

Reviewed by - Jimit Zaveri

WABCO INDIA LIMITED

FINANCIAL HIGHLIGHTS

Rupees in lakhs

Year ended March 31 st	2010-11	2011-12	2012-13	2013-14	2014-15
Profit and Loss Account					
Revenue from operations	89,252	104,564	96,592	111,070	1,34,796
Other income	536	1,206	1,264	2,721	2,030
Total income	89,788	105,770	97,856	113,791	1,36,826
Gross profit before interest, depn & tax	20,600	23,199	20,668	19,336	22,365
Depreciation	1,442	1,564	2,172	3,215	4,667
Profit before interest & tax	19,158	21,635	18,497	16,121	17,699
Interest	20	12	2	14	36
Profit before taxation	19,138	21,623	18,495	16,107	17,663
Profit after taxation	12,743	15,340	13,079	11,748	12,066
Balance Sheet					
Net Fixed assets	19,031	24,300	28,892	31,756	34,137
Investments	1,220	2,320	2,545	5,020	3,920
Net current assets	18,984	26,726	34,479	39,652	49,407
Long term loans and advances	1,582	1,827	1,566	2,369	2,292
Total	40,817	55,173	67,482	78,797	89,756
Share capital	948	948	948	948	948
Reserves & surplus	37,724	51,962	63,932	74,570	85,356
Net worth	38,672	52,910	64,880	75,518	86,304
Non current liabilities	1,330	1,169	1,431	1,665	1,807
Deferred taxation (net)	815	1,094	1,171	1,614	1,645
Total	40,817	55,173	67,482	78,797	89,756
EPS (Rs)	67.18	80.87	68.95	61.94	63.61
DPS (Rs)	5.00	5.00	5.00	5.00	5.00
Book value per share (Rs)	203.89	278.95	342.04	398.12	455.01
Return on capital employed (ROCE) %	55.6	45.1	30.2	22.0	20.9
Return on net worth (RONW) %	38.8	33.5	22.2	16.7	14.9
Fixed assets turnover (no. of times)	4.7	4.8	3.6	3.7	4.1
Working capital turnover (no. of times)	6.3	4.6	3.2	3.0	3.0
Gross profit as % of sales (EBITDA)	23.1	22.2	21.4	17.4	16.6

11% CAGR

-1% CAGR

Company has done related parties transaction which are excess of permissible limit.

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are progressively growing year after year, which has significantly contributed to the increase in the Company's turnover and profits. During the year ended 31st March 2015 the following transactions were entered into by the Company with them:

S.No.	Nature of transaction	Amount (Rs. In Lakhs)
1.	Sale of Automotive Components by the Company	12,414.80
2.	Services rendered by the Company	2,398.23
3.	Services availed by the Company	552.98
	Total	15,366.01

The annual consolidated turnover of the Company as per the last audited financial statement (for the financial year ended 31st March 2014) is Rs. 1,137.91 Lakhs. The total transactions work out to about 14% of the company's turnover for 2013-14. Since this is in excess of the threshold limit of 10%, the transactions would be "material transactions" with a related party in terms of the revised Clause 49(VII) of the Listing Agreement effective from 1st October, 2014. Such material transactions require approval of the Shareholders of the Company by a special resolution.

year ended 31st March 2015 and to the similar transactions proposed to be entered into by the Company with WABCO Europe in the course of the financial year ending 31st March 2016.

Pursuant to Clause 49 (VII) of the Listing Agreement such approval of members is to be obtained by a special resolution. Hence, the special resolution at Item No.8 of the Notice. Voting by related parties on the special resolution will be governed by the applicable provisions of the Listing Agreement.

Agreements have been entered into by the Company with WABCO Europe in this regard and the material terms are: a) Credit terms of 90 days from the date of invoice; b) Warranty for a period of 12 months for the product specifications; and c) Mark-up on cost of raw materials, conversion cost and other relevant expenses.

Mr. Trevor Lucas, Ms. Lisa Brown, Mr. Jorge Solis and Mr. P. Kaniappan may be deemed to be interested in the above special resolution by virtue of their holding senior management positions in WABCO Europe and / or in other associate concerns of WABCO Europe. None of the other directors and key managerial personnel of the Company and their relatives, is concerned or interested, financially or otherwise in this item of business. The board recommends this resolution to the members

Company planning for the capex which can be resulted in further strong revenue generations.

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Directors' report to the shareholders

The directors have pleasure in presenting the eleventh annual report and the audited accounts for the financial year ended 31st March 2015.

1. FINANCIAL HIGHLIGHTS

4. CAPITAL EXPENDITURE

Capital expenditure of Rs.90 crores is planned for the year 2015-16.

5. DIRECTORS

Performance of the company increased against paid salary which can be good sign.

