum.

2. Measures proposed

- i) Thyristor control for all high-power consuming heaters to reduce energy consumption.
- ii) Air Blowers to be used instead of compressed air in washing machines
- iii) Panel AC to be removed - Air to Air cooler to be provided for CNC control panel at the Mahindra World City Plant.
- iv) Implementation of Internet of Things to reduce energy consumption in Compressor Machine Shop at the Ambattur Plant.
- v) Increased efficiency of hot water generator in canteen by exposed steam line insulation to reduce diesel consumption.
- vi) Providing energy efficient motors instead of normal motors.
- vii) Providing capacitor near to in air compressor to improve power factor.
- viii) 3 HP coolant motors to be replaced with 1 HP motors at all sites.
- ix) Providing variable frequency drives for powder coating and impregnation motor to reduce energy consumption.
- x) Providing super fan to reduce energy for all operating cells at the Mahindra World City Plant.
- xi) 50 KW plasma chillers to be modified to 18 KW at the Mahindra World City Plant.

These measures are expected to result in substantial energy savings of about 9.49 lakhs units of power & ₹ 75.59 lakhs per annum.

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

C. Expenditure on R & D

	₹ in Lakhs
Capital expenditure	249.49
Recurring expenditure (including salaries)	3,362.21
	3,611.70

D. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

- a. Developed OPR cylinder head compressor for medium and heavy commercial vehicles
- b. Developed Double Diaphragm Spring Brake Actuator with higher parking force for heavy commercial vehicles
- c. Developed Smart Air suspension for heavy commercial vehicles
- d. Developed Tandem Master Cylinder & increased stroke booster for light commercial vehicle.
- e. Optimised Air Disk Brake with drag reduction with wear indicator for medium and heavy commercial vehicles
- f. Sand sintering technology was developed for prototype casting development
- g. Developed Light weight high corrosion resistance aluminum alloy for better application in compressor and valve
- h. Developed welding technology alternate to friction welding used in brake chamber for heavy commercial vehicles
- i. Developed indigenous PTFE material for Car ASU application, High ozone resistance NBR material for outdoor application
- j. Developed fresh lease of life concept for test rigs for enhanced life.

2. Benefits derived

- a. Products with improved fuel savings to customers
- b. Advanced features to enhance the vehicle safety
- c. Increased market share with localized products with advanced features
- d. Enhanced product performance and durability resulting in competitive advantage
- e. Environment benefit by avoiding surface protection
- f. Indigenous development of test rigs and accessories for advanced products
- g. Improved ride and handling performance
- h. Increased axle load regulatory requirement
- i. New business and increased market share

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ in Lakhs
Foreign exchange inflow	86,994.69
Foreign exchange outflow	37,679.43

Report on CSR activities for the year ended 31st March 2020

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

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

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

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

2. The Composition of the CSR Committee

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

3. Average net profit of the company for last three financial years: ₹ 36,479.91 Lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 729.60 Lakhs

5. Details of CSR spent during the financial year.

- | | |
|---|--|
| a. Total amount spent for the Financial Year 2019-20:
₹ 85.00 Lakhs. | |
| b. Amount unspent, if any: ₹ 644.60 Lakhs. | |

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

(₹ in lakhs)

Sl. No.	CSR Project (or) Activity Identified	Projects of programs (1) Local area or other	Sector in which the program was covered	Amount Outlay (Budget) Project or Program wise	Amount Spent on the projects / Programs (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative Expenditure upto Reporting Period	Amount Spend Directly or through implementing Agency.
1	2	3	4	5	6	7	8
1	Partnered with Indian Road Safety Campaign for national conference on Road safety	New Delhi	Safety Training & Education	5.00	5.00	5.00	WABCO Foundation
2	Safety Training program for Medium & Heavy Commercial Vehicle Drivers, Mechanics including Health Check Up	Karnataka - Bangalore, Hubli, Kerala - Palakkad, Kattapana, Kozhikode, Andhra Pradesh - Tanukku, Rajamundry, Maharashtra - Nagpur, Tamilnadu - Attipattu, Orissa - Cuttack	Safety Training & Education	7.00	5.00	10.00	WABCO Foundation
3	Improved the safety Infrastructure around the plant	Ambattur, Chennai Barabanki, Lucknow	Safety Training & Education	16.00	15.09	25.09	WABCO Foundation

WABCO INDIA LIMITED

Sl. No.	CSR Project (or) Activity Identified	Projects of programs (1) Local area or other	Sector in which the program was covered	Amount Outlay (Budget) Project or Program wise	Amount Spent on the projects / Programs (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative Expenditure upto Reporting Period	Amount Spend Directly or through implementing Agency.
1	2	3	4	5	6	7	8
4	COVID support to community - Purchased and distributed PPE Kits, Pulse Oxy Meters, Face Shields, gloves, masks, sanitizers to hospitals and local authorities - Distributed about 31,000 food packets to local authorities who were at work during the complete lock down period - Provided cots and necessary equipment to create COVID Ward to ESI Hospital	Ambattur, Mahindra World City - Chennai Barabanki, Lucknow Panthnagar, Uttarakhand Jamshedpur, Jharkhand	Community Services	60.00	59.71	84.80	
5	Administrative expenses	Chennai, Tamilnadu		2.00	0.20	85.00	WABCO Foundation
			Total	90.00	85.00		

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

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

Promoting road safety across India: The Government of India is taking consistent efforts to reduce accidents through safety education, safety engineering, creating safe environment and enforcement. In

an effort to support this initiative the WABCO foundation has been conducting safety awareness training programs for commercial vehicle drivers, and vehicle maintenance technicians combined with health checkups. The company has expanded its programs to other states in the Western and Eastern regions of India. Over 8000 drivers & mechanics from Tamilnadu, Kerala and Andhra Pradesh, Telangana, Maharashtra and Orissa have been trained on road safety by creating awareness on vehicle safety & safe driving practices, advanced braking systems, etc. These projects were carried out in association with the Regional Transport Offices and State Transport Undertakings.

The safety awareness camps are complemented with medical and eye check-up camps for the participants. Considering the tremendous acceptance, response and impact of such programs, it is planned to extend this pan India. This has resulted in transforming the lives of drivers and mechanics which will, in turn, translate into safer roads. As part of this important road safety objective, the Company is continuing its partnership with Praxair India, one of the world's largest Industrial Gas companies and State Transport authorities, to provide advanced driver training for drivers of hazardous cargo carriers, fuel

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

Response to the COVID-19 crisis: Various community services were undertaken like personal hygiene awareness & health checks for drivers, upgrading road safety infrastructure in and around the plant locations etc. In view of the spread of Corona virus in India and its declaration as a pandemic by the WHO, the company also stepped up and facilitated immediate action to support the medical, healthcare and frontline workers in the battle against COVID. The Company through its kitchens across all plant locations cooked and supplied over 31,000 food packages and drinking water to the local

administration. The foundation also helped to set up a complete 50 bed COVID care ward at the ESI Hospital, Ayanavaram with the entire necessary infrastructure like beds, critical care equipment etc. The company also pro-actively reached out to serve the community (Government) hospitals in the vicinity of manufacturing plants with PPE equipment, Pulse Oximeters, gloves, masks, sanitizers among other aid.

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

For and on behalf of the Board

P. KANIAPPAN

Managing Director & Chairman of CSR Committee

Chennai
22nd May 2020

WABCO INDIA LIMITED

Annexure - 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.3.2020

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of Main Products / Services	NIC code of the product	% to total turnover of the Company
1	Auto components	34300	89.6%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. BodiesCorp.	-	-	-	-	-	-	-	-	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total-A-(1)	-	-	-	-	-	-	-	-	-
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	1,42,25,684	-	1,42,25,684	75.00%	1,42,25,684	-	1,42,25,684	75.00%	Nil
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub Total- A(2)	1,42,25,684	-	1,42,25,684	75.00%	1,42,25,684	-	1,42,25,684	75.00%	Nil
Total Shareholding of Promoters(1+2)	1,42,25,684	-	1,42,25,684	75.00%	1,42,25,684	-	1,42,25,684	75.00%	Nil

WABCO INDIA LIMITED

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institution									
a. Mutual Funds	18,07,602	-	18,07,602	9.53%	16,41,487	-	16,41,487	8.65%	-0.88
b. Alternative Investment Fund	-	-	-	-	35,644	-	35,644	0.19%	+0.19
c. Bank / FI	1,302	-	1,302	0.01%	102	-	102	0.00%	-0.01
d. Cent. Govt.									-
e. State Govt.									-
f. Venture Capital									-
g. Insurance Co.									-
h. FIs	-	-	-	-	-	-	-	-	-
i. Foreign Portfolio Corporate	5,05,083	-	5,05,083	2.66%	503,932	-	5,03,932	2.66%	-0.00
j. Foreign Venture Capital Fund									-
k. Others									-
Sub-Total-B(1)	23,13,987	-	23,13,987	12.20%	21,81,165	-	21,81,165	11.50%	-0.70
2. Non-Institution									
a. Body Corporate	6,84,936	1,354	6,86,290	3.62%	8,64,391	1,304	8,65,695	4.57%	+0.95
b. IEPF Authority	40,512	-	40,512	0.21%	42,585	-	42,585	0.22%	+0.01
c. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	14,70,707	1,29,574	16,00,281	8.44%	14,49,010	1,08,956	15,57,966	8.21%	+0.23
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	44,160	-	44,160	0.23%	44,160	-	44,160	0.23%	-0.00
Others									
NRI (Rep)	27,848	-	27,848	0.15%	23,762	-	23,762	0.13%	-0.02
NRI (Non-Rep)	28,648	124	28,772	0.15%	26,260	124	26,384	0.14%	-0.01
Foreign National	-	-	-	-	-	-	-	-	-
OCB									
Directors & Relatives	100	-	100	0.00%	100	-	100	0.00%	0.00
Trust									
In Transit	-	-	-	-	-	-	-	-	-
Sub-Total-B (2)	22,96,861	1,31,052	24,27,913	12.80%	24,50,351	1,10,384	25,60,735	13.50%	+0.70
Net Total (1+2)	46,10,848	1,31,052	47,41,900	25.00%	46,31,516	1,10,384	47,41,900	25.00%	0.00
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,88,36,532	1,31,052	1,89,67,584	100.00%	1,8,857,200	1,10,384	1,89,67,584	100.00%	-

WABCO INDIA LIMITED

V. SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of total shares the Company	% of Shares Pledged / encumbered total shares	No. of Shares	% of total shares the Company	% of Shares Pledged / encumbered total shares	
1.	WABCO Asia Private Limited	1,42,25,684	75.00%	–	1,42,25,684	75.00%	–	–

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

VI. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2019		Shareholding at the end of the year 31.03.2020	
	Name of the Director / KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. M. Lakshmi Narayan*	100	0.0005%	100	0.0005%
2.	Mr. Narayan K Seshadri**	–	–	–	–
3.	Dr. Lakshmi Venu	–	–	–	–
4.	Mr. Philippe Colpron	–	–	–	–
5.	Mr. Sean Deason***	–	–	–	–
6.	Dr. Christian Brenneke	–	–	–	–
7.	Ms. Lisa Brown	–	–	–	–
8.	Mr. P Kaniappan	–	–	–	–
9.	Mr. R S Rajagopal Sastry	–	–	–	–
10.	Mr. M C Gokul	–	–	–	–

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

** Term of appointment as independent Director ended on 31.03.2020

*** Resigned with effect from 19.03.2020

VII. TOP 10 SHAREHOLDERS AS ON 31.03.2020

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

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

582,669	01-04-2019	Opening balance						
	31-05-2019	Transfer / Purchase	9,055	0.05	591,724	3.12		
	30-08-2019	Transfer / Sale	36,000	0.19	555,724	2.93		
	31-03-2020	Closing Balance					555,724	2.93

WABCO INDIA LIMITED

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

HDFC LIFE INSURANCE COMPANY LIMITED

258,468	01-04-2019	Opening balance							
	05-04-2019	Transfer / Purchase	9,176	0.05	267,644	1.41			
	12-04-2019	Transfer / Purchase	605	0.00	268,249	1.41			
	19-04-2019	Transfer / Purchase	873	0.00	269,122	1.42			
	26-04-2019	Transfer / Purchase	13,505	0.07	282,627	1.49			
	10-05-2019	Transfer / Purchase	2	0.00	282,629	1.49			
	24-05-2019	Transfer / Purchase	5	0.00	282,634	1.49			
	14-06-2019	Transfer / Purchase	7	0.00	282,641	1.49			
	28-06-2019	Transfer / Sale	8	0.00	282,633	1.49			
	05-07-2019	Transfer / Purchase	143	0.00	282,776	1.49			
	07-08-2019	Transfer / Purchase	3	0.00	282,779	1.49			
	23-08-2019	Transfer / Purchase	2	0.00	282,781	1.49			
	30-08-2019	Transfer / Purchase	2	0.00	282,783	1.49			
	06-09-2019	Transfer / Purchase	3	0.00	282,786	1.49			
	27-09-2019	Transfer / Purchase	6	0.00	282,792	1.49			
	11-10-2019	Transfer / Purchase	9	0.00	282,801	1.49			
	18-10-2019	Transfer / Purchase	7	0.00	282,808	1.49			
	25-10-2019	Transfer / Purchase	139	0.00	282,947	1.49			
	08-11-2019	Transfer / Purchase	5	0.00	282,952	1.49			
	22-11-2019	Transfer / Sale	40	0.00	282,912	1.49			
	13-12-2019	Transfer / Sale	18	0.00	282,894	1.49			
	24-01-2020	Transfer / Purchase	7,734	0.04	290,628	1.53			
	07-02-2020	Transfer / Sale	91	0.00	290,537	1.53			
	14-02-2020	Transfer / Sale	26	0.00	290,511	1.53			
	21-02-2020	Transfer / Purchase	3	0.00	290,514	1.53			
	28-02-2020	Transfer / Sale	53	0.00	290,461	1.53			
	06-03-2020	Transfer / Sale	12	0.00	290,449	1.53			
20-03-2020	Transfer / Purchase	7,451	0.04	297,900	1.57				
27-03-2020	Transfer / Purchase	2,320	0.01	300,220	1.58				
	31-03-2020	Closing Balance					300,220	1.58	

FRANKLIN INDIA PRIMA FUND

0	01-04-2019	Opening balance							
	13-12-2019	Transfer / Purchase	281,404	1.48	281,404	1.48			
	31-03-2020	Closing Balance					281,404	1.48	

CATAMARAN ADVISORS LLP

276,116	01-04-2019	Opening balance							
	31-03-2020	Closing Balance					276,116	1.46	

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

198,923	01-04-2019	Opening balance							
	31-05-2019	Transfer / Purchase	8,979	0.05	207,902	1.10			
	31-03-2020	Closing Balance					207,902	1.10	

WABCO INDIA LIMITED

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

SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP FUND

179,296	01-04-2019	Opening Balance						
	02-08-2019	Transfer / Purchase	5,000	0.03	184,296	0.97		
	03-01-2020	Transfer / Sale	2,221	0.01	182,075	0.96		
	10-01-2020	Transfer / Sale	1,000	0.01	181,075	0.95		
	31-03-2020	Closing Balance					181,075	0.95

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

56,963	01-04-2019	Opening balance						
	12-04-2019	Transfer / Purchase	109	0.00	57,072	0.30		
	19-04-2019	Transfer / Purchase	10,898	0.06	67,970	0.36		
	10-05-2019	Transfer / Purchase	216	0.00	68,186	0.36		
	21-06-2019	Transfer / Sale	142	0.00	68,044	0.36		
	27-03-2020	Transfer / Sale	232	0.00	67,812	0.36		
	31-03-2020	Closing Balance					67,812	0.36

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

62,937	01-04-2019	Opening balance						
	31-03-2020	Closing Balance					62,937	0.33

VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND

51,598	01-04-2019	Opening Balance						
	05-04-2019	Transfer / Purchase	3,594	0.02	55,192	0.29		
	12-04-2019	Transfer / Purchase	768	0.00	55,960	0.30		
	19-04-2019	Transfer / Purchase	6,627	0.03	62,587	0.33		
	26-04-2019	Transfer / Sale	1,503	0.01	61,084	0.32		
	31-03-2020	Closing Balance					61,084	0.32

WABCO INDIA LIMITED

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

RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED

7,648	01-04-2019	Opening balance							
	05-04-2019	Transfer / Sale	6,680	0.04	968	0.01			
	12-04-2019	Transfer / Purchase	778	0.00	1,746	0.01			
	19-04-2019	Transfer / Purchase	6,876	0.04	8,622	0.05			
	26-04-2019	Transfer / Purchase	3,507	0.02	12,129	0.06			
	03-05-2019	Transfer / Purchase	2,180	0.01	14,309	0.08			
	10-05-2019	Transfer / Sale	1,772	0.01	12,537	0.07			
	17-05-2019	Transfer / Purchase	2,116	0.01	14,653	0.08			
	24-05-2019	Transfer / Purchase	3,000	0.02	17,653	0.09			
	31-05-2019	Transfer / Sale	5,468	0.03	12,185	0.06			
	11-10-2019	Transfer / Purchase	2,257	0.01	14,442	0.08			
	18-10-2019	Transfer / Purchase	9,444	0.05	23,886	0.13			
	25-10-2019	Transfer / Purchase	11,774	0.06	35,660	0.19			
	29-11-2019	Transfer / Sale	3,192	0.02	32,468	0.17			
	20-12-2019	Transfer / Purchase	1,126	0.01	33,594	0.18			
	31-12-2019	Transfer / Purchase	47	0.00	33,641	0.18			
	17-01-2020	Transfer / Purchase	2,108	0.01	35,749	0.19			
	24-01-2020	Transfer / Purchase	22,306	0.12	58,055	0.31			
	31-01-2020	Transfer / Purchase	2,106	0.01	60,161	0.32			
	07-02-2020	Transfer / Purchase	3,429	0.02	63,590	0.34			
	28-02-2020	Transfer / Purchase	1,773	0.01	65,363	0.34			
	06-03-2020	Transfer / Sale	1,128	0.01	64,235	0.34			
	13-03-2020	Transfer / Sale	15,427	0.08	48,808	0.26			
	20-03-2020	Transfer / Sale	22,216	0.12	26,592	0.14			
	27-03-2020	Transfer / Purchase	17,199	0.09	43,791	0.23			
	31-03-2020	Transfer / Purchase	11,814	0.06	55,605	0.29			
	31-03-2020	Closing Balance					55,605	0.29	

WABCO INDIA LIMITED

VIII. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loan Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 1.4.2019				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
Total of (1 + 2 + 3)				
Change in Indebtedness during the financial year				
+ Addition				
- Reduction			NIL	
Net change				
Indebtedness at the end of the financial year - 31.3.2020				
1) Principal Amount				
2) Interest due but not paid				
3) Interest accrued but not due				
Total of (1 + 2 + 3)				

IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. P. Kaniappan, Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	144.39
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	173.25
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - As % of Profit - Others, specify	
5.	Others, please specify Provident Fund & other Funds	10.88
	Performance Bonus #	107.17
	Total (A)	435.69
	Ceiling as per the Act	1,128.31

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

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

B. Remuneration of other directors:

Independent Directors

Particulars of Remuneration	Name of Independent Directors			Total Amount (₹ in Lakhs)
	M Lakshminarayan	Narayan K Seshadri	Dr. Lakshmi Venu	
Fee for attending board and committee meetings and Independent Directors meeting	3.2	1.8	0.6	5.6
Commission @	14.0	14.0	14.0	42.0
Others	-	-	-	-
Total (1)	17.2	15.8	14.6	47.6

WABCO INDIA LIMITED

Other Non-Executive Directors: (₹ in Lakhs)

Other Non-Executive Directors				Total Amount
Fee for attending board and committee meetings	NIL			
Commission				
Others				
Total (2)	-	-	-	-
Total B = (1+2)				47.76
Ceiling as per the Act				225.66

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

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

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. R S Rajagopal Sastry, Chief Financial Officer	Mr. M C Gokul, Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	78.86	28.34	107.20
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	28.02	0.68	28.70
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - As % of Profit - Others, specify			
5.	Others, please specify Contribution to Provident Fund and gratuity fund	5.11	1.95	7.06
	Performance Bonus	18.31	2.80	21.11
	Total (C)	130.30	33.77	164.07

X. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

WABCO INDIA LIMITED

Form No. AOC - 2

Annexure - 4

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

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

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

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount
WABCO Europe BVBA, a fellow subsidiary	Sales of Automotive Components	01.04.2019 to 31.03.2020	Markup on cost of raw materials, conversion cost	25.05.2019	28,149.8
	Rendering of services	01.04.2019 to 31.03.2020	Mark-up on cost of salary, rent	25.05.2019	14,638.9
	Fee for Intellectual property	01.04.2019 to 31.03.2020	Royalty @ 4% p.a. on net sales	25.05.2019	4,422.5
	Reimbursement of Expenses	01.04.2019 to 31.03.2020	Actuals	25.05.2019	114.8

Note: There is no advance amount paid.

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

Annexure - 5

The details of top ten employees in terms of remuneration drawn during the financial year 2019-20 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	P. Kaniappan	20/2/2008	Managing Director	B.Tech, M.Sc, Executive MBA Executive MBA	60	38	4,35,69,477	Sundaram-Clayton Ltd.
2.	R S Rajagopal Sastry	31/8/2015	Chief Financial Officer	B.Com, AICWA, ACS	50	32	1,30,30,510	R Stahl (I) Private Ltd
3.	Dinesh Shyamsundar	02/09/2011	Leader, WABCO Technology Center of India	B.E. Electronics & Instrumentation	57	34	1,56,35,059	Varrac Engineering Pvt.Ltd
4.	M S Ravikumar	20/2/2008	Leader, Integrated Supply Chain	A.M.I.E, M.Sc, PGXPM	54	33	1,41,35,738	Sundaram-Clayton Ltd.
5.	S G Balagurunathan	20/2/2008	Leader, Global Business Services	B.Sc(AS), B.Tech(EE) & MBA (IT)	55	33	1,29,36,247	Sundaram-Clayton Ltd.
6.	V Ramanathan	22/01/2007	Leader, OE Marketing	B.E Mechanical, MBA	51	33	1,08,35,697	Maruti Udyog Ltd.
7.	Ganesamoorthy Arumugam	20/02/2008	Leader, Engineering	M.Tech	51	24	1,08,57,227	Sundaram-Clayton Ltd.
8.	Sivakumar Sathiyasekaran ⁶	20/2/2008	Vice President - Aftermarket	MBA, Engg Diploma	58	37	1,07,80,395	Sundaram-Clayton Ltd.
9.	Joseph Jackson Panakkal	04.06.2018	Leader, Human Resources	MA (PM&R), MBA (Finance)	45	23	60,54,123	Saint Gobain India Pvt. Ltd.
10.	Simon Leonard	20/02/2008	Leader, Global PE Change Management	ME, Design BE Mechanical	48	25	58,38,335	Sundaram-Clayton Ltd.

Notes:

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

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

For and on behalf of the Board

Chennai
22nd May 2020

M LAKSHMINARAYAN
Chairman

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2020

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

To,

The Members of

WABCO India Limited, CIN: L34103TN2004PLC054667

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

Ambattur Industrial Estate, Chennai 600058

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by WABCO INDIA LIMITED (hereinafter called "the Company") during the financial year from 1st April 2019 to 31st March 2020 ("the year"/"audit period"/"period under review").

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

We are issuing this report based on:

- (i) Our verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms / returns filed and compliance related action taken by the Company during the year as well as after 31st March 2020 but before the issue of this audit report;
- (ii) Our observations during our visits to the registered office and one of the factories of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and noted by the Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2020, the Company:

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

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

1. Compliance with specific statutory provisions

We further report that:

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

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2020 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, the Company's compliance with the said applicable provisions / clauses of the Acts, Rules, Regulations, Standards and Agreements are as set out hereunder.

1.3. The Company has generally complied with the following:

- (i) The Companies Act, 2013 and the rules made thereunder ("the Act").

(ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.

(iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.

(iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment (FEMA);

(v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST).

(vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR); and the listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).

(ix) The following laws which were specifically applicable to the Company:

(a) The Special Economic Zones Act, 2005 and the rules made thereunder (for the units located in a Special Economic Zone, also referred to as "SEZ laws"); and

(b) The Software Technology Parks Scheme based on Foreign Trade Policy of the Department of Commerce, Government of India (specially applicable in respect of the Company's unit located in an STPI, also referred to as "STPI laws").

(x) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards) in respect of Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings held during the year, General Meetings (SS-2) to the extent applicable to the 15th Annual General Meeting held on 14th August 2019.

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

(i) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (FEMA);

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with client;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(vii) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

WABCO INDIA LIMITED

- (viii) Secretarial Standards on Dividend (SS-3) and Secretarial Standards on Report of the Board of directors (SS-4) issued by the Institute of Company Secretaries of India (being non-mandatory).

2. Board processes:

We further report that:

- 2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- 2.2 As on 31st March 2020, the Board has:
- (i) 1 (one) Executive Director;
 - (ii) 3 (three) Non-Executive Non-Independent Directors; and
 - (iii) 2 (two) Independent Directors.
- 2.3 The Board has two women directors, one of whom is an Independent Director and one a Non-Executive Non-Independent director.
- 2.4 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR:
- (i) Re-appointment of Mr. Sean Ernest Deason (DIN: 07334776) as a Director, upon retirement by rotation at the 15th Annual General Meeting (AGM) held on 14th August 2019.
 - (ii) Re-appointment of Mr. M Lakshminarayan (DIN: 00064750), as a Non-Executive and Independent Director for another term of five consecutive years from 1st April 2019 to 31st March 2024, which was approved by the members at the 15th AGM held on 14th August 2019.
 - (iii) Re-appointment of Mr. Narayan K Seshadri (DIN: 00053563), as a Non-Executive and Independent Director for another term of one year from 1st April 2019 to 31st March 2020, which was approved by the members at the 15th AGM held on 14th August 2019.
 - (iv) Appointment of Dr. Christian Brenneke (DIN: 08344547) and Mr. Philippe Colpron (DIN: 08344534), who were appointed as Additional Director (Non-Executive and Non-Independent), effective 29th January 2019, as Non-Executive Directors liable to retire by rotation, at the 15th AGM held on 14th August 2019.
 - (v) Re-appointment of Mr. P Kaniappan as Managing Director for another term of 5 (five) years from 17th June 2019, not subject to retirement by rotation.
 - (vi) Resignation of Mr. Sean Ernest Deason (DIN: 07334776) as a Director, with effect from close of business hours on 19th March 2020.
 - (vii) Retirement of Mr. Narayan K Seshadri (DIN: 00053563) as a Director on 31st March 2020, upon completion of his tenure as a Non-Executive Independent Director.
- 2.5 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.6 In respect of Board meetings held during the year, Notice, Agenda and detailed notes on agenda were sent either 7 (seven) days in advance or at a shorter notice, at all of which meetings atleast 1

(one) Independent Director was present. However, the following items were either circulated separately or at the Board meetings:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
 - (ii) Additional subjects / information / presentations and supplementary notes.
- 2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.8 We are informed that at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3 Compliance mechanism

We further report that:

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

4 Specific events / actions

We further report that:

- 4.1 The following specific events/actions arose during/ immediately after the audit period, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards:
- 75% of the voting share capital in the Company is held by WABCO Asia Private Limited, Singapore, which is an Indirect subsidiary of WABCO Holdings Inc., USA, (WABCO US) the ultimate holding company. On 28th March 2019, WABCO US, entered into a Merger Agreement with ZF Friedrichshafen AG, Germany (ZF). The execution of the said Merger Agreement amounted to an indirect acquisition of 1,42,25,684 equity shares of the Company, constituting 75% of its total voting share capital by ZF from WABCO US. This has triggered an open offer under Regulation 3(1), 4 and 5(1) of SEBI SAST. ZF has accordingly made a public announcement to the public shareholders of the Company on 2nd April, 2019, for the acquisition of upto 47,41,900 fully paid up equity shares of the face value of ₹ 5 each, constituting 25% of the voting share capital of the Company at an offer price is ₹ 6,318/- per Equity Share.

For S Krishnamurthy & Co.,
Company Secretaries

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No:2215
UDIN : F006312B000267903

Date : 22nd May 2020
Place : Chennai

WABCO INDIA LIMITED

Annexure – A to Secretarial Audit Report of even date

To,

The Members of

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2020 is to be read along with this letter.

- The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
- We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- While forming an opinion on compliance and issuing this report, we have taken an overall view based on the compliance process / procedures followed by the Company; and also considered compliance related action taken by the Company after 31st March 2020 but before the issue of this report.

- We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations. Further, with reference to compliance related actions in the nature of filing of returns with statutory authorities / dissemination of information to stock exchanges, we have also considered compliance related action taken by the Company after the relevant due dates, but before the issue of this report.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
- Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co.,
Company Secretaries

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No:2215
UDIN : F006312B000267903

Date : 22nd May 2020
Place : Chennai

Certificate from Company Secretary in Practice

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

To,

The Members of

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

We hereby certify that, in our opinion, none of the Directors on the Board of WABCO INDIA LIMITED ('the Company') as on 31st March 2020, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Muthuswami Lakshminarayan	Chairman, Non-Executive, Independent	00064750
2.	Periakaruppa Nadar Kaniappan	Managing Director	02696192
3.	Lakshmi Venu	Non-Executive, Independent	02702020
4.	Brown Lisa Jane	Non-Executive, Non-Independent	07053317
5.	Philippe Colpron	Non-Executive, Non-Independent	08344534
6.	Christian Oliver Brenneke	Non-Executive, Non-Independent	08344547

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

- Our verification of the information relating to the directors available in the official website of the Ministry of Corporate Affairs; and
- Our verification of the disclosures / declarations / confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance processes followed by the management of the Company.

For S Krishnamurthy & Co.,
Company Secretaries

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No:2215
UDIN : F006312B000267925

Date : 22nd May 2020
Place : Chennai

Management Discussion and Analysis Report

The Company is a leading supplier of technologies and services that improve safety, efficiency and connectivity of commercial vehicles in India. Powered by its vision for accident-free and greener transportation solutions, the Company excels in pioneering breakthrough innovations that bring industry-leading solutions to the commercial vehicle industry worldwide. The company positions itself at the forefront of technological innovation in its segment providing an advanced portfolio of solutions and technologies, Fleet Management solutions for Original Equipment Manufacturers (OEMs) and fleets in India and globally.

In today's dynamic and rapidly changing scenario, global mega-trends such as population growth, Internet of Things (IoT), higher customer expectations and a push towards sustainability, combined with increasingly demanding customer requirements for flexibility, speed and safety put further pressure on supply chains and fleet profitability. As the commercial vehicle industry moves towards increasingly autonomous, connected and electric (ACE) vehicles to meet these challenges, the company will focus and drive technological advancement that will continue to enable smarter operations across the ecosystem.

I. Industry Structure and Development:

i. GDP growth and Indian economic outlook:

India is currently facing short-term challenges, including the outbreak of COVID-19 which has compounded the slowdown. As per UN estimates, India's GDP is likely to grow at 1.2% in 2021-22 due to the current COVID crisis which has added to the deceleration caused by the economic slowdown. India grew at 6.8 % in fiscal year 2018-19 and at 5% in 2019-20. There is a silver lining to every cloud and reports indicate a recovery starting in Q4 2020 and a favorable growth rate of 5.5 to 7 % in 2021. India and China are the only two economies in the world that are not projected to shrink in 2020 even though their growth rates have slowed down considerably.

Overall, apart from the continuing resilience of agriculture and allied activities, other sectors of the economy will be adversely impacted by the pandemic, depending upon its intensity, spread and duration. Relatively modest upsidings are expected to emanate from monetary, fiscal and other policy measures and the early containment of COVID-19, if that occurs.

The Government of India has introduced support packages, (10 % of the GDP) including fiscal and monetary support as well as guarantee schemes. The Reserve Bank of India has also acted swiftly to reduce cost of capital and avoid the liquidity shortfall induced by the COVID -19 lockdown. It has cut policy rates, injected liquidity (about 4% of the GDP) and other long-term measures to encourage economic buoyancy. The Government has further announced several structural reforms to encourage investments, including partial deregulation of the agricultural sectors, lower entry restrictions in eight industrial sectors and revised the definitions of micro, small and medium size enterprises. The economy is expected to recover as the lock down is lifted. Pent up demand from postponed consumption and inventory restocking is expected to boost economic activity.

The Government has announced several fiscal measures to incentivize capital formation attract foreign investment and

create employment and the Reserve Bank of India (RBI) has also stepped in to provide adequate liquidity to counter a sudden stop in economic activity. The economic recovery is expected to be gradual and is likely to get back to pre-COVID levels by the second half of 2021 (Calendar Year).

Inflation: Consumer price index (CPI) inflation for 2020-21 is projected to be at 3.2%

Interest rates: The Monetary Policy Committee (MPC) has decided to fix the repo rates at 4.7%

ii. Indian Commercial Vehicle Industry:

Commercial vehicle sales are directly linked with economic activities in the country. The global automotive industry is witnessing one of the most challenging periods on the back of the ongoing COVID-19 pandemic and the slowdown. In FY'20, the CV industry was hit with a number of growth-impacting factors such as revised axle load norms, the shift to BS VI emission norms, demand crunch due to a prolonged economic slowdown and the COVID-19 pandemic. The commercial vehicle space is expected to see 8% - 10% contractions over the next year, as the result of the pandemic and macro economic challenges. The demand headwinds are expected to continue over the near-term due to the weakening financial profile of fleet operators and significant price hikes because of transition to BS-VI emissions norms.

According to reports available on the public domain, the sale of CVs were down by 88% in March 2020 compared to the corresponding period of the previous year. The cumulative sales were down 28% in FY'20 compared to FY'19. Recovery in the CV segment, is expected to take a while; the partial revival ought to start in the next 1-2 quarters once the economy starts opening up.

Some of the trends that will drive the demand for commercial vehicles

- Globally, the urban logistics opportunity is estimated at \$ 6.12 tn by 2025
- E-commerce will be a key driver for retail sales and almost 20% of new sales will come through online channels
- Connectivity and digitalization will open up new opportunities and avenues for the industry
- New business models such as freight aggregators will create a rise in demand for commercial vehicles

With the implementation of GST, the proportion of small fleet owners is expected to decline and they are likely to associate themselves with larger fleet owners which will lead to the creation of mega-fleets. A well thought out vehicle scrappage policy with incentives is likely to spur demand for commercial vehicles in the short to medium term. Adoption of digital connectivity solutions will make fleets more efficient and cost-effective.

The Government of India's FAME-II scheme has led to an increase in the adoption of electric buses in the country. The Government can make significant budget allocation to the Ministry of Urban Development to support State Transport

Undertakings in procuring Buses with other fuels like CNG, Diesel, Biofuel etc. This would also lead to reviving demand for commercial vehicles.

With more structural reforms underway in a stable economic environment with digital technology, the market is expected to regain the growth path. The market forecast points to an increase in the sale of light and intermediate commercial vehicles, with demand for high-tonnage trucks rising in FY 2022. The production cycle will increase in the coming years owing to export markets seeking budget trucks that are compliant to global emission standards and quality norms.

Some of the key technologies that will drive future trends include alternate fuel systems, Electric vehicles and EV retrofits, Higher horse power engines with electronic diesel-controlled system, Auxiliary braking system like electromagnetic retarders, hydraulic retarders and retarder in automatic transmission, Speed monitoring and control systems, Vehicle payload monitoring systems, eSIM-enabled vehicles, GPRS and GPS-related technologies, Vehicle alarm system to detect irregular driving patterns, Engines complying with BS VI emission norms, Infotainment systems, IT-enabled navigation, vehicle tracking, vehicle productivity analysis, Advance transmissions with electronic integrations such as automated manual transmission and other new technologies, Electronic braking system (EBS), Electronic stability program and control (ESP), Collision avoidance warning system, Lane departure warning systems, Air suspensions for buses and trucks, HVAC systems for cabins of buses / trucks.

II. Opportunities & Threats

With the shift from BS IV to BS VI in 2020, the auto industry has taken a significant step in the right direction by harmonizing and coming on par with emission norms of the European and American markets. The BS-VI regime normalizes the playing field for OEMs and the auto component industry alike to participate in the global market through exports, given that the vehicles and the technology in them would be at par with the global standards.

Stricter safety norms provides the company a unique opportunity to work even more closely with OEMs to further penetrate the Indian market and introduce new technologies for the benefit of the end customers. During the year, the company introduced new products for OEMs, fleets and aftermarket thus creating an increase in vehicle content, better technology penetration and foraying into new domains for commercial vehicle technology.

During the course of the year, the company worked with OEMs as a technology partner to introduce technologies compliant with BS VI norms like hill start aid (HSA), Automatic Traction Control (ATC), Air Disc Brakes (ADB), Electronic Stability Control (ESC), Automated Manual Transmission (AMT), Fleet Management Solutions (FMS), Tire Pressure Monitoring System (TPMS), Advanced Air Processing Units among other technologies.

As a complete system supplier, the company uniquely connects truck, trailer, cargo, drivers, business partners and fleet

operator's real time so as to empower the fleets to significantly enhance safety and operational efficiency. The company is today working with several OEMs in the country to reduce the Total Cost of Ownership (TCO) by recommending the right value enhancers and by providing improved uptime for the fleets through its Fleet Management Solutions.

The shift to better emission norms and upgrade of vehicle platforms has created numerous digitalization opportunities in the entire fleet ecosystem with a huge potential to mobilize the vehicle intelligence to provide deep meaningful insights on the vehicle performance to the end user/ fleet owner. Post GST and increased axle load norms; the fleets are looking at amplified vehicle utilization and optimizing their total cost of ownership. To better support the OEMs when the regulation for increased axle load was effected, the company introduced larger sized compressors, improved braking and stability solutions to help them create differentiated products for their customers.

The Company also introduced numerous products through the aftermarket to enhance the safety and efficiency of fleets including Air Suspension with ECAS technology, Tandem Master cylinder and Clutch master cylinders. The company also increased its market share for Diesel Exhaust Fluid (DEF). The Company looks forward to the following strategic opportunities in the coming years.

- Partner with Trailer customers for implementing 100% TABS, penetrating and expansion of Intelligent Trailer Program products and air disc brakes for trailers
- Technical / Homologation support for advanced technology products
- Leverage / expand its manufacturing footprint to ensure increase customer centricity
- Penetration road map for newer technologies like Electronic Stability Control (ESC), Advanced Driver Assistance Systems (ADAS), Reverse Parking Assistance System (RPAS), Driver behaviour monitoring system (DBMS)
- Introduction of new product portfolio - Doors with door control system, air suspension systems, air disc brakes among others

Anticipating evolutionary changes in the traditional aftermarket business models, the Company is striving to introduce new business and revenue models through e-commerce. The company is also looking at ramping up its sales, service and distribution network to effectively cater to fleets and customers across the country. Leveraging the wave of digitalization, the company is also exploring the use of digital models and other initiatives to be ahead of the curve. The authorized service center network is expanding and currently the company has around 280 service centers with pan India presence to cater to the customer requirements. These initiatives have resulted in improved service practices, availability of genuine parts and generate additional revenue for the company. Given the opportunities available in the commercial vehicle segment we expect the activity levels of the competitors to also be on the rise.

III. Risks and Concerns

The company is experiencing the impact of lockdowns induced by the spread of COVID 19 to pandemic levels.

The nationwide lockdown which started from 17th March 2020 is continuing. This has resulted in nil to very minimal commercial vehicle production and hence has an impact on the revenue of the Company. Review of the business plan based on the scenarios were put in place and is being closely monitored by the Board and the Leadership team with timely and relevant information. The company has been gradually opening up its factories and operations within the limits approved by the appropriate Governments. An average capacity of about 40% has been enabled at various factories of the Company when compared to operating levels of February 2020. The company is monitoring the state of relaxations at various locations and also the evolution of demand. The company is suitably equipped to scale up capacities and production to match the demand as it evolves.

The Company adopted the work from home policy during the entire duration of the lockdown wherever feasible. All necessary arrangements were made for employees to work from home. The company was largely successful in ensuring that essential activities were not interrupted.

The Company has its operational locations in areas which are classified as "Red areas". The company is strictly adhering to the protocols defined by the Government while operating in these locations. Well established and well-rehearsed safety, social distancing and sanitizing norms are ensured. These measures include

- Standard SOP for restart of operations based on government guidelines
- Thermal Screening, self-declarations & hand sanitizing of all employees and visitors
- Regular update of the health of all the employees and their families
- Disinfection of all frequent touch points twice a day in all sites/offices, non-touch hand sanitizers are placed
- Social distancing in production line as well as in office areas with gloves and masks being made mandatory in all production lines
- Touch free modification made in rest rooms and water coolers
- Awareness sessions with Dos and Don'ts to all employees before back to work
- Video for COVID safety practices developed and communicated to all employees
- Work from home recommended for non-production employees
- Only 50% occupancy is permitted in canteen at a time; food is served by canteen staff so to ensure minimal touch
- Regular engagements with customers & vendors to assess their preparedness.

The Company expects that the return to normalcy in the segment in which the company operates will commence

as the lockdowns and restrictions are relaxed and economic activity begins. The company is closely monitoring all the factors which may impact the demand for commercial vehicles, the components needed for servicing the commercial vehicles and also the global economy which will impact its OEM, After Market and export sales respectively. Given the uncertainty in evolution of various factors, the company is fairly confident that over the next 2 or 3 quarters, economy and the industry will witness gradual increase in activity levels. As the finished good inventories of commercial vehicles are estimated to be low currently, the outlook for volumes is positive.

Factors like continued restrictions even after lifting of lockdown, social distancing norms, ability of supply chain to revive, getting back the required workforce and the time to train them may impact the road to recovery. This may result in low levels of manufacturing activity in the short term. The cost of operations is likely to be impacted due to the need for re-designing factories to address social distancing norms.

The Company has cash reserves to meet its obligations and does not foresee a need to borrow or raise capital. The company has a strong credit management process and investment vetting processes. The assets of the Company need not be impaired due to the slow down caused by COVID 19. The Company has met all its financial obligations and would continue to do so. The company is receiving all major dues from its customers albeit with some delays. The company has been accepting payments through arrangements with the banks the customers have made on a selective basis. The Company does not consider any incremental material recoverability risk. It is expected that the situation would improve going forward along with the relaxation in restrictions. The company has taken all steps to conserve cash during the lockdown, as revenues were hit. The company also has imposed strict cost control measures to reduce and avoid discretionary spend. However, cash and profitability are expected to be impacted due to extreme drop in activity levels.

The company has however ensured that all committed and due payments for statutory purposes, to vendors and to employees were made on time. The company took special care to engage with its employees and help them be motivated and productive during the lockdown while monitoring and caring for their health and safety. All possible advice and help was made available to the employees. The company had conducted special programs to address the vendors and guide them to be safe and sustain themselves during the lockdown.

The Company did a thorough study of its inventory and no major obsolescence is estimated but for a slowing of liquidation of some items.

The Company has robust ERP system in place and all its locations are well networked. Even during the lockdown with a combination of critical staffs working from locations and all others working from home, all reporting systems worked seamlessly without any disruption and ensuring adequate controls.

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

STEEL

As a raw material and intermediate product, production and consumption of steel are widely regarded as indicators of economic progress. Today, the steel industry directly contributes slightly more than 2% to the GDP of the country. Indirect contribution is much larger, owing to the dependence of other sectors.

India is currently the world's second largest producer of crude steel, with 110.92 MT produced in 2018-19 (up from 103.13 MT in 2017-18). The country has strengthened its domestic steel industry considerably over the last decade. It became a net exporter in FY 2016-17, with exports of total finished steel reaching 8.24 MT vis-à-vis imports of 7.22 MT in the same year. The growth pace of India's steel demand is likely to slow because of weak auto and manufacturing demand even as India's demand growth remains the strongest in Asia. However, the country will continue to remain the world's second-largest steel producer behind China, after having overtaken Japan in 2018. According to India Ratings and Research (Ind-Ra), the steel industry's net leverage and interest coverage are likely to deteriorate in FY20 due to compressed EBITDA margins, drop in realisations due to demand slowdown and increase in raw material prices in FY20 year-on-year. The demand for steel in India is likely to be driven by the "House for all by 2022" mission to build 19.5 million homes over the next two years and \$140 billion spending on railways, roads and metros.

The Indian automotive industry is the fourth largest in the world. It contributes to around 9% of total steel demand in India. India is the largest manufacturer of two-wheelers, three-wheelers and tractors, the fourth largest producer of passenger vehicles, and the seventh largest in commercial vehicles in the world. Two-wheelers occupy a dominant position with an 81% market share and overall passenger vehicles compose 13% of the market. India's automobile sector is domestic market oriented, with domestic sales accounting for over 80% of sales. After rapid growth in the last few years, the sector is currently undergoing a slowdown. All the sub-segments have witnessed de-growth in 2019.

The profitability of the steel makers, measured by EBITDA per tonne, is expected to further decline by 5% in 2020 following a sharp decline of around 25% in 2019 because of soft demand according to Moody's Investors Service, which has negative outlook for the Asian steel sector for 2020. The National Steel Policy, 2017 envisages 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market. Government has introduced the steel scrap policy aiming to reduce import. After slower than expected growth in 2019, mainly due to the recession in the developed economies, a further decline is being witnessed in global steel demand in the second quarter of 2020.

The automotive industry, which in recent years was already going through a slump with negative growth around the world due to saturation of demand, regulation changes and transformation toward EVs, is expected to be among the hardest hit by COVID-19. The pandemic will not change the long-term trends within the automotive sector with increased environmental regulation and the consumers move towards plug-in hybrids and full Electric Vehicles.

ALUMINIUM

Aluminium is the second most used metal in the world after steel with an annual consumption of approximately 88 million tonnes (including scrap). It is also the fastest growing metal which has grown nearly 20 times in the last sixty years (compared to 6 to 7 times for other metals). India, too, is catching up with this global trend. Aluminium Industry is the second most important metallurgical industry in India. Aluminium demand in the first quarter had grown by about 7%, and in the second quarter degrew by 6%. India has nearly 10% of the world's bauxite reserves and a growing aluminium sector that leverages this. Demand for aluminium is estimated to grow at 6 - 8% per annum in view of the low per capita consumption in India. India's aluminium consumption is expected to double to over 7 million tonnes in five years.

In India, almost half the demand for aluminium is from the power sector, unlike other countries where it is the auto sector that drives the demand. In India, the auto sector consumes about 15 per cent of the aluminium produced in the country. Also, demand for the metal is expected to pick up as the scenario improves for user industries, like power, infrastructure and transportation. The metal has replaced steel and iron in the construction of many critical auto parts. Aluminium prices were below \$2,000 per tonne for the major part of the year and since mid-July have been below \$1,800 per tonne despite available stocks nearly falling to their lowest in a decade. Although raw materials prices are significantly lower than they were a year ago, they continue to make up a large percentage of the LME aluminium price. Since the auto industry is the largest consumer of aluminium, its slowdown across the globe has been a dampener. In 2019, while production was 63.69 million tonnes, demand was 60 million tonnes. Aluminium scrap imports come into India in bulk quantities. So, if the global excesses find a way to India this year again, with no custom barriers, the prices may move in tandem with the global market.

Risk Management:

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

IV. Internal control system and their adequacy

The Company has proper and adequate systems of internal control including internal financial controls for financial reporting to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition thereof and ensure accurate

reporting. All transactions are authorized, recorded and reported correctly. The internal controls are checked by internal auditors. Observations made by them, management actions and time frames are reviewed.

V. Operations review

A. Manufacturing

During 2019-20, in response to volatile market scenario and slumped economic conditions, integrated supply chain rolled out various cost optimization programs to flex cost throughout the entire supply chain. The Company's manufacturing facilities built on its strong fundamentals of Total Quality Management (TQM), Total Productive Maintenance (TPM) and Lean Manufacturing has rolled out major productivity and quality improvements engaging all the employees within the organization.

Given the reduced activity levels, supply chain was focussed on aggressive localization programs, improving cost competitiveness, quality and responsiveness. During the year, the Company had focused to improve capacity of new gen products to secure additional export volumes and to improve the local market penetration. It had also transferred few manufacturing lines closer to customer promoting the plants to be self-reliant.

Company had carried out line upgradation program across its facilities in India to meet the product/process requirements of BS-VI with optimal investment leveraging its lean and frugal engineering capabilities.

During the year, the company had also revisited its distribution strategy. Packaging costs were challenged through alternate materials and value analysis of packaging design enabling transportation of more parts per cubic space. Company had also performed reverse auction, rationalizing service providers and revisiting its delivery operations consolidating long haul shipments. This had helped 50% reduction of vehicle trips and reducing CO2 emissions by 0.35 metric tons per day. The company had also reduced the storage space in the external warehouses.

"WIN 2.0" was a transformation initiative intended towards changing the mindset of employees at all levels, all functions and across locations to achieve global standards of performance. This initiative which was widely imbibed in employees continues to yield visible results in all areas of operations. Employees won several awards in external competitions organized by Confederation of Indian Industry (CII); National Institution of Quality Assurance and Indian Association of Quality and Reliability (NIQR); Automotive Component Manufacturers Association of India (ACMA) demonstrating their passion and innovation in various areas of excellence in manufacturing. Notably, a QCC team from Mahindra World City plant had won the first prize in state level QCC competition organized by CII. Teams from Ambattur plant secured First Prize in CII Regional Poka Yoke competition & "Platinum" award in National Convention on Innovative QC Teams competition.

B. Quality

The quality systems in the company aim at achieving total customer delight through its focus on improving product quality confirming to world class standards. This is achieved through inculcation of quality mindset and transformation among employees. The Company is at 15 PPM for the year 2019-20. Customers continue to expect the industry benchmark of Zero PPM and Zero Irritants. The Company strives for zero defect performance and mindset of zero tolerance towards deviations.

Six sigma tools are used for analysis and projects are rolled out for each customer to meet their requirements and to standardize all critical production lines. Deploying "VDA6.3" and "VDA6.5" process and product requirements, product safety standards and IATF 16949 helped the company to eliminate the defects significantly. Project quality along with product engineering quality achieved 100% customer PPAP "First Time Right" for All BS VI Products and ensure 100% Green launch. Significant efforts were put in to improve product quality which ensured that there was no recall of products or service campaign during the year and significantly reduce warranty claims.

Total Quality Management is a way of life at the Company. As part of this, 100% participation in total employee involvement has been successful for the past two decades. Employees across all the plants were involved and have completed 265 quality control circle projects, 174 supervisory improvement team projects and cross functional team projects by applying statistical tools, including Six Sigma (DMAIC and DMADV) and Quick Response Six Sigma (QR6S) methodology during the year. Over 1,15,869 suggestions have been implemented by all employees throughout all the plants, including trainees. Employee suggestion scheme is in force at all plants and employees implement suggestions under productivity, quality, cost, delivery, safety and morale categories. In order to foster employee engagement across all plants, interplant quality circle and six sigma competitions were conducted and best teams were recognized.

Quality control circle, cross functional teams of employees participated in external competitions conducted by industry bodies, Automotive Component Manufacturers Association (ACMA), Confederation of Indian Industry (CII), National Institution for Quality and Reliability (NIQR), Indian Machine Tool Manufacturers Association (IMTMA), Quality Circle Forum of India (QCFI), Indian National Suggestions Schemes' Association (INSSAN) and have won various prizes demonstrating their passion and innovation in various areas of excellence in quality & manufacturing which are given below. Notably, a QCC team from Jamshedpur plant had won the gold award in an international QCC competition conducted by Japan Productivity Association in Tokyo. The team qualified for the international QCC competition by winning the regional and national level QCC competitions.

1. Ambattur team won platinum award in Regional ABK AOTS - DOSOKAI SIT Competition
2. Uttarakhand team won 1st prize in ACMA Northern Zonal Level QCC Competition

3. Rainbow QCC team of Jamshedpur plant won Gold award in QCFI, Bhilai QCC
4. Rudra QCC team of Jamshedpur plant won gold award in International QCC Convention at Tokyo
5. Ambattur team won the first Prize in ACMA Low Cost Automation competition

C. Cost management

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

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

D. Information Technology

The Company continues its digital transformation drive across 3 major pillars - enterprise transformation, digital transformation and IT/Cyber security in alignment with global IT guidelines.

Data & Advanced Analytics, Industry 4.0, Robotic Process Automation, Mobility based solutions, chatbots are key areas of focus in the digital transformation to enable cost optimization, productivity and addressing customer needs. Multiple Industry 4.0 pilots have been successfully implemented in the shop floor in the areas of Machine Health, Energy Management, Production Management, Quality process control etc. Plans are put in place to assess & implement Digital Twin & Process mining solutions for the Order to Cash and Procure to Pay process. Business teams are enabled with tools like Tableau & Cognos to perform their own analysis and findings from their data

As part of Enterprise transformation, multiple SAP projects are delivered to enhance the SAP usage maturity and standardisation and Salesforce implemented to assist the sales team to streamline and manage the leads and opportunities. IT/Cyber security governance and compliance is a key focus area. IT/Cyber security measures defined by the group IT/cyber security team are strictly adhered to. Awareness campaigns have been carried out for all employees for protection against ransomware, phishing and data security. The IT department & the BigData Analytics Center are assessed and certified to ISO/IEC 27001:2013 standard for Information Security Management. Periodic vulnerability assessments are being conducted for all the portal applications hosted by the Company.

VI. Human Resource Development

The year 2019-20 has seen notable HR initiatives wherein the main focus was talent attraction and retaining key talents. The year commenced with successful implementation of "Workday" a HCM tool replacing PeopleSoft. Workday is more users friendly and has

business process flow chain to capture every detail and its virtual user interface was quickly adapted. The Human Resource organization restructured through internal role change and provided opportunity within the function to leverage team synergy.

WABCO India on-boarded its first Campus to Corporate (C2C) batch of 45 fresh engineering graduates during July 2019 from top ranked premium institutes from the country viz., NITs, BITS, Anna university etc. The initiative kick started in 2018 by creating a new brand called C2C aimed at adding new and young talent pipeline to the existing talent pool to take up leadership positions in near future.

VoW - Voice of WABCO India an employee engagement survey theme was conceptualized and launched as a region wide survey covering employees of all locations Dec 2019. The survey was conducted by an external agency and overall score accounted for the survey is 79% which is a benchmark for similar industries.

Leadership talent addition was also a key focus wherein the year witnessed addition of leadership talents in Sales AM, Quality Assurance function, Site Leadership roles and FMS business. During the year the company has inducted 333 new talents focused mainly for Product Engineering. The current average recruitment lead time of the lateral talent is around 45 days. The Company successfully blends mid-career recruitments with internally grown talent through a robust globally managed talent management process. Rewards and recognition system is in place to retain and provide fast track growth for high potential employees. Internal talent mobility rate which is at 50% is one of the key engagement drivers ensuring employees to move and grow within WABCO group across functions, businesses, and countries. The Company's voluntary turnover rate is at 7.6%, while similar industry attrition rates are at an average of 10%.

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

WIN continuously nurtures its culture through the PACEmakers' program and has conducted workshops frequently during the year to different functions. The PACEmakers guide personnel to nurture specific behaviors that are critical to help power continued success; behaviors that encourage unleashing passion, use diverse talents to the greatest effect and work together in a rich environment of creativity and collaboration. These behaviors include 1) Be Authentic, 2) Foster Engagement, 3) Leverage Difference, 4) Cultivate Collaboration & 5) Be Accountable.

WIN also hosted the ACE I, Ready to Lead and Ready 4 impact program in India which is a global level driven program from the Talent development team. Three of our leaders attended the coveted ACE II program at Spain in September.

The Employee relations were peaceful and productive across all sites of WIN. Long term wage settlements were signed with the unions for the WINC and WINJ plants. Management provided adequate opportunity for collective bargaining with the union members and maintained cordial relation across the Plant which supported business continuity with zero man hours lost.

WABCO India continues to follow its previous programs "Talk 2Me", Employee contact program for blue collar workforce have helped to build strong bottom up communication. "Women's Forum" helped to address priorities of women population. POSH refresher training sessions have been conducted to the leadership team to ensure the importance of prevention of sexual harassment at workplace and cascade down the level to the members of the respective functions. New joiners get together program for C2C batch was separately conducted which was addressed by the Managing Director to emphasize the role of these fresh engineers in building WIN as employer brand of choice and the available opportunities to take up the leadership role within WABCO. Development of Entry level Agile Leaders (DEAL) is another tailor-made technical program was rolled out for developing leaders from entry level.

As of 31st March 2020, the Company had 1839 employees on its rolls.

VII. Environment & Safety

The January to March quarter was taken as safety months and used to enhance safety systems and create safety awareness among the employees. During the year, based on the theme "Target 3 Zeros" i.e Zero Hazard, Zero Fatigue & Zero Discharge more than 100 Kaizens were implemented at the shop floor. These were followed up with competitions across plant locations. All plants and test track have completed the recertification audit of ISO 14001 & OHSAS 18001 during the year. The plants at Ambattur, Mahindra World City, Lucknow and Jamshedpur have been certified for ISO 50001 standards for implementing energy management systems and achieving continuous improvement in energy performance.

The Company has taken many initiatives on improving ergonomics in the shop floor. Medium fatigue stations were identified, and the ergonomics was improved with achievement of low risk job stations of 98%, thereby improving productivity and operator morale. As part of horizontal deployment, Jamshedpur and Pant Nagar plants initiated the Ergo Stretch program for shop floor employees which helps operators refresh themselves and reduce fatigue. As part of environmental protection, the installed sewage treatment plant treats and reuses water which is used for gardening thereby reducing the water consumption by 15%.

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

Mobilizing Vehicle Intelligence was launched to concisely and powerfully communicate the shared mission, industry expertise and the focus of global team's passion to all WABCO stakeholders. It frames what we believe will sustain WABCO's differentiation in the rapidly converging and digitalizing commercial vehicle industry. A future where transportation ecosystems become operated by fully-autonomous, connected and electric commercial vehicles is still quite a number of years away. Yet, the Company seeks to sustain its strong reputation as an innovator and pioneer of critical vehicle control systems, new energy technologies and digital solutions as the industry migrates towards this goal. The company believes that "Mobilizing Vehicle Intelligence" represents a powerful declaration of the essential role WABCO will play in delivering key vehicle control technologies and operating functions necessary to achieve this vision.

Autonomous Connected & Electric (ACE) are the three key domains of innovation focus for the company to drive growth. These innovations

will help to advance vehicle autonomy, enhance road safety, empower the fleets and pave the way for greener transportation. To further the advent into the ACE domain, the Company is undertaking several key strategic initiatives:

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

VIII. Community development and social responsibility

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

The Company is also in the process of identifying suitable projects and scaling up the existing projects and hence could not spend 2% of the average net profits of the last three years. The Company has established a trust in the name of WABCO Foundation for carrying out CSR programs, which identifies appropriate CSR projects in line with the Company's CSR policy and implements them. The CSR Activities of the Company for the FY 2019-20 are mentioned in the Annexure - 2 to the director's report. The company has identified four primary areas to focus its CSR activities.

Promoting road safety across India: The Government of India is taking consistent efforts to reduce accidents through safety education, safety engineering, creating safe environment and enforcement. In an effort to support this initiative the WABCO foundation has been conducting safety awareness training programs for commercial vehicle drivers, and vehicle maintenance technicians combined with health checkups. The Company has expanded its programs to other states in the Western and Eastern regions of India. Over 8000 drivers & mechanics from Tamilnadu, Kerala and Andhra Pradesh, Telangana, Maharashtra and Orissa have been trained on road safety by creating awareness on vehicle safety & safe driving practices, advanced braking systems, etc. These projects were carried out in association with the Regional Transport Offices and State Transport Undertakings.

The safety awareness camps are complemented with medical and eye check-up camps for the participants. Considering the tremendous acceptance, response and impact of such programs the foundation plans to extend this pan India. This has resulted in transforming the lives of drivers and mechanics which will, in turn, translate into safer roads. As part of this important road safety objective, the Company is continuing its partnership with Praxair India, one of the world's largest Industrial Gas companies and State Transport authorities, to provide advanced driver training for drivers of hazardous cargo carriers, fuel carriers, etc. These programs are conducted by subject experts from the industry along with practical sessions for drivers. Over 500 drivers have been trained since inception in various modules through classroom and practical sessions including safe driving practices, - rollover stability, the advantage of using ABS & EBS and other safety technologies. These programs have been well received and have helped the attendees to maintain zero accident levels. The drivers receive a certification on successful completion of this course.

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Response to the COVID-19 crisis: In view of the spread of Corona virus in India and its declaration as a pandemic by the WHO, the company also stepped up and facilitated immediate action to support the medical, healthcare and frontline workers in the battle against COVID. The company through its kitchens across all plant locations cooked and supplied over 31,000 food packages and drinking water to the local administration. The foundation also helped to set up a complete 50 bed COVID care ward at the ESI Hospital, Ayanavaram with the entire necessary infrastructure like beds, critical care equipment etc. The company also pro-actively reached out to serve the community (Government) hospitals in the vicinity of manufacturing plants with PPE equipment, Pulse Oximeters, gloves, masks, sanitizers among other aid.

Employability & skill enhancement through partnerships with educational Institutions : The Company being a pioneer in technologies and

services that improve safety, efficiency, and connectivity for commercial vehicles is uniquely poised to share its best practices, knowledge on safety & efficiency with budding professionals thus enhancing their employability, skills and also contributing to road safety. This has been done in partnership with universities / colleges in Tamilnadu where Centers of Excellence for skill development have been set up.

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

Community services: Various community services were undertaken like personal hygiene awareness & health checks for drivers, upgrading road safety infrastructure in and around the plant locations etc.

IX. Financial statement

Particulars	Year ended 31 st March 2020		Year ended 31 st March 2019	
	₹ in lakhs	%	₹ in lakhs	%
Revenue from contracts with customers	1,92,956.15	96.80	2,85,413.56	97.52
Other Operating Income	6,388.05	3.20	7,247.53	2.48
Total Income	1,99,344.20	100.00	2,92,661.09	100.00
Raw Materials Consumed	1,12,635.52	56.50	1,83,454.22	62.68
Changes in inventories of Finished goods & WIP	2,231.99	1.12	(1,237.27)	(0.42)
Staff cost	26,569.41	13.33	25,364.41	8.67
Stores & tools consumed	4,015.69	2.01	5,953.97	2.03
Power & fuel	1,766.11	0.86	2,183.63	0.75
Repairs & maintenance to machinery	810.81	0.41	1,402.91	0.48
Other expenses	19,777.94	9.92	27,304.12	9.33
Finance costs	191.94	0.10	-	-
Depreciation	9,011.08	4.52	7,143.69	2.44
Total Expenditure	1,77,010.49	88.80	2,51,569.68	85.96
Profit Before Tax	22,333.71	11.20	41,091.41	14.04
Provision for taxation	6,452.34	3.24	12,874.48	4.40
Profit After Tax	15,881.37	7.97	28,216.93	9.64
Other Comprehensive Income / (Loss) for the year net of tax	(79.66)	(0.04)	(197.96)	(0.07)
Total Comprehensive Income / (Loss) for the year net of tax	15,801.71	7.93	28,018.97	9.57

X. Cautionary statement

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

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Business Responsibility Report

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

Introduction

WABCO INDIA designs, manufactures and markets conventional braking products, advanced braking systems, and other related air assisted products and systems. The company has grown significantly in the Indian commercial vehicle market with total revenue to the tune of ₹ 1,99,344.20 lakhs and also serves its aftermarket customers through a wide national distribution network. With five world-class manufacturing facilities, technology center and a vehicle testing facility near Chennai, WABCO INDIA excels in engineering and manufacturing, serving customers locally and through WABCO internationally.

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

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L34103TN2004PLC054667
2.	Name of the Company	WABCO India Limited
3.	Registered office address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai-600058
4.	Website	www.wabco-auto.com/wabcoinda/home
5.	E-mail Id	info.india@wabco-auto.com
6.	Financial Year reported	April 01, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in	Manufacturing of automotive components and accessories
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Automotive Components & spares for Medium & Heavy Commercial vehicles.
9.	Total number of locations where business activity is undertaken by the Company:	
	a. Number of International Locations	Nil
	b. National Locations	
	The Company has 5 manufacturing locations across India:	
	i. Chennai: Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai 600058.	
	ii. Jharkhand: Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832108.	
	iii. Mahindra World City: Unit - 1 & Unit - 2 at: Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603002	
	iv. Pantnagar: Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153	
	v. Lucknow: KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123	
	The Company also has WABCO Technology Centre of India and Global Business Centre situated at Porur, Chennai.	
10.	Markets served by the Company - Local / State / National / International	WABCO India Limited caters to the needs of Indian, American and European vehicle OEMs. The focus of the business is in Medium and Heavy Commercial Vehicle Markets.

Section B: Financial details of the Company

1.	Paid up Capital	₹ 948.38 lakhs
2.	Total Revenue	₹ 1,99,344.20 lakhs
3.	Profit after tax	₹ 15,881.37 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	₹ 85 lakhs (0.26% of the average net profits of the immediately preceding financial years)
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 2 of the Directors Report

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Section C: Other Details

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

Section D: BR Information

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

Director Identification Number : 02696192

Name : P Kaniappan

Designation : Managing Director

Details of the BR Head:

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

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

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

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

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

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

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

3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions. The Managing Director and the Leadership team review the Business Responsibility performance through their monthly review meetings.
- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Business Responsibility Report is published annually in the Annual Report to the shareholders. The same can be viewed at: <http://www.wabco-auto.com/investor-relations/wabco-india-investor-relations/>

Section E: Principle-wise performance**Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

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

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

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

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

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

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

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

During the year the company has not received any complaints which were taken up for investigation under the company's whistle blower policy. Investigation on 2 complaints which were under progress as on 31st March 2019 were concluded satisfactorily by the management and required actions have been completed.

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

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.
 - a. Antilock Braking System (ABS)
 - b. Electronically Controlled Air Suspension (ECAS)
 - c. Automated Manual Transmission (AMT)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): These products have resulted in substantial increase in road safety, reduction in environmental pollution and energy savings.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

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

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all Employees

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

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

The Company continuously focuses and ensures skill development of employees through its structured training and competency development programs. The Company provides subsidized food to its employees, medical insurance coverage including dependents, and has in-house medical centers with qualified medical practitioners. The Company conducts various programs concerning well-being of employees and strives to employ and empower women employees and fosters a friendly environment through its policy for prevention of sexual harassment and related grievance redressal mechanisms.

1.	Total number of employees on rolls	1839 as on 31 st March 2020
2.	Total number of employees hired on temporary/ contractual / casual basis	1494 as on 31 st March 2020
3.	No. of permanent women employees	168 as on 31 st March 2020
4.	No. of permanent employees with disabilities	Nil
5.	Employee association that is recognized by management	There are recognised trade unions affiliated to various trade union bodies with which the Company's relationships are cordial
6.	Percentage of permanent employees who are members of this recognized employee association	Almost 100% of permanent employees in the workers grade(496) are members of recognized employee associations.

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

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

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

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

a.	Permanent Employees	:	100%
b.	Permanent Women Employees	:	100%
c.	Casual / Temporary / Contractual Employees	:	100%
d.	Employees with Disabilities	:	Not applicable

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

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

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

The Company has not received any stakeholder complaints during the Financial Year 2019-20 under this principle.

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

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

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

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

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

The Ambattur plant was certified as ISO 50001 (Energy management system) for systematic improvement in energy performance which resulted in reduction of carbon emissions. The Company has a 550KW roof top solar plant which has resulted in reduction in carbon footprint. The Company also continuously explores opportunities to use biofuels, bio liquids, increased usage of solar power etc. which contributes in its endeavor to reduce carbon footprints. The Company also recognizes the significance of a greener belt due to which a number of saplings are planted and maintained at the plant locations to reduce carbon footprint.

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

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

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

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

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

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programs /initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.
As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities were conducted through internal engagement of employees and resources, driving activities which would help the needy sections of the society as per the Company's CSR policy with specific focus towards areas surrounding the company's plant locations. The activities during the year were largely directed towards skill development, promoting education, preventive healthcare, safety education, support on fighting COVID 19 etc. Details are given in Annexure to the Directors report for the year 2019-20 and in the Management discussion and analysis report.
2. Have you done any impact assessment of your initiative?
The Company believes that every activity should result in some impact which can be measured through parameters specific to the activity. These assessments are presently done internally on a periodic basis.
3. What is your company's direct contribution to community development projects and the details of the projects undertaken?
The Company has spent an amount of ₹ 85 lakhs on community development projects for the year 2019-20. Details of the projects undertaken are enclosed as Annexure - 2 to the Directors' Report.

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

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

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

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

During the financial year ended March 31, 2020, no new cases were filed against the Company. No customer complaints were pending unresolved as on March 31, 2020.

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

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

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

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

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

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

Place : Chennai

Date : 22nd May 2020

M LAKSHMINARAYAN

Chairman

Report on Corporate Governance

1. Company's philosophy on code of governance

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

2. Board of directors

2.1 Composition and category of directors:

As of 31st March 2020, the total strength of the Board of Directors (the board) was six directors. All the directors except the Managing Director are Non-Executive Directors. Out of the five Non-Executive Directors, two Directors viz., Mr M Lakshminarayan (Chairman) and Dr. Lakshmi Venu are independent directors. The Chairman is not related to any promoter of the Company as defined under Regulation 17(1)(b)

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 14th August 2019 and also the number of other directorships and committee membership's chairmanships as on 31st March 2020 are as follows:

Name of the director Messrs	DIN	Category	Attendance particulars		Number of directorships* and committee member! / chairmanships**		
			Board meeting	Last AGM	Other directorships	Committee memberships	Committee chairmanships
M Lakshminarayan	00064750	C-I	6	Yes	12	9	4
P Kaniappan	02696192	MD-NI	6	Yes	3	1	-
Narayan K Seshadri ++	00053563	NE-I	5	Yes	19	7	5
Dr. Lakshmi Venu \$	02702020	NE-I	2	No	8	3	-
Lisa Brown \$	07053317	NE-NI	5	No	46	2	-
Sean Deason +	07334776	NE-NI	6	Yes	1	1	-
Philippe Colpron \$	08344534	NE-NI	6	Yes	1	-	-
Dr. Christian Brenneke \$	08344547	NE-NI	6	Yes	2	-	-

* : includes private companies.

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

\$: includes directorship in foreign companies.

! : Memberships and chairmanship of Audit and Stakeholders relationship committee.

C-I : Chairman Independent.

MD-NI : Managing Director - Non-Independent Director.

NE-I : Non-Executive - Independent Director.

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

++ : As approved by the members of the Company at the Annual General Meeting held on 14th August 2019 the term of Mr. Narayan K Seshadri, Independent director of the Company ended on 31st March 2020.

+ : Mr. Sean Deason, Non-Executive Director resigned with effect from 19th March 2020.

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

2.2 Board Meetings:

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the committees / board in order to assist the Directors for planning their schedules to participate in the meetings. During the year 2019-20, the Board met 6 times on 7th May 2019, 25th May 2019, 13th August 2019, 4th November 2019, 28th January 2020 and 19th March 2020 and the gap between two meetings did not exceed 120 days.

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Names of other listed entities where the above directors hold directorship

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

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

2.4 Access to information and updation to directors:

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

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

The Company has in place the Code of Business Conduct and Ethics for Board and Senior Management personnel (the Code) approved by the board. The Code has been communicated to Directors and the members of the senior management. The Code has also been displayed on the Company's website www.wabcoindia.com. All the board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2020. The annual report contains a declaration to this effect signed by the Managing Director and Company Secretary of the Company as compliance officer for the Code.

2.6 Appointment of directors:

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

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2.7 Skills / expertise / competencies of the Board of Directors

The list of core skills / expertise / competencies required are available with the Board and names of Directors as on date who have such skills / expertise / competencies in the context of the business of the Company for its effective functioning is as follows:

	Key Skills / Competencies / Expertise	M Lakshminarayan	Mahesh Chhabria	Dr. Lakshmi Venu	Lisa Brown	Dr. Christian Brenneke	Philippe Colpron	P Kaniappan
A	Technical							
1	Finance	✓	✓	✓	✓			
2	Law		✓		✓			
3	Management	✓	✓	✓	✓	✓	✓	✓
4	Sales & Marketing	✓		✓			✓	✓
5	Manufacturing & Operations	✓		✓		✓	✓	✓
6	Research & Development	✓				✓		✓
7	Human Resources	✓						
B	Industry experience							
1	Economy	✓	✓	✓	✓			✓
2	Industry	✓		✓	✓	✓	✓	✓
3	Business Sector	✓	✓	✓	✓	✓	✓	✓
C	Governance experience							
1	Compliance	✓	✓		✓			
2	Statutory Laws		✓		✓			✓
3	Risk Management	✓	✓		✓	✓	✓	✓
4	Strategic Planning	✓	✓	✓	✓	✓	✓	✓
D	Other Skills							
1	Communication & Interpersonal	✓	✓	✓	✓	✓	✓	✓
2	Public Relations	✓	✓	✓	✓	✓	✓	✓
3	Corporate Restructuring	✓	✓		✓	✓	✓	

3. Audit Committee

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

3.1 Brief description of terms of reference:

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

- 1) To recommend for appointment, remuneration and terms of appointment of auditors of the company;
- 2) To approve payment to statutory auditors for any other services rendered by the statutory auditors;
- 3) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 4) To examine the financial statement and the auditors' report thereon;
- 5) To approve transactions of the company with related parties and modifications thereof including those for which the omnibus approval is provided;
- 6) To scrutinize intercorporate loans and investments;
- 7) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- 8) To evaluate internal financial controls and risk management systems;
- 9) To monitor the end use of funds raised through public offers and related matters.
- 10) To review the utilization of loans and / or advances to or investments in subsidiaries, if any,
- 11) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may discuss any related issues with the internal and statutory auditors and the management of the company.
- 12) To investigate any activity within its terms of reference of the Companies Act, 2013 or referred to it by the Board and for its purpose, shall have full access to information contained in the records of the Company and external professional, legal or other advice, if necessary;
- 13) To seek information from any employee;
- 14) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 15) To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 16) To review, with the management, the annual financial statements and auditor's report thereon before Submission to the board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) Qualification in the draft audit report.
- 17) To review, with the management, the quarterly financial statements before submission to the board for approval;
- 18) To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 19) To review, with the management, performance of internal auditors, adequacy of the internal control systems;
- 20) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, structure coverage and frequency of internal audit;
- 21) To discuss with internal auditors any significant findings and follow up there on;
- 22) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 23) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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

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

The committee consists of the following directors:

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

The committee was re-constituted during the year on account of resignation of Mr. Sean Deason and the cessation of term of Mr. Narayan K Seshadri

Mr M Lakshminarayan, Independent Director, is the Chairman of the Audit Committee. Mr. M C Gokul, Company Secretary of the Company acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee as at the time of the annual general meeting was present at the annual general meeting held on 14th August 2019. Composition of the committee is in accordance with the requirements of Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013. The particulars of meetings and attendance by the members of the committee during the year under review are given in the table below:

Date of the meeting	Members present Messrs
25 th May 2019	Narayan K Seshadri, M Lakshminarayan, Dr Lakshmi Venu and Sean Deason

Date of the meeting	Members present Messrs
13 th August 2019	Narayan K Seshadri, M Lakshminarayan and Sean Deason
4 th November 2019	Narayan K Seshadri, M Lakshminarayan and Sean Deason
28 th January 2020	Narayan K Seshadri, M Lakshminarayan and Sean Deason

4. Disclosures

- 4.1 The materially significant related party transactions entered into during the year as disclosed elsewhere in the report did not have potential conflict with the interests of company at large.
- 4.2 There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.
- 4.3 The Company has a Whistle Blower Policy and no personnel is denied the access to the audit committee.
- 4.4 Disclosure by senior management personnel: The senior management personnel have made disclosures to the board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the company at large.
- 4.5 The Managing Director (CEO) and Chief Financial Officer (CFO) of the company have certified to the board on financial and other matters in accordance with the Regulation 17(8) of the Listing Regulation pertaining to CEO/CFO certification for the financial year ended 31st March 2020.
- 4.6 Compliance with mandatory / non-mandatory requirements: The Company has complied with all applicable mandatory requirements in terms of Listing Regulation. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

5. Nomination and Remuneration Committee

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

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

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The committee consists of the following directors:

Name of the directors - Messrs	Status
Dr. Lakshmi Venu	Non-executive, Independent director
M Lakshminarayan	Non-executive, Independent director
Lisa Brown	Non-executive, Non-Independent director
Christian Brenneke	Non-executive, Non-Independent director

The committee was re-constituted during the year on account of resignation of Mr. Sean Deason and the cessation of term of Mr. Narayan K Seshadri

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

Date of the meeting	Members present Messrs
7 th May 2019	M. Lakshminarayan, Lisa J Brown and Sean Deason

5.1 Brief description of the Terms of reference:

The Nomination & remuneration committee is entrusted with the following responsibilities

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and / or removal and ensure that succession plans for board and senior management personnel are in place.
- 2) To carry out evaluation of every director's performance.
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- 4) To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on his performance
- 5) To recommend to the Board, all remuneration, in whatever form, payable to Directors, key managerial personnel and senior management.

5.2 Nomination and Remuneration Policy

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

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

5.3 Remuneration to Non-Executive Directors

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

5.4 Particulars of remuneration paid to the Managing Director during the financial year 2019-20 (₹ in lakhs)

Name of the director	Salary	Contribution to PF and other funds	Perquisites & Allowances	Performance Bonus	Total
P Kaniappan	144.39	10.88	173.25	107.17	435.69

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

5.5 Particulars of sitting fees and commission paid/payable to non-executive directors/non-executive independent directors and directors during the financial year 2019-20.

Name of the directors - Messrs	Sitting fee (₹)	Commission (₹)@	Total (₹)
M Lakshminarayan	3,20,000	14,00,000	17,20,000
Narayan K Seshadri	1,80,000	14,00,000	15,80,000
Dr. Lakshmi Venu	60,000	14,00,000	14,60,000
Total	5,60,000	42,00,000	47,60,000

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

As approved by the shareholders through special resolution at the Annual General Meeting held on 14th August 2019, non-executive independent directors are being paid commission not exceeding 1% of the net profits of the Company.

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

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Mr M Lakshminarayan holds 100 shares through himself and his relatives. Mr. Mahesh Chhabria along with his relatives and HUF wherein he is a member holds 1,475 shares in the Company. None of the other directors hold any share in the Company. There are no other material pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company. None of the directors are related to each other.

6. Stakeholders Relationship Committee:

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

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

The committee consists of the following directors:

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

Mr. M Lakshminarayan, is the Chairperson of the Stakeholders Relationship Committee. As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulation) 2015, Mr. M C Gokul has been appointed as Compliance Officer. For any clarifications / complaints, the shareholders may contact Mr. M C Gokul, Company Secretary of the Company at gokul.mc@wabco-auto.com. 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
7 th May 2019	Ms. Lisa Brown, Mr. M. Lakshminarayan and Mr. P Kaniappan
13 th August 2019	Mr. M. Lakshminarayan and Mr. P Kaniappan
4 th November 2019	Ms. Lisa Brown, Mr. M. Lakshminarayan and Mr. P Kaniappan
28 th January 2020	Ms. Lisa Brown, Mr. M. Lakshminarayan and Mr. P Kaniappan

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 services complaints within a span of seven days. Complaints received and redressed during the year 2019-20:

No. of complaints received during the year	8
No. of complaints resolved during the year	8
No. of complaints pending unresolved as on 31.03.2020	-

6.2 All the complaints were resolved and, as on 31st March 2020, no complaint was pending. All requests for dematerialization of shares were carried out within the stipulated time period.

7. Risk Management Committee

Composition, name of members and the chairman of the Committee: The Committee consists of the following directors:

Name of the directors - Messrs	Status
Christian Brenneke	Non-executive, Non-Independent Director
Philippe Colpron	Non-executive, Non-Independent Director
P Kaniappan	Managing Director
R S Rajagopal Sastry	Chief Financial Officer
V Ramanathan	Leader - OE Sales & Marketing

The committee was re-constituted during the year on account of cessation of term of Mr. Narayan K Seshadri

Dr. Christian Brenneke, is the Chairman of the Risk Management Committee. Mr M C Gokul Company Secretary of the Company acts as the Secretary of the Risk Management Committee. The 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
19 th March 2020	Mr. P Kaniappan, Mr. R S Rajagopal Sastry and Mr. V Ramanathan

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

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8. Corporate Social Responsibility Committee (CSR Committee)

The Board constituted a Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013. Composition name of members and the chairman of the Committee. As of date, the committee consists of the following directors:

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

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

Date of the meeting	Members present Messrs
7 th May 2019	Mr P Kaniappan Mr M Lakshminarayan and Ms. Lisa J Brown

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

9. Reconciliation of Share Capital Audit Report

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

10. General body meeting:

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

Year	Location	Date	Time
2016-17	The NaradaGana Sabha, (Sathguru Gnananandha Hall), No. 314,	18.09.2017	10.00 A.M.
2017-18	T.T.K. Road, Alwarpet,	27.07.2018	09.30 A.M.
2018-19	Chennai 600 018	14.08.2019	09.30 A.M.

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

AGM Date	Item of Business
14.08.2019	Re-appointment of Mr. M Lakshminarayan as a Non-Executive and Independent Director for another term of five consecutive years from 1 st April 2019 to 31 st March 2024, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, on such remuneration including sitting fees and profit-related commission as may be decided by the Board of Directors from time to time.
	Re-appointment of Mr. Narayan K Seshadri as a Non- Executive and Independent Director for another term of one year from 1 st April 2019 to 31 st March 2020, pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, on such remuneration including sitting fees and profit-related commission as may be decided by the Board of Directors from time to time.

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

11. Unclaimed Shares

Pursuant to Regulation 39 of the Listing Regulation, equity shares aggregating to 2,067 shares of ₹ 5/- each held by 38 equity shareholders were laying unclaimed (hereinafter referred to as "unclaimed shares") as required under the SEBI Regulations. Those shareholders who do not possess original share certificate with them, are requested to contact the Share Transfer Agent, M/s Sundaram-Clayton Limited to obtain their shares either in dematerialized form or physical form as desired by the shareholder.

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The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of Unclaimed suspense account	No. of Shareholders	No. of Shares
No. of shares in Unclaimed Suspense Account at the beginning of the year as on 01.4.2019	44	2,578
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	3	330
No. of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2020	3	330
Shares transferred to the IEPF Suspense account on 19.09.2019	3	181
Aggregate number of shareholders and the outstanding shares lying in the suspense account on 31.3.2020	38	2,067

12. Investor Education Protection Fund (IEPF) & Transfer of Shares to IEPF Authority

Pursuant to Section 124 and the rules thereunder of the Companies Act 2013, equity shares which were laying unclaimed and for which the dividend was also unclaimed for a continuous period of 7 years were dematerialized and transferred to IEPF Authority on behalf of the shareholders after providing due reminders and a public announcement in newspapers before transferring.

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

Details of IEPF Authority Account	No. of Shareholders	No. of Shares
No. of shares in the IEPF Authority Account at the beginning of the year as on 01.04.2019	645	40,512
No. of shareholders who approached listed entity for transfer of shares from IEPF Authority Account during the year	9	869
No. of shareholders of whose shares were transferred from unclaimed Suspense Account to the IEPF Authority Account during the year	3	181
No. of shareholders whose shares were transferred to the IEPF Authority Account during the year	43	3,168

Details of IEPF Authority Account	No. of Shareholders	No. of Shares
No. of shares transferred from the IEPF Authority Account during the year to the shareholders	11	1,276
Aggregate number of shareholders and the outstanding shares lying in the IEPF Authority Account during the year	680	42,585

Unclaimed Dividend pertaining to the year 2011-12 was transferred to the IEPF account during the year with a delay of four days due to technical issues.

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

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

14. Means of communication

14.1 Quarterly results:

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

14.2 Newspapers wherein results normally published:

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

14.3 Website:

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

15. General shareholder information

15.1 Annual General Meeting:

Date and time/Venue : 25th September 2020 at 14.00 hrs (IST) through Video Conferencing (VC) / Other Audio Visuals Means (OAVM)

15.2 Financial year : 1st April to 31st March

Financial calendar 2020-21 (Tentative) :
 Financial reporting for the quarter ending : Financial calendar
 30th June 2020 : between 15th July to 14th August 2020

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30th September 2020 : between 15th October to 14th November 2020
 31st December 2020 : between 15th January to 14th February 2021
 31st March 2021 : between 15th to 30th May 2021
 Annual General Meeting (next year) : July / August 2021

15.3 Particulars of dividend payment

The board of directors had declared an interim dividend of ₹ 10/- per share for the year 2019-20 at the meeting held on 19th March 2020 and the same was paid to the shareholders on 30th March 2020.

15.4 Listing on Stock Exchanges:

Name of the stock exchange	Stock code
BSE Ltd. (BSE)	533023
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
National Stock Exchange of India Ltd. (NSE)	WABCOINDIA
Exchange Plaza, C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	
ISIN allotted by depositories	INE342J01019
(Company ID Number)	

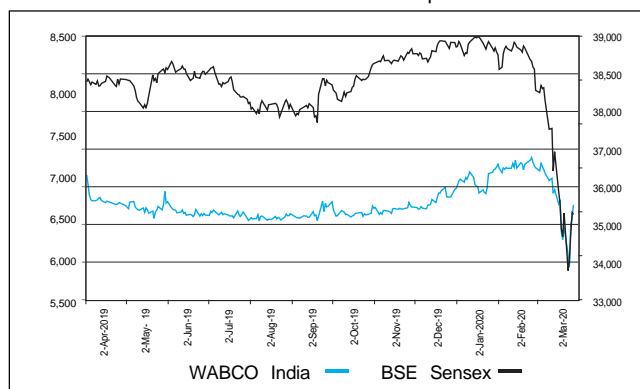
(Note: Annual listing fees for the year 2020-21 have been duly paid to the above stock exchanges).

15.5 Market Price Data: (Amount in ₹)

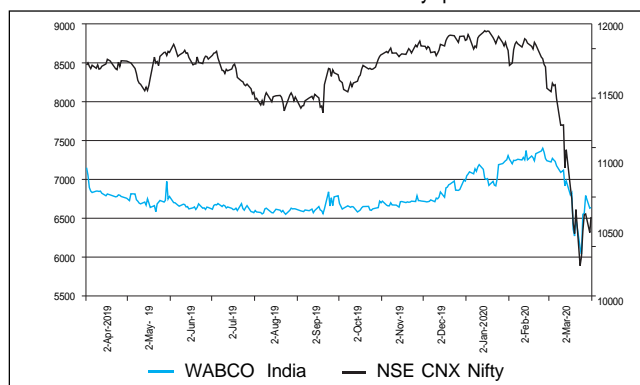
Month	National Stock Exchange of India Limited		BSE Limited	
	Share Price		Share Price	
	High	Low	High	Low
April 2019	6,740.00	6,255.00	6,755.75	6,230.00
May 2019	6,588.45	6,051.00	6,580.30	6,033.30
June 2019	6,295.00	6,086.05	6,281.60	6,025.00
July 2019	6,241.90	6,055.10	6,295.00	6,051.00
August 2019	6,169.95	5,910.00	6,250.00	5,869.00
September 2019	6,399.00	6,021.00	6,400.55	6,000.10
October 2019	6,362.05	6,055.05	6,331.65	6,061.00
November 2019	6,325.00	6,089.40	6,321.00	6,089.75
December 2019	6,500.00	6,205.00	6,500.00	6,201.00
January 2020	6,817.00	6,370.00	6,809.95	6,394.00
February 2020	6,932.00	6,680.45	6,915.05	6,595.05
March 2020	6,848.85	5,011.00	6,850.00	5,296.75

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

WABCO India Vs BSE Sensex performance



WABCO India Vs NSE CNX Nifty performance



15.7 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) All requests for dematerialization of securities are processed and the confirmations are given to the

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depositories within 15 days. Grievances received from investors and other miscellaneous correspondences on change of address, mandates etc., are processed by the STA within 7 days.

- d) Shareholders are requested to note that SEBI has mandated that the company cannot process any request for transfer of shares received in physical mode. Adequate communications in this regard have been sent to all shareholders holding shares in physical mode. Hence it is requested that all shareholders holding shares in physical mode shall demat the shares to avoid any issues in future.
- e) Pursuant to Regulation 40(9) of the Listing Regulation, certificates, on half-yearly basis, is issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.
- f) Pursuant to Regulations 76 of SEBI (Depositories and Participants) Regulations, 2018, certificates from a Company Secretary in practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company is obtained.
- g) The Company, as required under Listing Regulation, has designated the following e-mail IDs, namely icsta@scl.co.in (share transfer agent) / gokul.mc@wabco-auto.com (compliance officer) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h) Shareholders are, therefore, requested to correspond with the STA at the address mentioned elsewhere in this report for any change of names and queries pertaining to the shareholding and dividends etc.

15.8 Shareholding Pattern as on 31st March 2020 is available in the extract of annual return forming part of the Directors Report.

15.9 Distribution of Shareholding as on 31st March 2020:

Shareholding (Range)	No. of Shares	%	No. of Members	%
Upto 5000	16,16,020	8.52	23,689	99.69
5,001 - 10,000	1,76,933	0.93	26	0.11
10,001 - 20,000	2,25,684	1.20	16	0.07
20,001 - 50,000	6,73,384	3.55	20	0.08
50,001 - 1,00,000	2,47,438	1.30	4	0.02
1,00,001 & above	1,60,28,125	84.50	7	0.03
Total	1,89,67,584	100.00	23,762	100.00

- 15.10 Dematerialization of shares and liquidity:
The entire promoter holding is in dematerialised form. Out of 47,41,900 shares held by persons other than promoters, 46,31,516 of shares have been dematerialized as on 31st March 2020 accounting for 99.40%.
- 15.11 The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.
- 15.12 Details regarding plant locations is made available in the Business Responsibility Report.
- 15.13 Address for investors Correspondence:
- (i) For transfer / dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company. Sundaram-Clayton Limited "Jayalakshmi Estates" 29, Haddows Road, Chennai 600 006.
- (ii) for any query on non-receipt of annual report; and Tel : 044 2828 4959
044 2827 2233
Fax : 044 2825 7121
- (iii) for investors grievance & general correspondence Email : arockiaraj@scl.co.in
icsta@scl.co.in
info.india@wabco-auto.com
gokul.mc@wabco-auto.com

16. Non-mandatory disclosure

- 16.1 Shareholder rights:
The half-yearly results of the Company will be published in English and vernacular newspapers and are also displayed on the Company's website, namely www.wabcoindia.com. The results are not sent to the shareholders individually.
- 16.2 Audit Qualifications:
The statutory financial statements of the Company are unqualified.

17. Request to shareholders

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

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

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- b. 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.
- c. Registration of Nominations:
Nomination in respect of shares - Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc. It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to the Company or STA. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
- d. Updation of address:
Shareholders are requested to update their addresses registered with the Company, directly through the STA to receive all communications promptly. Shareholders, holding shares in electronic form are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc.
- e. SMS Alerts:
Shareholders are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to shareholders. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.
- f. Timely encashment of dividends:
Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation/ losing their right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund (IEPF). As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons. Shareholders who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March, 2010 and for any financial year thereafter may contact the Company and surrender their warrants for payment.
Shareholders are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to IEPF under Section 125 of the Companies Act, 2013. Shareholders are also requested to note that as per the Companies Act, 2013, unclaimed shares pertaining to unclaimed dividends for continuous period of seven years would be transferred to the IEPFAuthority account.
- g. Web based applications - SEBI / NSE / BSE
In line with the circular No.CIR/OIAE/2/2011 dated 3rd June 2011 from SEBI, the investors' complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically. In line with the circular No. NSE/LIST/C/2011 dated 29th September 2011 from the National Stock Exchange of India Ltd. (NSE) the Company now uploads its quarterly shareholding pattern, corporate governance report, financial results, corporate announcements through a web based application designed for corporates by NSE called as NEAPS and BSE called as BSE filing center. Information in respect of unclaimed dividends due for remittance into IEPF is given below:

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18. PARTICULARS OF UNCLAIMED DIVIDEND

Financial year	Date of Declaration	Date of transfer to special account	Date of transfer to IEPF
2012-13	24.07.2013	24.08.2013	24.08.2020
2013-14	22.07.2014	25.08.2014	25.08.2021
2014-15	30.07.2015	30.08.2015	30.08.2022
2015-16	29.07.2016	29.08.2016	29.08.2023
2016-17	18.09.2017	18.10.2017	18.10.2024
2017-18	27.07.2018	27.08.2018	27.08.2025
2018-19	14.08.2019	13.09.2019	13.09.2026
2019-20	19.03.2020	18.04.2020	18.04.2027

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

To

The Shareholders of WABCO INDIA LIMITED

On the basis of the written representations received from Members of the Board and Senior Management Personnel in terms of the clause D of Schedule V and 34(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the board of directors for the year ended 31st March 2020.

For and on behalf of the Board

Chennai
22nd May, 2020

M LAKSHMINARAYAN
Chairman

WABCO INDIA LIMITED

Independent auditor's certificate on Corporate Governance

To

The Members of WABCO INDIA LIMITED

This Certificate is issued in accordance with the terms of our engagement letter.

We have examined the compliance of conditions of Corporate Governance by WABCO India Limited ('the Company'), for the year ended March 31, 2020, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended from time to time, pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

The Company's management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the abovementioned Listing Regulations.

Auditor's Responsibility

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.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2020.

We conducted our examination of the corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

This Certificate has been solely issued for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No: 211171
ICAI UDIN: 20211171AAAABE6084

INDEPENDENT AUDITORS' REPORT

To
The Members of **WABCO INDIA LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WABCO India Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition - See note 2.2(c) and 18 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company's revenue is derived primarily from sale of goods. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer.</p> <p>The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the year end.</p> <p>Therefore, ascertainment of timing of the revenue recognition has been identified as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") including adequacy of disclosures. • Obtained an understanding of the Company's sales process including design and implementation of key controls and tested the effectiveness of such controls in relation to the timing of revenue recognition on a sample basis. • Performed test of details of the sales transactions on a sample basis to test that the revenues and trade receivables are recorded appropriately taking into

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Key audit matters	How our audit addressed the key audit matter
	<p>consideration the terms and conditions of the customer orders, including the shipping terms.</p> <ul style="list-style-type: none"> • Testing, on a sample basis, whether revenue transactions near to the reporting date have been recognised in the appropriate period by verifying the transactions selected with relevant underlying documentation (customer order, transporter document, customer portal, etc). • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and to identify unusual transactions. • Obtained independent balance confirmations from the Company's customers on sample basis.

Significant judgments and estimates relating to allowance for obsolescence of slow and non-moving inventory See note 2(e) and 7 to the financial statements

Key audit matters	How our audit addressed the key audit matter
<p>The Company holds inventory at various locations including plant, warehouses and subcontractor locations. Inventory includes raw materials, stores and spares, work in progress and finished goods. The value of inventory as on March 31, 2020 is INR 11,257.47 lakhs after considering allowance for obsolescence of slow and non-moving inventory of INR 928.89 lakhs.</p> <p>Management assesses the level of allowance for inventory obsolescence required at each reporting date after considering changes in market demand due to changing technology and historical as well as expected movements. This involves significant assumptions and estimations in determining allowance for obsolescence of slow and non-moving inventory and thus we have identified allowance for obsolescence of slow and non-moving inventory as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the accounting policies for inventories and its compliances with applicable accounting standards. • Evaluating the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to allowance for slow and non-moving inventory. • Tested whether the basis of computation of allowance for slow and non-moving inventory obsolescence at the reporting date is appropriate, by assessing the methodology and assumptions adopted by the management supported by analysis of historical data and future projections (i.e. annual operating plan). • Tested completeness, accuracy and validity of the data used in the inventory allowance calculations for slow-moving and non-moving inventory.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Other matters

The financial statements of the Company for the year ended March 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on May 25, 2019. Our opinion is not modified in respect to this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Note 35(A) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

WABCO INDIA LIMITED

- iii. During the year, there has been a delay of four days with respect to transferring of funds, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

K RAGHURAM
Partner

Membership No: 211171

ICAI UDIN: 20211171AAAABD3087

Place : Chennai

Date : May 22, 2020

WABCO INDIA LIMITED

Annexure A to the Independent Auditor's Report to the members of WABCO India Limited for the year ended March 31, 2020

(Referred to in paragraph 1(A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in three years. Pursuant to such program, a portion of property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, excluding goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock and book records were not material.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company does not have any loan, investment, guarantees and security which requires compliance under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company do not have dues on account of sales tax, service tax, duty of excise and value added tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax which have not been deposited with the appropriate authorities on account of a dispute, other than those mentioned below:

Name of the statute	Nature of dues	Amount (INR in lakhs)*	Period to which the amount rates	Forum where dispute is pending
Income Tax Act, 1961	Income taxes	38.26	2012-13	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income taxes	35.10	2012-13	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income taxes	438.13	2012-13 and 2013-14	Commissioner of Income tax (Appeals), Chennai
Income Tax Act, 1961	Income taxes	990.89	2011-12, 2013-14 and 2015-16	Income Tax Appellate Tribunal, Chennai

WABCO INDIA LIMITED

Name of the statute	Nature of dues	Amount (INR in lakhs)*	Period to which the amount rates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty / CENVAT	52.15	2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Chennai
The Finance Act, 1994	Service tax	0.88	2008-09	Commissioner of Central Excise (Appeals), Chennai
The Central Sales Tax Act, 1956	Sales tax	52.90	2008-09, 2009-10, 2016-17 and 2017-18	Assistant Commissioner, (Commercial Taxes), Chennai
Tamil Nadu Value Added Tax Act, 2006*	Value added taxes	44,921.18	2009-10 to 2015-16	High court of Madras
Central Excise Act, 1944	Excise duty / CENVAT	46.20	2016-17 & 2017-18	Assistant Commissioner of GST and Central Excise, Chennai
Central Excise Act, 1944	Excise duty / CENVAT	160.79	2015-16 and 2016-17	Joint Commissioner of Central Excise, Chennai
The Central Sales Tax Act, 1956	Sales tax	22.53	2014-15	Assistant Commissioner, (Commercial Taxes) Uttar Pradesh

* net of amount paid under protest

- (viii) The Company did not have outstanding dues to any financial institutions, bank, debenture holders and government during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No: 211171
ICAI UDIN: 20211171AAAABD3087

WABCO INDIA LIMITED

Annexure B to the Independent Auditors' report on the financial statements of WABCO India Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of WABCO India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls

WABCO INDIA LIMITED

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No: 211171
ICAI UDIN: 20211171AAAABD3087

WABCO INDIA LIMITED

Balance Sheet as at 31st March 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipments	3.1	44,682.63	43,724.26
Capital work-in-progress	3.3	2,995.64	1,930.60
Right of use assets	3.2	2,010.10	-
Intangible assets	3.1	405.77	271.25
Financial assets			
(i) Loans	4.2	723.44	710.96
(ii) Other financial assets	4.3	497.26	344.45
Other non-current assets	5	6,946.99	6,639.44
Non-current tax assets (Net)	6	3,473.78	3,575.59
Deferred tax asset (net)	14	79.59	-
Total non-current assets		61,815.20	57,196.55
Current assets			
Inventories	7	11,257.47	15,104.37
Financial assets			
(i) Investments	4.1	54,236.57	31,342.75
(ii) Trade receivables	8	36,353.82	63,400.27
(iii) Cash and cash equivalents	9	6,073.99	4,932.26
(iv) Bank balances other than (iii) above	9.1	40,044.55	50,033.20
(v) Loans	4.2	18.59	20.35
(vi) Others	4.3	1,161.09	1,311.49
Other current assets	5	7,108.98	10,212.44
Total current assets		156,255.06	176,357.13
Total assets		218,070.26	233,553.68
EQUITY AND LIABILITIES			
Equity			
Share capital	10	948.38	948.38
Other equity	11	188,506.37	177,049.29
Total equity		189,454.75	177,997.67
Non-current liabilities			
Provisions	12	1,411.79	3,114.66
Government grants	13	3.72	4.18
Deferred tax liabilities (net)	14	-	395.57
Other financial liabilities	16	871.49	-
Total non-current liabilities		2,287.00	3,514.41
Current liabilities			
Financial liabilities			
(i) Trade payables	15		
- Dues to Micro & Small Enterprises		538.46	1,333.14
- Dues to other than Micro & Small Enterprises		15,114.08	39,881.42
(ii) Other financial liabilities	16	5,157.91	2,984.68
Provisions	12	1,243.94	1,429.41
Other current liabilities	17	4,274.12	6,412.95
Total current liabilities		26,328.51	52,041.60
Total equity and liabilities		218,070.26	233,553.68
Significant Accounting Policies.	2		

Notes to the Financial Statements are an integral part of the Financial Statements.

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

As per our report of even date

For B S R Co. LLP

Chartered Accountants

Firm's Registration no. 101248W/W-100022

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Managing Director

M C GOKUL
Company Secretary

R S RAJAGOPAL SASTRY
Chief Financial Officer

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No. 211171

WABCO INDIA LIMITED

Statement of Profit & Loss for the year ended 31st March 2020

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

	Notes	31 st March 2020	31 st March 2019
Revenue from operations	18	192,956.15	285,413.56
Other income	19	6,388.05	7,247.53
Total income		199,344.20	292,661.09
EXPENSES			
Cost of raw materials and components consumed	20	112,635.52	183,454.22
Changes in inventories of finished goods and work-in-progress	21	2,231.99	(1,237.27)
Employee benefits expense	22	26,569.41	25,364.41
Depreciation and amortisation expense	23	9,011.08	7,143.69
Finance costs	24	191.94	-
Other expenses	25	26,370.55	36,844.63
Total expenses		177,010.49	251,569.68
Profit before tax		22,333.71	41,091.41
Income tax	28		
- Current tax		7,203.68	12,753.78
- Adjustment of tax relating to earlier years		(302.98)	(5.40)
- Deferred tax		(448.36)	126.10
		6,452.34	12,874.48
Profit for the year (I)		15,881.37	28,216.93
Other comprehensive income:	29		
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(106.45)	(304.29)
Income tax effect		26.79	106.33
Other comprehensive income / (loss) for the year, net of tax (II)		(79.66)	(197.96)
Total comprehensive income for the year, net of tax (I + II)		15,801.71	28,018.97
Earnings per equity share of INR 5 each	30		
Basic		83.73	148.76
Diluted		83.73	148.76
Significant Accounting Policies.	2		

Notes to the Financial Statements are an integral part of the Financial Statements.

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

As per our report of even date

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Managing Director

For B S R Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

M C GOKUL
Company Secretary

R S RAJAGOPAL SASTRY
Chief Financial Officer

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No. 211171

WABCO INDIA LIMITED

Statement of changes in equity for the year ended March 31, 2020
(All amounts are in lakhs of Indian Rupees unless otherwise stated)

a Equity Share Capital

	No. of shares	INR
Equity shares of INR 5 each issued, subscribed and fully paid		
At April 1, 2018	18,967,584	948.38
Issue of share capital	–	–
At March 31, 2019	18,967,584	948.38
Issue of share capital	–	–
At March 31, 2020	18,967,584	948.38

b Other equity

For the year ended March 31, 2020

Particulars	Other Equity					Total
	General reserve	Capital reorganisation reserve	Special Economic zone Re-investment allowance Reserve	Retained earnings	Share Based payments	
At April 1, 2019	24,776.38	5.00	1,442.37	150,825.54	–	177,049.29
Profit for the year	–	–	–	15,881.37	–	15,881.37
Other comprehensive income (Note 29)	–	–	–	(79.66)	–	(79.66)
Total	24,776.38	5.00	1,442.37	166,627.25	–	192,851.00
Cash dividends	–	–	–	(3,603.84)	–	(3,603.84)
Dividend distribution tax on cash dividend	–	–	–	(740.79)	–	(740.79)
Special Economic Zone Re-investment Allowance Reserve	–	–	(1,442.37)	1,442.37	–	–
At March 31, 2020	24,776.38	5.00	–	163,724.99	–	188,506.37

For the year ended March 31, 2019

Particulars	Other Equity					Total
	General reserve	Capital reorganisation reserve	Special Economic zone Re-investment allowance Reserve	Retained earnings	Share Based payments	
At April 1, 2018	24,776.38	5.00	663.43	125,414.82	780.81	151,640.44
Profit for the year	–	–	–	28,216.93	–	28,216.93
Other comprehensive income (Note 29)	–	–	–	(197.96)	–	(197.96)
Total	24,776.38	5.00	663.43	153,433.79	780.81	179,659.41
Stock compensation transferred to payable	–	–	–	–	(780.81)	(780.81)
Cash dividends	–	–	–	(1,517.41)	–	(1,517.41)
Dividend distribution tax on cash dividend	–	–	–	(311.91)	–	(311.91)
Special Economic Zone Re-investment Allowance Reserve	–	–	778.94	(778.94)	–	–
At March 31, 2019	24,776.38	5.00	1,442.37	150,825.54	–	177,049.29

Significant Accounting Policies. (Note 2)

Notes to the Financial Statements are an integral part of the Financial Statements.

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

As per our report of even date
For B S R Co. LLP
Chartered Accountants

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Managing Director

Firm's Registration no. 101248W/W-100022

M C GOKUL
Company Secretary

R S RAJAGOPAL SASTRY
Chief Financial Officer

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No. 211171

WABCO INDIA LIMITED

Statement of Cash Flow for the year ended 31st March 2020

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

Particulars	March 31, 2020	March 31, 2019
A. CASH FLOW FROM / (USED) IN OPERATING ACTIVITIES		
Profit before tax	22,333.71	41,091.41
Adjustments to reconcile profit before tax to net cash flow		
Depreciation of property, plant and equipment	8,079.77	6,954.16
Amortisation of intangible assets	266.30	189.53
Depreciation on ROU Assets	665.01	-
(Profit)/ loss on property plant and equipment sold / discarded (net)	232.54	92.71
(Profit)/ loss on sale of financial instruments (net)	(3,442.56)	(3,075.87)
Fair value changes in financial instruments	(36.57)	-
Provision / (release of provision) for doubtful trade receivables (net)	191.53	1,308.57
Finance / other income	(2,536.61)	(2,396.67)
Finance costs	191.94	-
Net foreign exchange differences (unrealised)	(358.20)	238.57
Operating profit before working capital / other changes	25,586.86	44,402.41
Adjustments for :		
(Increase) / decrease in inventories	3,846.90	(1,865.95)
(Increase) / decrease in trade receivables and current assets	29,734.62	(1,266.59)
(Increase) / decrease in loans and other financial assets	315.03	(345.69)
(Increase) / decrease in other non-current assets	(798.86)	(2,152.38)
Increase / (decrease) in provisions, gratuity and government grants	(1,995.24)	771.22
Increase / (decrease) in trade payables and current liabilities	(27,460.65)	(11,097.20)
Cash generated from operations	29,228.66	28,445.82
Income tax paid	(6,798.89)	(13,449.62)
Net cash flow from/(used) in operating activities	22,429.77	14,996.20
B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES:		
Purchase of property, plant, equipment and intangible assets (including capital work in progress, capital advances and capital creditors)	(9,322.81)	(11,921.00)
Sale of property plant and equipments	83.77	-
Purchase of investments	(847,000.00)	(510,476.72)
Proceeds from sale of investments	824,106.18	526,831.68
Realisation of investment gain	3,442.56	-
(Purchase of) / Proceeds from maturity of bank deposits	9,988.65	(49,056.16)
Interest income	2,171.88	1,756.83
Net cash flows from / (used) in investing activities	(16,529.77)	(42,865.37)

WABCO INDIA LIMITED

Statement of Cash Flow for the year ended 31st March 2020

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

Particulars	March 31, 2020	March 31, 2019
C. CASH FLOW FROM / (USED) IN FINANCING ACTIVITIES		
Dividends paid	(3,603.84)	(1,517.41)
Dividend distribution tax	(350.90)	(311.91)
Payment of lease liabilities including interest on lease liabilities	(803.53)	-
Net cash flows from / (used) in financing activities	(4,758.27)	(1,829.32)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		
	1,141.73	(29,698.49)
Cash and cash equivalents at the beginning of the year	4,932.26	34,630.75
Cash and cash equivalents as at end of the year	6,073.99	4,932.26
Components of cash and cash equivalents		
i) Cash on hand	9.97	3.87
ii) On current accounts	6,064.02	4,928.39
Cash and cash equivalents as per balance sheet (refer note 9)	6,073.99	4,932.26

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

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

As per our report of even date
For B S R Co. LLP

Chartered Accountants

Firm's Registration no. 101248W/W-100022

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Managing Director

M C GOKUL
Company Secretary

R S RAJAGOPAL SASTRY
Chief Financial Officer

Place : Chennai
Date : May 22, 2020

K RAGHURAM
Partner
Membership No. 211171

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

1. CORPORATE INFORMATION

WABCO INDIA LIMITED ("Company", "WABCO") was incorporated originally on November 18, 2004. The Company is a public limited company domiciled in India and has its securities listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Plant 1, Plot No.3, (SP), III Main Road, Ambattur Industrial Estate, Chennai -600 058, India.

The Company is primarily engaged in the manufacture of air brake actuation systems for commercial vehicles. The Company is also engaged in rendering of software development and other services.

The financial statements were authorized for issue in accordance with a resolution of the Board of directors at the meeting held on May 22, 2020.

The Company's ultimate holding company has entered into a definitive agreement with ZF Friedrichshafen (the acquirer) for the merger of Wabco Holding Inc., with a wholly owned subsidiary of the acquirer subject to regulatory approvals.

As at the date of the financial statements, the parties have issued a joint statement that all the regulatory approvals required in connection with the merger has been complied / obtained and the merger is expected to come into effect on May 29, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

The financial statements have been prepared on a historical cost basis, except for certain financial assets, financial liabilities and defined benefit plan assets measured in accordance with IND AS 19 (refer accounting policy on the same).

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

2.2 Summary of Significant Accounting Policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the financial statements for the year ended 31st March 2020

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements

(c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sales tax / Value Added Tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is the tax collected on value added on the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Revenue recognised by the Company is net of price revision and claims. The specific revenue recognition criteria described below, must also be met before revenue is recognised.

a. Sale of products / goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is in the range of 30 to 90 days upon delivery except for some customers who are on advance payment term. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Claims on the Company for price revision are accounted when facts and circumstances indicate that a price reduction is probable and the amount are reasonably estimable. The claims by the Company are recorded when it is accepted and it is reasonably certain that the amounts will be collected.

Notes to the financial statements for the year ended 31st March 2020**Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume rebates / Discounts

Arrangements with most OEM customers include a provision for volume rebates / discounts. In those instances where there is a valid expectation from the customers to receive a discount, the amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the arrangement will not occur in a future period. The Company applies the most likely amount method for determining the discount.

b. Revenue from Sale / rendering of services**1. Revenue from software services**

Revenue from sale of services is recognized as and when related costs are incurred and services are performed in accordance with the terms of specific contracts.

2. Revenue from research and development services

Revenue relating to research & development services are recognized on a fixed hourly basis when the services are rendered.

3. Revenue from business support services and other service income

Revenue from sale of services is recognized as related costs are incurred and services are performed in accordance with the terms of specific contracts. Revenue from test track usage income is recognised as and when the services are performed in accordance with contractual terms.

Contract balances*Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross

Notes to the financial statements for the year ended 31st March 2020

carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

iii. Investment income

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

(d) Foreign currency transactions and balances

The Company's Financial Statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currencies are initially recorded in the functional currency using the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary item are recognised in statement of profit or loss.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost incurred in bringing each product to its present location, condition and are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods, work in progress and contract work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Traded goods, Stores and Spare parts: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty

Provisions for warranty related costs are recognized as and when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually. A provision is recognized for expected warranty claims on products sold, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about returns. The Company generally offers 18 - 24 months of warranty for its products.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. It includes a present obligation

Notes to the financial statements for the year ended 31st March 2020

that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(h) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(i) Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to the financial statements for the year ended 31st March 2020

(k) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of an item of property, plant and equipment comprises its purchase price, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset.

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule II of the Companies Act, 2013. The useful life estimate for major classes of assets is as follows:

Asset block	Useful life of the assets (years)
Buildings	10-30
Plant and machinery	10-21
Tooling	3
Computers	3
Office & other equipments	5
Furniture, fixtures and equipments	10
Vehicles	6

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building, plant and machinery over estimated useful lives and residual value which are different from the useful life and residual values prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Notes to the financial statements for the year ended 31st March 2020**Intangible assets**

Intangible assets with finite useful lives that are acquired separately, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2 / 3 years, or over the license period of the software, whichever is shorter.

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss when the asset is derecognised.

Impairment of tangible and intangible assets carried at cost

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Right of use assets (ROU assets)

At the lease commencement date, the ROU asset is measured at cost. The cost of the ROU asset comprises of:

- (i) the initial lease liability
- (ii) any prepaid lease payments less any incentives received
- (iii) initial direct costs incurred in establishing the lease and
- (iv) an estimate of costs to be incurred by the lessee in dismantling the underlying asset as required by the law.

It is subsequently reduced by the depreciation / amortisation / impairment losses. Depreciation / amortisation is charged on a straight line basis on the shorter of lease term or useful life of ROU asset which the lessee is reasonably certain to exercise the option to purchase the asset.

Notes to the financial statements for the year ended 31st March 2020**Lease liability**

- a. At the lease commencement date, the lease liability is measured at the present value of the minimum lease payments outstanding as at the date, plan payments under any options that the lessee is reasonably certain to exercise. Lease liability is measured at amortised cost using the effective interest method.
- b. Lease term used to calculate the lease liability is determined based on an economic analysis of early termination, extension or other options included in the lease arrangement.
- c. lease payments are discounted using the rate implicit in the lease, if this can be clearly determined or incremental borrowing cost.
- d. The carrying amount of the lease liability is subsequently increased by the interest due on the lease liability and reduced by the lease payments.
- e. Lease liability is disclosed under other financial liabilities.

Subsequent measurement

Subsequently, the lease liability and the ROU asset are recognised to reflect changes in:

- lease term
- the assessment of an option
- the amounts expected to be payable
- lease payments
- rates

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per IND AS 17 - Leases, were earlier reported under cash flow from operating activities.

(n) Retirement and other employee benefits**i. Defined benefit plan.****1. Provident Fund**

Eligible employees of WABCO receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the WABCO India Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by extant Indian laws and regulations. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any between the return from the investments of the Trust and the notified interest rate.

2. Gratuity and Pension

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The Company also operates a pension plan for select employees, the eligibility and the terms and conditions of payment are at the discretion of the Company. Gratuity and pension liabilities are defined benefit obligations and are provided for on the basis of an actuarial valuation done as per the projected unit credit method as at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Notes to the financial statements for the year ended 31st March 2020

ii. Other employment benefits

Compensated absence

Short term compensated absences are provided for based on estimates. Long term compensated absences in the nature of defined benefit plan are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Re-measurement gain or loss is taken to the statement of Profit and loss and are not deferred.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and

The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and Net interest expense or income.

iii. Defined contribution plan.

Employees' State Insurance

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

iv. Termination benefits

Voluntary retirement

The Company has a scheme of voluntary retirement applicable to certain employees. The amount payable under such scheme is recognised earlier of when the employee accepts the offer or when a restriction of the entity's ability to accept the offer takes effect.

(o) Share based payments

Employees (including senior executives) of the Company receive compensation under the scheme of the ultimate holding Company, WABCO Holdings Inc., USA in the form of stock units, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Performance stock units (PSUs), the vesting of which would occur at levels ranging from none to 200% of the number of granted PSUs depending upon the achievement of three year cumulative earnings per share goals approved by the Compensation, Nominating and Governance Committee of the Board of Directors of WABCO Holdings Inc., USA. The Company assesses expected achievement levels at the end of each reporting period.

Restricted stock units (RSU's) vests to the employees on a proportionate basis over the period of 3 years provided the employees continues in employment.

The Company measures and recognizes the expense associated with all share-based payment awards made to employees including RSUs, PSUs based on estimated fair values obtained by the ultimate holding Company being the administrator of the scheme.

Notes to the financial statements for the year ended 31st March 2020

(p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognitions and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

Debt instruments at amortised cost

Debt instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

Notes to the financial statements for the year ended 31st March 2020

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(q) Cash dividend and cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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Notes to the financial statements for the year ended 31st March 2020

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

(r) Earnings Per Share

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

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

(s) Changes in accounting policies and disclosures

The Company applied Ind AS 116 for the first time in 2019-20. The nature and effect of the changes as a result of adoption of the new accounting standards are described in Note 34.

3.1 Property plant and equipments

(₹ in lakhs)

Description	Property plant and equipments							Intangible Assets		
	Freehold Land	Leasehold Land*	Buildings	Plant & Machinery, Dies & Jigs	Furniture & Fixtures	Office & other equipments	Vehicles	Total	Computer Software and licences	Total
Cost										
As at April 1, 2018	1,829.06	426.48	8,741.47	38,491.66	289.63	2,051.61	215.01	52,044.92	1,366.80	1,366.80
Add : Additions	–	–	232.27	13,193.16	59.68	1,366.45	175.32	15,026.88	230.91	230.91
Less: Disposals	–	0.45	–	107.08	–	–	–	107.53	–	–
As at March 31, 2019	1,829.06	426.03	8,973.74	51,577.74	349.31	3,418.06	390.33	66,964.27	1,597.71	1,597.71
Add : Additions	–	–	626.50	7,817.60	30.21	1,190.38	82.52	9,747.21	400.92	400.92
Less: Disposals	–	–	–	1,144.10	9.19	243.62	2.33	1,399.24	0.10	0.10
Less: Assets regrouped to ROU assets	–	426.03	–	–	–	–	–	426.03	–	–
As at March 31, 2020	1,829.06	–	9,600.24	58,251.24	370.33	4,364.82	470.52	74,886.21	1,998.53	1,998.53
Accumulated Depreciation / Amortisation										
As at April 1, 2018	–	13.84	1,369.46	13,891.96	93.47	934.92	75.70	16,379.35	1,136.93	1,136.93
Add : Charge for the year	–	4.85	432.30	5,799.54	39.56	630.80	47.12	6,954.17	189.53	189.53
Less: On assets disposed during the year	–	–	–	93.50	–	–	–	93.50	–	–
As at March 31, 2019	–	18.69	1,801.76	19,598.00	133.03	1,565.72	122.82	23,240.02	1,326.46	1,326.46
Add : Charge for the year	–	–	437.13	6,633.73	31.72	904.15	73.04	8,079.77	266.30	266.30
Less: On assets disposed during the year	–	–	–	879.59	7.67	209.03	1.23	1,097.52	–	–
Less: Assets regrouped to ROU assets	–	18.69	–	–	–	–	–	18.69	–	–
As at March 31, 2020	–	–	2,238.89	25,352.15	157.08	2,260.83	194.63	30,203.58	1,593.36	1,593.36
Written down value										
As at March 31, 2019	1,829.06	407.34	7,171.98	31,979.74	216.28	1,852.34	267.51	43,724.26	271.25	271.25
As at March 31, 2020	1,829.06	–	7,361.35	32,899.10	213.25	2,103.98	275.89	44,682.63	405.77	405.77

* Pursuant to implementation of IND AS 116 on leases w.e.f from April 1, 2019, leasehold land has been disclosed as ROU assets (refer note 3.2 below).

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

3.2 Right of Use assets

Description	Leasehold Land	Buildings	Total
As at April 1, 2019		-	-
Opening Balance	468.80	-	468.80
Addition	230.00	1,976.31	2,206.31
Depreciation expense	11.91	653.10	665.01
As at March 31, 2020	686.89	1,323.21	2,010.10

3.3 Capital work in progress

Capital work in progress as at March 31, 2020 comprises expenditure for the plant in various stages of installation. Total amount of Capital work in progress is INR 2995.64 lakhs (March 31, 2019: INR 1,930.60 lakhs).

March 31, 2020	March 31, 2019
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4. FINANCIAL ASSETS

4.1 Investments

Current

Investments at fair value through profit or loss (fully paid)

Investment in non-group companies

Quoted mutual funds	54,236.57	31,342.75
Total FVTPL investments	54,236.57	31,342.75
Aggregate market value of quoted investments	54,236.57	31,342.75

4.2 Loans (considered good unless otherwise stated)

Non-Current

Security deposit	723.44	710.96
Total	723.44	710.96

Current

Loans to employees	18.59	20.35
Total	18.59	20.35

4.3 Other financial assets

Non-current

Non-current bank balances (refer note below)	401.94	344.45
Interest accrued on fixed deposits	95.32	-
Total	497.26	344.45

Represents deposits placed with Banks as Margin money towards guarantees provided by the Banks on behalf of the Company.

Current

Accrued income	1.36	384.60
Interest accrued on fixed deposits	1,159.73	926.89
Total	1,161.09	1,311.49

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Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
5. OTHER ASSETS		
Non-current		
Capital advances (Unsecured considered good) *	1,145.78	1,683.64
Capital advances (Unsecured considered doubtful) *	46.55	–
Less: Provision for doubtful advances	(46.55)	–
	<u>1,145.78</u>	<u>1,683.64</u>
Amount paid under protest	2,561.85	2,557.83
Grant receivable (export incentive/subsidy)	2,641.83	2,397.97
Fair value of Pension plan asset (net of provision) (refer note 33)	597.53	–
Total	<u>6,946.99</u>	<u>6,639.44</u>
Current		
Advances to vendors (Unsecured considered good) *	2,914.98	6,068.40
Advances to vendors (Unsecured considered doubtful) *	393.94	405.61
Less: Provision for doubtful advances	(393.94)	(405.61)
	<u>2,914.98</u>	<u>6,068.40</u>
Grant receivable (export incentive/subsidy)	2,923.36	2,418.69
Prepaid expenses	489.20	426.97
Balance with customs, excise and sales tax authorities	441.01	834.26
Others	340.43	464.12
Total	<u>7,108.98</u>	<u>10,212.44</u>
* For amount outstanding from related parties and the terms and conditions relating to that, refer Note 36.		
6. TAX ASSETS		
Advance income tax (net of provision for tax)	3,473.78	3,575.59
	<u>3,473.78</u>	<u>3,575.59</u>
Current	–	–
Non-current	3,473.78	3,575.59
7. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)		
Raw materials *	8,124.85	9,699.86
Work-in-progress	113.63	383.65
Finished goods	2,386.53	4,348.50
Stores and spare parts	632.46	672.36
Total inventories	<u>11,257.47</u>	<u>15,104.37</u>
*Includes goods in transit	2,070.21	3,635.06

During the year ended March 31, 2020: INR 84.75 lakhs (March 31, 2019: INR 256.74 lakhs) was recognised as an expense for inventories carried at net realisable value.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
8. TRADE RECEIVABLES		
Trade and other receivables		
Trade receivables		
Unsecured, considered good	36,353.82	63,400.27
Doubtful	955.15	1,210.27
	<u>37,308.97</u>	<u>64,610.54</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	(955.15)	(1,210.27)
	<u>(955.15)</u>	<u>(1,210.27)</u>
Total trade receivables	<u>36,353.82</u>	<u>63,400.27</u>
<p>No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For amount outstanding from related parties and the terms and conditions relating to that, refer Note 36.2. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days depending on the type of the customer.</p>		
9. CASH AND CASH EQUIVALENTS		
Cash on hand	9.97	3.87
Balances with banks:		
- On current accounts	6,064.02	4,928.39
Total cash and cash equivalents	<u>6,073.99</u>	<u>4,932.26</u>
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
i) Cash on hand	9.97	3.87
ii) On current accounts	6,064.02	4,928.39
	<u>6,073.99</u>	<u>4,932.26</u>
9.1. Other bank balances		
In unpaid dividend accounts	45.55	33.20
Current deposits with maturity greater than 3, less than 12 months	39,999.00	50,000.00
	<u>40,044.55</u>	<u>50,033.20</u>
Break up of financial assets carried at amortised cost		
Loans (note 4.2)	742.03	731.31
Trade receivables (note 8)	36,353.82	63,400.27
Cash and cash equivalents (note 9)	6,073.99	4,932.26
Bank balances other than cash and cash equivalents (note 9.1)	40,044.55	50,033.20
Other financial assets (note 4.3)	1,658.35	1,655.94
Total financial assets at amortised cost	<u>84,872.74</u>	<u>120,752.98</u>

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Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
10. EQUITY SHARE CAPITAL		
Authorised capital		
2,00,00,000 Equity shares of ₹ 5/- each (March 31, 2019 : 2,00,00,000)	1,000.00	1,000.00
Increase during the year	–	–
	1,000.00	1,000.00
Issued, subscribed and fully paid-up capital		
1,89,67,584 (March 31, 2019 : 1,89,67,584) Equity shares of ₹ 5/- each	948.38	948.38
	948.38	948.38

Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

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

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	No. of shares	Amount
At April 01, 2018	1,89,67,584	948.38
Issued during the period	–	–
At March 31, 2019	1,89,67,584	948.38
Issued during the period	–	–
At March 31, 2020	1,89,67,584	948.38

Shares held by holding company

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

Name of the Shareholder	March 31, 2020	March 31, 2019
WABCO Asia Private Limited, Singapore	711.28	711.28

Apart from the above, there are no shares held by the ultimate holding Company, or their subsidiaries or associates.

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	In numbers	% holding in the class	In numbers	% holding in the class
Equity shares of ₹5 each fully paid				
WABCO Asia Private Limited, Singapore	1,42,25,684	75%	1,42,25,684	75%

As per records of the Company, including its register of members, the above shareholding represents both legal and beneficial ownerships of shares.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
11. OTHER EQUITY		
General reserve	24,776.38	24,776.38
Other reserves		
Capital reorganisation reserve	5.00	5.00
Retained earnings	1,63,724.99	1,50,825.54
Special Economic Zone Re-investment Allowance Reserve	-	1,442.37
Total other equity	1,88,506.37	1,77,049.29
General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.		
Capital reorganisation reserve - Amount represents a reserve created during the demerger of brakes division from Sundaram Clayton Limited.		
Capital reorganisation reserve		
Opening	5.00	5.00
Add / (Less) : Movement during the year	-	-
Closing Balance	5.00	5.00
Share Based Payments - Amount represents a reserve created on account of the stock units provided to eligible employees under the global compensation plan announced and administered by WABCO Holdings Inc., USA, the ultimate holding company (also refer note 33.2).		
Share Based Payments		
Opening	-	780.81
Add / (Less) : Movement during the year	-	(780.81)
Closing Balance	-	-
Retained Earnings - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.		
Special Economic Zone Re-investment Allowance Reserve - Amount represents a reserve created as per Section 10 AA of Income Tax Act, 1961 in order to avail the deduction under the Act for its plant location in Special Economic Zone. The reserve is to be utilised as per the conditions of the said section.		
Special Economic Zone Re-investment Allowance Reserve		
Opening	1,442.37	663.43
Add / (Less) : Movement during the year	(1,442.37)	778.94
Closing Balance	-	1,442.37
11.1 Distribution made and proposed		
Cash dividend on equity share declared and paid:		
Final dividend for the year ended March 31, 2019: Rs.9 per share (March 31, 2018: Rs.8 per share)	1,707.08	1,517.41
DDT on final dividend	350.90	311.91
Final dividend for the year ended March 31, 2020: Rs.10 per share	1,896.76	-
DDT on final dividend	389.89	-
Total distribution	4,344.63	1,829.32
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2019: Rs.9 per share	-	1,707.08
DDT on proposed dividend	-	350.90
	-	2,057.98

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
12. PROVISIONS		
Non-current		
Provision for employee benefits (Refer notes 5, 33)		
Provision for leave benefits / compensated absences	791.90	580.01
Provision for pension (net of Fair value of pension plan assets)	-	1,302.73
Other provisions		
Provision for warranties	619.89	1,231.92
Total	1,411.79	3,114.66
Current		
Provision for employee benefits (Refer notes 5, 33)		
Provision for leave benefits / compensated absences	292.69	240.76
Provision for pension (net of Fair value of pension plan assets)	-	240.25
Provision for Gratuity (net of Fair value of gratuity plan assets)	131.82	372.57
Other provisions		
Provision for warranties	819.43	575.83
Total	1,243.94	1,429.41
Provision for warranties		
At the beginning of the year	1,807.75	1,308.81
Created during the year	1,155.27	985.52
Utilized / Reversed during the year	(1523.70)	(486.58)
At the end of the year	1,439.32	1,807.75
<p>The estimated provision for warranty obligations is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is the balance unexpired period of the respective warranties on the various products which range from 18 to 24 months.</p>		
13. GOVERNMENT GRANTS		
Opening balance	4.18	4.64
Received during the year	-	-
Released to the statement of profit and loss	(0.46)	(0.46)
Closing balance	3.72	4.18

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

14. DEFERRED TAX LIABILITIES

Nature - (Liability) / Asset	Balance Sheet		Statement of Profit and Loss	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liabilities				
Difference between depreciation as per books of accounts and the Income Tax Act, 1961	1,885.29	2,903.57	(1,018.28)	557.15
Total (A)	1,885.29	2,903.57	(1,018.28)	557.15
Deferred tax assets				
Provision for doubtful trade receivables and advances	352.81	564.65	(211.84)	162.69
Provision for employee benefits and others	860.14	956.18	(96.04)	(192.36)
Provision for warranty	362.25	631.70	(269.45)	467.16
Others	389.68	355.47	34.21	99.88
Total (B)	1,964.88	2,508.00	(543.12)	537.37
Deferred tax expenses/(income) (A+B)			(475.16)	19.78
Net deferred tax (liabilities)/assets (A-B)	79.59	(395.57)		
			March 31, 2020	March 31, 2019
Reconciliation of deferred tax liabilities(net)				
As on April 1			(395.57)	(375.79)
Tax income/(expense) during the period recognised in profit and loss			448.36	(126.10)
Tax income/(expense) during the period recognised in OCI			26.79	106.33
As on March 31			79.59	(395.57)

15. TRADE PAYABLES

Trade Payables		
- Dues to Micro & Small Enterprises (See Note below)	538.46	1,333.14
- Dues to other than Micro & Small Enterprises	15,114.08	39,881.42
Total trade payables	15,652.54	41,214.56
For amount outstanding to related parties and the terms and conditions relating to that, refer Note 36.		
Principal amount due to suppliers under MSMED Act	538.46	1,333.14
Interest accrued and due to suppliers under MSMED Act, on the above amount	2.05	5.53
Payment made to suppliers (other than interest) beyond the appointed day, during the year	247.33	750.45
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	35.99	9.81
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	79.99	41.95

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Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
16. OTHER CURRENT LIABILITIES		
Non - Current		
Lease liabilities	871.49	–
Total	<u>871.49</u>	<u>–</u>
Current		
Lease liabilities	676.82	–
Capital creditors	706.02	–
Price adjustments	3,729.53	2,951.48
Others	45.54	33.20
Total	<u>5,157.91</u>	<u>2,984.68</u>
<p>Price adjustments is recognised when there is a reasonable certainty that the amounts will be settled. The estimate takes into account the expected claim and the historical information regarding settlement of such claims. The outstanding liability represents the amounts that are yet to be settled in relation to the products that were sold.</p>		
17. OTHER CURRENT LIABILITIES		
Advance from customers	375.51	1,160.34
Statutory dues payable		
- Income tax deducted at source / DDT payable	743.88	314.17
- Employees' provident fund payable	152.89	146.32
- Employees' state insurance payable	21.58	19.13
- Employees' family pension fund deductions payable	83.95	95.38
- Sales tax payable	171.88	2,041.66
Employee payables	1,072.82	1,810.95
Others	1,651.61	825.00
Total current liabilities	<u>4,274.12</u>	<u>6,412.95</u>
<p>For amount outstanding to related parties and the terms and conditions relating to that, refer Note 36.</p>		
Break up of financial liabilities carried at amortised cost		
Trade payables (note 15)	15,652.54	41,214.56
Other financial liabilities (note 16)	6,029.40	2,984.68
Total financial liabilities at amortised cost	<u>21,681.94</u>	<u>44,199.24</u>

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
18. REVENUE FROM OPERATIONS		
Sale of products		
Air assist and full air actuation system for automotive and non-automotive applications and elements thereof	146,802.96	235,256.11
Spares	25,991.62	29,808.82
Sale of products (A)	<u>172,794.58</u>	<u>265,064.93</u>
Sale /rendering of services (B)		
Software services	7,532.07	6,264.91
Research and development services	2,194.98	1,620.97
Business support services	5,352.22	4,230.94
Other service income	1,753.70	1,099.13
Sub-total (B)	<u>16,832.97</u>	<u>13,215.95</u>
Other operating revenue (C)		
Scrap sales	816.34	1,283.90
Government grant (Export incentives - Refer note below)	1,479.67	4,660.77
Test Track usage income	1,032.59	1,188.01
	<u>3,328.60</u>	<u>7,132.68</u>
Total (A+B+C)	<u>192,956.15</u>	<u>285,413.56</u>
Note		
Government grants represent export incentives that the Company is eligible for. There are no unfulfilled conditions or contingencies attached to these grants. Government grant as of March 31, 2019 includes Merchandise Exports from India Scheme ("MEIS") ₹ 4,548.61 lakhs of which ₹ 2,595.02 lakhs relates to earlier periods recognised upon achieving certainty of ultimate collectability on the basis of past trends.		
Disaggregated information		
Timing of revenue recognition		
Goods / services transferred at a point in time	174,643.51	267,536.84
Services transferred over time	16,832.97	13,215.95
	<u>191,476.48</u>	<u>280,752.79</u>
Contract balances		
Trade receivables (refer note 8)	36,353.82	63,400.27
Contract assets (refer note 4.3)	1.36	384.60
Contract liabilities (refer note 17)	375.51	1,160.34
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		
Contract assets are recognized over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the Company. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.		
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).		
Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contract price	196,778.01	286,153.23
Adjustments		
Discounts and price adjustments	5,301.53	5,400.44
Revenue from contract with customers	191,476.48	280,752.79

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
19. OTHER INCOME		
Net gain on sale of current investments	3,442.56	3,075.87
Liability no longer required - written back	–	241.00
Gain on foreign transactions	280.35	914.58
Gain / (loss) on investments carried at fair value through profit or loss	36.57	42.75
Interest income on fixed deposits with banks	2,493.73	2,325.95
Unwinding of discount on financial asset carried at amortised cost	4.42	8.83
Interest income from financial assets at amortised cost	1.90	19.14
Others	128.52	619.41
Total other income	<u>6,388.05</u>	<u>7,247.53</u>
20. COST OF MATERIAL & COMPONENTS CONSUMED		
Inventories at the beginning of the year *	6,064.80	5,911.37
Add: Purchases	112,625.36	183,607.65
Less: Inventories at the end of the year *	6,054.64	6,064.80
Cost of raw material and components consumed	<u>112,635.52</u>	<u>183,454.22</u>
* excludes goods in transit		
21. CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS		
Opening stock		
Work-in-progress	383.65	428.53
Finished goods	4,348.50	3,066.35
	<u>4,732.15</u>	<u>3,494.88</u>
Closing Stock		
Work-in-progress	113.63	383.65
Finished goods	2,386.53	4,348.50
	<u>2,500.16</u>	<u>4,732.15</u>
	<u>2,231.99</u>	<u>(1,237.27)</u>
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	22,432.17	21,351.50
Contribution to provident and other funds	1,767.91	1,568.14
Employees' share based payments cost	438.43	354.22
Staff welfare expenses	1,930.90	2,090.55
	<u>26,569.41</u>	<u>25,364.41</u>
23. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of property, plant and equipment (Note 3)	8,079.77	6,954.16
Amortization of intangible assets (Note 3)	266.30	189.53
Depreciation on ROU Assets (Note 3)	665.01	–
	<u>9,011.08</u>	<u>7,143.69</u>

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
24. FINANCE COSTS		
Interest on lease liabilities	191.94	–
	<u>191.94</u>	<u>–</u>
25. OTHER EXPENSE		
Consumption of stores and spares	4,015.69	5,953.97
Power and fuel	1,766.11	2,183.63
Rent	379.77	919.59
Repairs to buildings	1,026.77	1,232.26
Repairs to machinery	810.81	1,402.91
Repairs others	35.13	62.04
Insurance	131.04	230.82
Rates and taxes	320.14	327.02
Professional fees(Refer note (a) below for payment to auditors)	2,298.25	2,334.53
Travelling and conveyance	1,780.69	1,652.73
Freight, delivery and shipping charges	5,600.80	7,587.14
Research and development expenses	628.77	649.79
Impairment allowance / reversal for bad and doubtful debts / advances	191.53	1,308.57
Directors' sitting fees	10.40	6.30
Information technology expenses	666.71	542.07
CSR expenditure (refer note 26)	85.00	86.63
Royalty	4,524.16	7,465.19
Loss on sale/scrapping of assets	232.54	92.71
Warranty	743.78	1,604.45
Other expenses (including commission to independent directors)	1,122.46	1,202.28
	<u>26,370.55</u>	<u>36,844.63</u>
(a) Auditor's remuneration*		
As auditor:		
Audit fee #	35.00	53.00
Tax audit fee	0.50	4.00
Limited review	4.00	9.00
Certification	1.00	–
In other capacity:		
Taxation matters	33.02	2.00
Reimbursement of expenses	6.12	3.45
	<u>79.64</u>	<u>71.45</u>

* Excludes GST

Expenses for the year March 31, 2019 includes one time fee of INR. 30 lakhs.

Fees for limited review includes INR 3 lakhs paid/ payable to the previous auditor for quarter ended June 30, 2019.

Fees for the year ended March 31, 2019 represents fees paid/ payable to the previous auditor.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
26. CSR EXPENDITURE		
Details of CSR expenditure:		
(a) Gross amount required to be spent by the Company during the year	729.60	635.05
(b) Amount spent during the year ending on March 31, 2020:		
	In cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	25.00	60.00
		Total
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	86.63	86.63
(c) Amount spent during the year ending on March 31, 2019:		
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	86.63	86.63

27. RESEARCH AND DEVELOPMENT COST

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate INR. 3,362.21 Lakhs (March 31, 2019 : INR. 2,706.22 Lakhs). The capital expenditure incurred during the year for research and development purposes aggregate INR. 249.49 Lakhs (March 31, 2019 : INR. 387.33 Lakhs).

28. INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Profit or loss section

Current Tax:

Current income tax charge	7,203.68	12,753.78
Adjustment in respect of current income tax of previous year	(302.98)	(5.40)

Deferred Tax:

Relating to the origination and reversal of temporary differences	(448.36)	126.10
Income tax expense reported in the statement of profit and loss	6,452.34	12,874.48

Other comprehensive income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Re-measurement gains and (losses) on defined benefit obligations (net)	26.79	106.33
Income tax charged to OCI	26.79	106.33

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:		
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporate tax in India viz., 25.168% (PY - 34.944%) as follows:		
Accounting Profit before income tax	22,333.71	41,091.41
Enacted tax rate in India	25.17%	34.94%
Profit before income tax multiplied by enacted tax rate	5,620.95	14,358.98
Effects of:		
Exempt income (income from tax holiday units)	-	(1,904.98)
Additional deduction on research and development expenses	-	(392.64)
DTL on timing differences to be reversed in Tax holiday period	-	33.80
Adjustment on account of election of reduced tax rate (refer note below)	(125.96)	-
Non deductible expenses	275.73	53.79
Overseas taxes	957.81	624.60
Adjustment in respect of current income tax of previous year	(302.98)	(5.40)
Income tax charged to OCI	26.79	106.33
Net effective income tax	<u>6,452.34</u>	<u>12,874.48</u>

During the year ended March 31, 2020 and March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

The Company has elected the option to pay taxes at the reduced rate per section 115 BAA of the Income Tax Act, 1961. Accordingly, tax expense for the the year ended March 31, 2020 have been measured & recognised in accordance with the said provisions.

	FVTOCI	Total
29. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
During the year ended March 31, 2020		
Re-measurement gains (losses) on defined benefit plans	(79.66)	(79.66)
	<u>(79.66)</u>	<u>(79.66)</u>
During the year ended March 31, 2019		
Re-measurement gains (losses) on defined benefit plans	(197.96)	(197.96)
	<u>(197.96)</u>	<u>(197.96)</u>

30. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

	March 31, 2020	March 31, 2019
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit after tax	15,881.37	28,216.93
Weighted average number of shares		
- Basic	1,89,67,584	1,89,67,584
- Diluted	1,89,67,584	1,89,67,584
Earning per share of ₹ 5 each		
- Basic	83.73	148.76
- Diluted	83.73	148.76

31. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key Judgements estimates and assumptions

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

Revenue from Contract with Customers

The Company applied judgements in determining the amount and timing of revenue from contracts with customers, including determining variable considerations.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable. The management estimates likely outcome of any pending cases and other contingencies based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 33.

Allowance for inventories

An allowance for Inventory is recognised where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate allowance in the books.

Impact on account of COVID-19 pandemic

The Company has considered the possible effects that may result from the CoVID-19 pandemic on the carrying value of property, plant and equipment, inventories, revenue & receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and concluded that no adjustments are required to the financial statements. The Company will continue to monitor the developing scenario for any material changes.

Notes to the financial statements for the year ended 31st March 2020

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

32. EMPLOYEE BENEFITS OBLIGATION

Defined Benefit Plan

a. Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a) Asset-Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

b. Provident Fund

In respect of employees covered under Company's Employees Provident Fund Trust contributions to the Company's Employee Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, determined based on an actuarial valuation, as an expense.

The details of the defined benefit plan based on actuarial valuation report are as follows:

1) Liability risks:

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

33. DEFINED BENEFIT PLAN

	March 31, 2020	March 31, 2019
A. Gratuity Plan		
Current service cost	285.95	225.60
Past service cost	-	-
Net interest expense	28.37	(1.68)
Components of defined benefit cost recognised in profit or loss	314.32	223.92
Re-measurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses changes arising from changes in demographic assumptions	(12.66)	107.11
Actuarial (gains)/losses changes arising from changes in financial assumptions	117.21	22.53
Actuarial (gains)/losses changes arising from experience adjustments	(297.88)	22.02
Return on plan assets (excluding amounts included in net interest expense)	-	18.83
Components of defined benefit cost recognised in other comprehensive income	(193.33)	170.49
Total	120.99	394.41

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	1,975.08	1,838.10
Fair value of plan assets	1,843.26	1,465.53
Net assets / (liabilities) from defined benefit obligation	(131.82)	(372.57)

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	1,838.10	1,459.30
Current service cost	285.95	225.60
Past service cost	-	-
Interest cost	139.99	112.58
Actuarial (gains)/losses changes arising from changes in demographic assumptions	(12.66)	107.11
Actuarial (gains)/losses changes arising from changes in financial assumptions	117.21	22.53
Actuarial (gains)/losses changes arising from experience adjustments	(297.88)	22.02
Benefits paid	(95.63)	(111.04)
Closing defined benefit obligation	1,975.08	1,838.10

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

Opening fair value of plan assets	1,465.53	1,481.14
Investment Income	111.62	114.25
Return on plan assets (excluding amounts included in net interest expense)	-	(18.83)
Contributions	361.74	-
Benefits paid	(95.63)	(111.04)
Actuarial gain / (loss)	-	-
Closing fair value of plan assets	1,843.26	1,465.53

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

B. Provident Fund

The Company's Provident Fund is exempted under Section 17 of the Employees' Provident Fund Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned has been higher in the past years. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2020.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	11,067.87	9,834.88
Fair value of plan assets	11,196.74	9,983.90
Net assets/(liabilities) from defined benefit obligation*	128.87	149.02

* The net asset in respect of plan is not recognized as it is lying in an irrecoverable trust fund approved by Income tax authorities.

C. Pension

Current service cost	-	-
Net interest expense	114.42	98.38
Components of defined benefit cost recognised in profit or loss	114.42	98.38
Re-measurement on the net defined benefit liability comprising:		
Actuarial (gains) / losses changes arising from changes in demographic assumptions	118.03	-
Actuarial (gains) / losses changes arising from changes in financial assumptions	126.21	(28.76)
Actuarial (gains) / losses changes arising from experience adjustments	82.72	162.56
Return on plan assets (excluding amounts included in net interest expense)	(27.18)	-
Components of defined benefit cost recognised in other comprehensive income	299.78	133.80
Total	414.20	232.18

The current service cost and the net interest expense for the year are included in the 'employee benefit expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	2,177.43	1,827.25
Fair value of plan assets	2,774.96	284.27
Net assets / (liabilities) from defined benefit obligation	597.53	(1,542.98)

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	1,827.25	1,687.66
Current service cost	-	-
Interest cost	135.49	118.05
Actuarial (gains) / losses changes arising from changes in demographic assumptions	118.03	-
Actuarial (gains) / losses changes arising from changes in financial assumptions	126.21	(28.75)
Actuarial (gains) / losses changes arising from experience adjustments	82.72	162.56
Benefits paid	(112.27)	(112.27)
Closing defined benefit obligation	2,177.43	1,827.25

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	284.27	281.28
Interest Income	21.08	19.68
Return on plan assets (excluding amounts included in net interest expense)	27.17	-
Contributions	2,554.71	-
Benefits paid	(112.27)	(16.69)
Actuarial (gain) / loss	-	-
Closing fair value of plan assets	<u>2,774.96</u>	<u>284.27</u>

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

	Gratuity	
	March 31, 2020	March 31, 2019
Investments details:		
Investment with insurer	1,843.26	1,465.53
Total	<u>1,843.26</u>	<u>1,465.53</u>
	Provident Fund	
	March 31, 2020	March 31, 2019
Investments details:		
Others	11,196.74	9,983.90
Total	<u>11,196.74</u>	<u>9,983.90</u>
	Pension Plan	
	March 31, 2020	March 31, 2019
Investments details:		
Investment with insurer	2,774.96	284.27
Total	<u>2,774.96</u>	<u>284.27</u>

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

	March 31, 2020	March 31, 2019
	%	%
Discount rate:		
Gratuity plan	6.70	7.60
Leave Encashment Plan	6.70	7.60
Provident Fund plan	6.70	7.60
Pension plan	6.60	7.40
Future salary increases:		
Gratuity plan	6.00	6.00
Leave Encashment Plan	6.00	6.00
Attrition rate		
Gratuity plan	5.00	10.00
Leave Encashment Plan	10.00	10.00

Gratuity plan:

	March 31, 2020		March 31, 2019	
	Discount rate		Discount rate	
Assumptions				
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(94.75)	103.02	(57.56)	61.23
	March 31, 2020		March 31, 2019	
	Future salary increases		Future salary increases	
Assumptions				
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	103.22	(95.78)	61.88	(58.67)

WABCO INDIA LIMITED

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

Assumptions	March 31, 2020		March 31, 2019	
	Attrition rate		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	1.27	(1.36)	4.05	(4.39)

Provident Fund plan: Assumptions	March 31, 2020		March 31, 2019	
	Discount rate		Discount rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(1.07)	7.74	(1.10)	1.13

Pension: Assumptions	March 31, 2020		March 31, 2019	
	Discount rate		Discount rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(174.80)	202.96	(120.99)	138.97

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

	Gratuity	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	248.61	383.25
Between 2 and 5 years	524.14	792.24
Beyond 5 years	3,821.17	2,275.20
Total expected payments	4,593.92	3,450.69

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.00 years (March 31, 2019: 6.00 years).

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

	Pension	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	191.12	1,586.99
Between 2 and 5 years	739.20	645.52
Beyond 5 years	3,353.15	2,836.52
Total expected payments	4,283.47	5,069.03

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.00 years (March 31, 2019: 7.00 years).

33.2 Share based payments

Under a global compensation plan announced and administered by WABCO Holdings Inc., USA, the ultimate holding company, some of the employees are eligible for compensation in form of stock units viz., Performance Stock Units ("PSU") and Restricted Stock Units ("RSU").

PSUs vesting of which would occur at levels ranging from none to 200% of the number of granted PSUs depending upon the achievement of three year cumulative earnings per share goals approved by the Compensation, Nominating and Governance Committee of the Board of Directors of the ultimate holding company. The ultimate holding company assesses expected achievement levels at the end of each reporting period. As of March 31, 2020, the Company believes it is probable that the performance conditions will be met and has accrued for the compensation expense accordingly which is in line with the estimates made by the ultimate holding company.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

RSU's vests to the employees on a proportionate basis over the period of 3 years provided the employees continues in employment.

The Company records a stock based compensation based on the estimated fair value of the award at the grant date and is recognised as an expense in the statement of profit or loss over the requisite period.

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

	March 31, 2020	March 31, 2019
	Number	Number
Outstanding at April 1	12,642	13,268
Granted during the year	4,790	4,790
Forfeited during the year	-	1,077
Vested during the year	1,887	4,339
Outstanding at March 31	15,545	12,642

The expected term of the RSU/PSU is determined based on the vesting term and contractual term of the RSU/PSU, as well as expected exercise behaviour of the employee who receives the RSU/PSU.

Expected volatility during the expected term of the RSU/ PSU is based on historical volatility of the observed market prices of WABCO Holding Inc., USA publicly traded equity shares during a period equivalent to the expected term of the RSU/PSU.

34. LEASES

Transition to IND AS 116

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116 applying modified retrospective approach, effective annual reporting period beginning April 1, 2019 at transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 1, 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

Refer note 2(m) – Significant accounting policies – Leases in the financial statements of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

For transition, the Company has elected to apply the following optional requirements as provided in Ind AS 116 ;

- exclusion of leases which are expiring within 12 months as at the date of transition by class of asset
- exclusion of leases for which the underlying asset is of low value on a lease-by-lease basis.
- exclusion of initial direct costs from the measurement of the right of use asset as at the date of transition.
- exclusion of identification of onerous contract as at the date of transition.
- used a single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. Lease rentals incurred for the previous year have been charged as an expense in the statement of profit and loss.

The depreciation charge for right of use assets, interest expenses on lease liabilities, expenses relating to short term leases and low-value assets are included in note 23, 24 and 25 respectively. Cash flows on payment of lease liabilities including interest on lease liabilities are included in cash flow statements.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

35. COMMITMENT AND CONTINGENCIES

A) Contingent Liabilities

In respect of all the matters mentioned below, based on the legal advice obtained, the management is of the view that the claims are not tenable and the same can be successfully contested. Hence, no provision has been considered necessary in the financial statements.

	March 31, 2020	March 31, 2019
In respect of CENVAT and Service tax matters	0.88	4.79
In respect of Income tax matters	59.61	51.43
In respect of Property tax matters	32.40	32.40
In respect of Custom duty matters	20.73	20.73
In respect of Sales tax matters *	18,717.16	18,717.16
In respect of Labour law disputes	7.67	7.67
In respect of Property matters	6.09	6.09

* - excludes penalty of INR 28,075.74 Lakhs (March 31, 2019: 28,075.74 Lakhs)

The uncertainties and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

The Hon'ble Supreme Court of India ('SC') had passed a judgement on 28 February 2019 spelling out the principles based on which allowances paid to employees should be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of prudence, the Company has made a provision on a prospective basis from the date of the SC order. The Company will review this, on receiving further clarity on this matter.

B) Commitments

a) Capital commitments not provided for	5,302.86	4,793.76
b) The Company has commitments in the nature of non-cancellable operating leases. The Company has leased certain office premises under operating lease for a non-cancellable period which ranges from 5 to 6 years. The lease arrangements carry an escalation clause and does not impose significant restrictions. Lease rentals incurred have been charged as an expense in the statement of profit and loss. The future lease rental payables as at March 31, 2019 are given below:		
Within one year		703.51
After one year but not more than five years		1,611.86
More than five years		-
Total		<u>2,315.37</u>

The disclosures relevant to the lease commitments as required under IND-AS - 116 for the year 2019-20 have been given in Note 34.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

36.1. LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIP

1) Where control exists

- a) Holding company WABCO Asia Private Limited, Singapore
- b) Ultimate holding company WABCO Holdings Inc., USA

2) Related parties with whom transactions have taken place during the year

Fellow Subsidiary companies

1. WABCO Vertriebs, GmbH & Co., Germany
2. WABCO China Co Ltd, China
3. WABCO France SAS, France
4. Wabco USA LLC (formerly known as Meritor WABCO Vehicle Control Systems, USA)
5. Shandong WABCO Automotive Products Co. Ltd, China
6. WABCO (Shanghai) Management Co Limited, China
7. WABCO Automotive South Africa
8. WABCO Automotive UK Ltd, United Kingdom
9. WABCO Compressor Manufacturing Co. USA
10. WABCO Hong Kong Limited, Hong Kong
11. WABCO Japan Inc., Japan
12. WABCO Korea Ltd, Korea
13. WABCO Polska Sp. z o.o. Poland
14. WABCO Polska Sprzedaz Sp. z o.o. Poland
15. WABCO Development GmbH, Germany
16. WABCO Logistik GmbH, Germany
17. WABCO Australia Pty Limited, Australia
18. WABCO Europe BVBA, Belgium
19. WABCO Austria GesmbH, Austria
20. WABCO Belgium BVBA, Belgium
21. WABCO Financial Services SPRL; Belgium
22. Tavares BVBA, Belgium
23. Transics BVBA, Belgium
24. FLC NV
25. Transics Belux BVBA, Belgium
26. Transics Deutschland GmbH, Germany
27. Transics Italia S.R.L
28. Delta Industrie Service SARL, France
29. Transics France SARL, France

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

Fellow Subsidiary companies (Contd.)

30. Transics Ireland Limited, Ireland
31. Carrierweb B.V, Netherlands
32. Transics Netherland B.V
33. Transics Telemática España
34. WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil
35. WABCO Brzdy K Vozidlum spol S.R.O, Czech Republic
36. WABCO Gmbh, Germany
37. WABCO Radbremsen Gmbh, Germany
38. WABCO Automotive Italia SRL, Italy
39. WABCO BV, Netherlands
40. WABCO Europe Holdings BV, Netherlands
41. WABCO Espana SLU, Spain
42. WABCO Automotive AB, Sweden
43. WABCO (Schweiz) Gmbh, Switzerland
44. WABCO Automotive B.V, Netherlands
45. WABCO ARAC Kontrols Sistemleri Destek VE Pazarlama Limited Sirketi, Turkey
46. WABCO Middle East and Africa FZCO, Dubai
47. WABCO IP Holdings LLC, USA
48. WABCO Automotive Products Ltd, Cayman
49. WABCO Air Compressor Holdings Inc.,USA
50. WABCO Automotive Control Systems Inc.,USA
51. WABCO Group Inc.,USA
52. WABCO Group International Inc.,USA
53. WABCO Logistics (Quingdao) Co. Ltd, China
54. WABCO North America LLC, USA
55. WABCO Expats Inc.
56. WABCO (Thailand) Limited
57. Guang Dong WABCO Fuwa Vehicle Brakes Co Limited
58. Ephicas BV, Netherlands
59. WABCO Foundation Brakes Private Limited, Chennai
60. WABCO International LLC, USA
61. WABCO Europe Holdings LLC, USA
62. Ephicas Patents BVBA;
63. WABCO France S.A.S.
64. WABCO Services S.A.S, France

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

Fellow Subsidiary companies (Contd.)

65. WABCOWURTH Workshop Services GmbH
66. WABCO Testbahn GmbH, Germany
67. WABCO Holding GmbH, Germany
68. WABCO Systeme GmbH, Germany
69. WABCO Holdings B.V., Netherlands
70. WABCO Sandown B.V., Netherlands
71. WABCO CV, Netherlands
72. WABCO RUS LLC.
73. WABCO Vostok LLC, Russia
74. WABCO Centro de Distribuicao de pecas Automotives Ltda, Brazil
75. Clayton Dewandre Holdings Limited, Rotterdam, United Kingdom
76. WABCO Automotive Pensions Trustees Limited, UK
77. WABCO Automotive U.K. Limited, UK
78. WABCO Reman Solutions
79. WABCO Vehicle Control systems, Poland
80. WABCO Vehicle Control Systems, USA
81. R.H. Sheppard Co., Inc.
82. Asset Trackr Private Limited
83. Wabco Global GmbH, Switzerland

3) Others

- 1 WABCO India Limited Employees' Provident Fund Trust

Key Management Personnel

- Mr. P Kaniappan - Managing Director
Mr. R S Raja Gopal Sastry - Chief Financial Officer
Mr. M C Gokul - Company Secretary
Mr. Sean Deason - Non-executive Director (resigned w.e.f. 19-03-2020)
Ms. Lisa J Brown - Non-executive Director
Mr. Jorge Solis - Non-executive Director (resigned w.e.f. 29-01-2019)
Mr. Shivaram Narayanaswami - Non-executive Director (resigned w.e.f. 29-01-2019)
Dr. Christian Brenneke - Non-executive Director (w.e.f. 29-01-2019)
Mr. Philippe Colpron - Non-executive Director (w.e.f. 29-01-2019)
Mr. M Lakshminarayan - Chairman and independent Director
Dr. Lakshmi Venu - Independent Director
Mr. Narayan K Seshadri - Independent Director (resigned w.e.f. 31-03-2020)

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Notes to the financial statements for the year ended 31st March 2020

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

36.2. RELATED PARTY TRANSACTIONS

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel	
			Year ended		Year ended	
			31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
1	Purchase of goods	WABCO Vertriebs, GmbH & Co., Germany	2,938.90	5,042.75	-	-
		R.H. Sheppard Co., Inc.	271.16	1,883.33	-	-
		WABCO China Co Ltd, China	754.15	1,345.57	-	-
		WABCO Vehicle Control Systems, USA	5.34	313.93	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	92.42	213.45	-	-
		WABCO France SAS, France	-	185.37	-	-
		WABCO Compressor Manufacturing Co. USA	26.85	76.31	-	-
		WABCO Radbremesen GmbH, Germany	0.36	13.24	-	-
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	2.00	4.01	-	-
		WABCO North America LLC, USA	1.65	3.69	-	-
		WABCO (Thailand) Limited	3.33	1.06	-	-
		WABCO GmbH, Germany	5.80	-	-	-
		TOTAL	4,101.96	9,082.71	-	-
		2	Services received	WABCO Europe BVBA, Belgium	4,422.46	7,342.42
WABCO IP Holdings LLC, USA	101.70			122.77	-	-
Asset Trackr Private Limited	-			5.92	-	-
TOTAL	4,524.16			7,471.11	-	-
3	Sale of products	WABCO Europe BVBA, Belgium	28,149.81	30,989.05	-	-
		WABCO North America LLC, USA	9,718.88	12,656.76	-	-
		WABCO USA LLC	8,292.45	11,349.67	-	-
		WABCO Compressor Manufacturing Co. USA	3,356.14	4,186.69	-	-
		WABCO Automotive B.V, Netherlands	-	3,257.55	-	-
		WABCO Polska Sp. z o.o. Poland	968.01	1,602.22	-	-
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	1,235.16	1,688.79	-	-
		WABCO Logistik GmbH, Germany	1,664.01	1,556.66	-	-
		WABCO Japan Inc, Japan	1,237.30	1,439.24	-	-
		WABCO China Co Ltd, China	1,630.03	1,303.82	-	-
		WABCO (Thailand) Limited	298.19	780.56	-	-
		WABCO Middle East and Africa FZCO, Dubai	734.26	730.54	-	-
		WABCO Reman Solutions	539.20	536.74	-	-
		WABCO Asia Private Limited, Singapore	352.82	369.26	-	-
		WABCO Korea Ltd, Korea	38.81	41.81	-	-
		WABCO Radbremesen GmbH, Germany	13.11	12.24	-	-
		WABCO Automotive South Africa	5.61	7.70	-	-
		WABCO France SAS, France	-	-22.05	-	-
		TOTAL	58,233.79	72,487.25	-	-
4	Rendering of Services	WABCO Europe BVBA, Belgium	14,638.93	12,116.82	-	-
		WABCO Global GmbH, Switzerland	440.34	-	-	-
		WABCO North America LLC, USA	84.09	936.36	-	-
		R.H. Sheppard Co. Inc.	883.31	-	-	-
		WABCO Polska Sp. z o.o. Poland	0.38	65.99	-	-
		TOTAL	16,047.05	13,119.17	-	-

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

36.2. RELATED PARTY TRANSACTIONS - (continued)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel		
			Year ended		Year ended		
			31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	
5	Receivables / (Advances)	WABCO Europe BVBA, Belgium	6,562.02	6,963.36	-	-	
		WABCO USA LLC	1,819.92	3,654.88	-	-	
		WABCO North America LLC, USA	2,219.51	3,251.84	-	-	
		WABCO Compressor Manufacturing Co. USA	611.43	818.37	-	-	
		WABCO Polska Sp. z o.o. Poland	238.69	717.37	-	-	
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	409.79	613.14	-	-	
		WABCO China Co Ltd, China	455.25	608.88	-	-	
		WABCO Automotive B.V, Netherlands	-	590.41	-	-	
		WABCO Logistik GmbH, Germany	354.99	293.37	-	-	
		WABCO Japan Inc, Japan	198.37	208.86	-	-	
		WABCO Middle East and Africa FZCO, Dubai	99.42	137.62	-	-	
		WABCO (Thailand) Limited	31.26	83.86	-	-	
		Shandong WABCO Automotive Products Co. Ltd, China	-	77.16	-	-	
		WABCO Asia Private Limited, Singapore	31.47	65.56	-	-	
		WABCO Reman Solutions	50.39	63.86	-	-	
		WABCO Korea Ltd, Korea	2.90	18.41	-	-	
		WABCO Radbremesen GmbH, Germany	0.55	9.43	-	-	
		WABCO GmbH, Germany	30.38	(1.49)	-	-	
		WABCO Global GmbH	51.40	-	-	-	
		WABCO Automotive South Africa	(0.62)	(2.32)	-	-	
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	154.36	-	-	-	
		R.H. Sheppard Co. Inc.	6.33	-	-	-	
			TOTAL	13,327.81	18,172.57	-	-
6	Payables / (Advances)	WABCO Europe BVBA, Belgium	1,692.95	8,710.64	-	-	
		WABCO Vertriebs, GmbH & Co., Germany	478.75	651.16	-	-	
		WABCO China Co Ltd, China	154.02	640.91	-	-	
		WABCO Holdings Inc., USA	717.86	321.03	-	-	
		R.H. Sheppard Co., Inc.	0.59	295.55	-	-	
		WABCO IP Holdings LLC, USA	45.82	134.40	-	-	
		WABCO Vehicle Control systems, Poland	-	107.47	-	-	
		WABCO Compressor Manufacturing Co. USA	9.74	89.95	-	-	
		WABCO do Brasil Industria e Comercio de Freios Ltda, Brazil	(14.10)	53.21	-	-	
		Shandong WABCO Automotive Products Co. Ltd, China	17.73	16.61	-	-	
		Guang Dong WABCO Fuwa Vehicle Brakes Co Limited	0.48	5.93	-	-	
		WABCO Radbremesen GmbH, Germany	0.18	5.83	-	-	
		WABCO North America LLC, USA	1.25	2.18	-	-	
		WABCO (Shanghai) Management Co Limited, China	-	1.17	-	-	
		WABCO (Thailand) Limited	1.18	1.04	-	-	
		Asset Trackr Private Limited	-	2.17	-	-	
		WABCO GmbH, Germany	6.01	-	-	-	
		WABCO USA LLC	(0.71)	(0.63)	-	-	
		WABCO France SAS, France	-	(23.80)	-	-	
			TOTAL	3,111.74	11,014.81	-	-

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

36.2. RELATED PARTY TRANSACTIONS - (continued)

Sl. No.	Nature of transactions	Name of the company	Fellow Subsidiary / Others		Key Management Personnel	
			Year ended		Year ended	
			31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
7	Remuneration to Key managerial personnel (including commission to Independent directors)	Salaries and Allowances	-	-	251.59	223.86
		Contribution to provident and other funds	-	-	15.22	15.11
		Incentive	-	-	128.29	128.29
		Commission	-	-	47.20	42.00
		Others	-	-	201.95	122.50
		TOTAL	-	-	644.25	531.76
8	Reimbursement of expenses	WABCO Europe BVBA, Belgium	114.80	215.98	-	-
		WABCO (Thailand) Limited	11.53	3.19	-	-
		WABCO USA LLC	7.58	312.02	-	-
		WABCO Polska Sp. z o.o. Poland	11.11	-	-	-
		WABCO China Co Ltd, China	1.54	-	-	-
		Asset Trackr Private Limited	-	0.24	-	-
		TOTAL	146.56	531.43	-	-
		9	Contribution to fund	WABCO India Limited Employees' Provident Fund Trust	2,267.63	2,217.27
TOTAL	2,267.63			2,217.27	-	-

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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Notes to the financial statements for the year ended 31st March 2020

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

37. SEGMENT INFORMATION

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

The following are the information relating to geographical segment:

Year ended March 31, 2020

	India	Others	Total
Sale of Products	100,892.74	71,901.84	172,794.58
Sale / rendering of services	786.30	16,046.67	16,832.97
Others	3,328.60	-	3,328.60
Revenue from operations	105,007.64	87,948.51	192,956.15
Non-current assets *	57,041.13	-	57,041.13

Year ended March 31, 2019

	India	Others	Total
Sale of Products	180,778.68	84,286.25	265,064.93
Sale / rendering of services	162.77	13,053.18	13,215.95
Others	7,132.68	-	7,132.68
Revenue from operations	188,074.13	97,339.43	285,413.56
Non-current assets *	52,565.55	-	52,565.55

* Non-current assets for this purpose consists of property, plant and equipment, intangible assets, capital work in progress and other non current assets.

Information about major customer

Revenue from major customers contributing more than 10% of sale of products amounted to INR 80,852 lakhs (March 31, 2019 : INR 148,456 lakhs), arising from sales of products and rendering of services.

38. FAIR VALUE

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value: FVTPL financial investments:					
Quoted Mutual Funds	March 31, 2020	54,236.57	54,236.57	-	-

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of Valuation	Fair Value Measurement using			
		Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value: FVTPL financial investments:					
Quoted Mutual Funds	March 31, 2019	31,342.75	31,342.75	-	-

All other financial liabilities & assets are carried at amortized cost and their carrying value approximates fair value.

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

39. Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Also, the Company has no borrowings and hence not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Majority of the Company's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars and Euro. The Company has exports revenue and import purchases in foreign currency which act as a natural hedge and the management believes the currency risk is mitigated on account of such natural hedge and does not further hedge its currency risk. The following table demonstrates the sensitivity to 5% change in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	March 31, 2020		March 31, 2019	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in USD rates				
Trade receivables	306.74	(306.74)	487.21	(487.21)
Trade payables	59.14	(59.14)	(2.41)	2.41
Impact of change in Euro rates				
Trade receivables	398.11	(398.11)	478.69	(478.69)
Trade payables	116.64	(116.64)	11.67	(11.67)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. Exposure to Credit risk - The carrying amount of financial assets represents the maximum Credit exposure. The maximum exposure to Credit risk was 139,109.31 lakhs as at March 31, 2020 and 152,095.73 lakhs as at March 31, 2019, being the total of the carrying amount of balances with banks, deposits with banks, trade receivables and other financial assets. As at March 31, 2020, 67% of the total dues was receivable from top 10 customers (as at March 31, 2019 - 69%). These receivables are from customers whose credit rating is above the average. Credit risk from balances with banks and investment of surplus funds in mutual funds is managed by the Company's treasury department. The objective is to minimise the concentration of risks by investing in safer investments of high pedigree.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company's prime source of liquidity is cash and cash equiva-

WABCO INDIA LIMITED

Notes to the financial statements for the year ended 31st March 2020

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

lents and the cash generated from operations. The Company has no outstanding bank borrowings. The Company invests its surplus funds in bank, fixed deposit and mutual funds, which carry minimal mark to market risks. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 2 Years	2 to 5 Years	> 5 years	Total
As at March 31, 2020					
Trade and other payables	15,652.54	–	–	–	15,652.54
Other financial liabilities	5,250.28	518.86	401.22	–	6,170.36
	20,902.82	518.86	401.22	–	21,822.90
As at March 31, 2019					
Trade and other payables	41,214.56	–	–	–	41,214.56
Other financial liabilities	2,984.68	–	–	–	2,984.68
	44,199.24	–	–	–	44,199.24

40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	March 31, 2020	March 31, 2019
Trade payables	15,652.54	41,214.56
Other payables	12,962.97	14,341.45
Less: cash and cash equivalents and investments	(60,310.56)	(36,275.01)
Net debt	(31,695.05)	19,281.00
Equity	948.38	948.38
Total capital	189,454.75	177,997.67
Capital and net debt	157,759.70	197,278.67
Gearing ratio	(0.17)	0.11

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

41. Events after the reporting period

No significant events after reporting period.

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

As per our report of even date

M LAKSHMINARAYAN
Chairman

P KANIAPPAN
Managing Director

For B S R Co. LLP
Chartered Accountants
Firm's Registration no. 101248W/W-100022

M C GOKUL
Company Secretary

R S RAJAGOPAL SASTRY
Chief Financial Officer

K RAGHURAM
Partner

Place : Chennai
Date : May 22, 2020

Membership No. 211171