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13.4 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 designated 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 2015 and transactions proposed to be entered into during the year ending 31st March 2016 between the Company and WABCO Europe BVBA, which is fellow subsidiary of the Company, are material in nature and require the approval of members by special resolution as per the Listing Agreement. A special resolution seeking shareholders' approval is included in the notice to shareholders.

All transactions with related parties are placed before the Audit Committee and prior approval of the Audit Committee is obtained for related party transactions. 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 Companies Act, 2013 are given in Annexure 4 to this report.

14. POLICIES

14.1 The following policies approved by the Board of Directors of the Company were uploaded in the Company's website at the web link: http://www.wabco-auto.com/en/investor_relations/wabco_india_investor_relations

1. Corporate Social Responsibility Policy
2. Related Party Transaction Policy
3. Nomination and Remuneration Policy
4. Whistle Blower Policy

14.2 Policy on director appointment and remuneration

matters provided under Section 178(3) of the Companies Act, 2013 is provided in the Corporate Governance Report.

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

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

Name	Ratio
Mr. P. Kaniappan, Managing Director	25.5:1
Mr. M. Lakshminarayan, Independent Director	2.1:1
Mr. D.E. Udawadia, Independent Director	2.1:1
Mr. Narayan K. Seshadri, Independent Director	2.1:1

Directors other than those mentioned above have not drawn any remuneration for the financial year 2014-15.

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

Mr. M. Lakshminarayan, Chairman *	33%
Mr. D.E. Udawadia, Director *	33%
Mr. Narayan K. Seshadri, Director *	33%
Mr. P. Kaniappan, Managing Director	12%
Mr. T.S. Rajagopalan, Chief Financial Officer	6%
Mr. N. Sivalal Senthilnathan, Company Secretary	7%

* Independent Directors' commission was increased from Rs.7.5 lakhs to Rs.10 lakhs for the financial year 2014-15

15.3 The percentage increase in the median remuneration of employees in the financial year: 7%

15.4 The number of permanent employees on the rolls of company as on 31st March 2015 : 1,109

15.5 The explanation on the relationship between average increase in remuneration and company performance: The Company's total revenue grew by 20.2% against which the average increase in remuneration is 12.2%; and this increase is aligned with the Remuneration Policy of the

EPS of the company grown by 73% since demerger and market capitalization of the company grown by 3903% since demerger which can be seen over optimism in mind of investors. Increasing sales of ABS only can be key trigger for the company because in FY15 ~81% of growth in ABS sales compare to FY14.

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During the Financial year 2014-15, the Company's total revenue grew by 20.2% and the percentage of increase in remuneration of the Key Managerial Personal is given below:-

Mr. P. Kaniappan, Managing Director	12%
Mr. T S Rajagopalan, Chief Financial Officer	6%
Mr. N. Sivalai Senthilnathan, Company Secretary	7%

- 15.7 The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL
- 15.8 Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer/demerger:

Date	Issued Capital No. of shares	Closing Market Price (Rs. per share)	EPS (In Rs.)	PE Ratio	Market Capitalisation (Rs. in Crores)	
(A) Price on demerger	18967584	142.10	36.82	3.86	269.53	
(B) 31.3.2014	18967584	2,024.05	61.94	32.67	3,839.13	
(C) 31.3.2015	18967584	5,688.90	63.61	89.85	10,790.46	
(D) Increase (B) to (C) (From last year)	Amount (Rs)	-	3,664.85	1.67	57.28	6,951.33
	%	-	181%	3%	172%	181%
(E) Increase (A) to (C) (From demerger)	Amount (Rs)	-	5,546.80	26.79	85.99	10,520.93
	%	-	3,903%	73%	2,227%	3,903%

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

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

Administrator
7/29/2015 2:40:48 PM

Directors doesn't holding chunk of shares which indicates that they much focus on business rather focus on share prices.

VI. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	For each of the Directors and KMP Name of the Director / KMP	Shareholding at the beginning of the year 01.04.2014		Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. M. Lakshminarayan	50	0.0003%	50	0.0003%
2.	Mr. D.E .Udwadia	-	-	-	-
3.	Mr. Narayan K. Seshadri	-	-	-	-
4.	Mr. Leon Liu (director till 15.4.2015)	-	-	-	-
5.	Mr. Trevor Lucas	-	-	-	-
6.	Mr. Vincent Pickering	-	-	-	-
7.	Ms. Lisa Brown	-	-	-	-
8.	Mr. P. Kaniappan	-	-	-	-
9.	Mr. T.S. Rajagopalan	-	-	-	-
10.	Mr. N. Sivalai Senthilnathan	-	-	-	-

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

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VII. TOP 10 SHAREHOLDERS AS ON 31.03.2015

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								
290,572	01-04-2014	Opening Balance						
	16-05-2014	Transfer /Sale	5,000	0.03	285,572	1.51		
	30-05-2014	Transfer /Sale	572	0.00	285,000	1.50		
	06-06-2014	Transfer /Sale	460	0.00	284,540	1.50		
	13-06-2014	Transfer /Sale	20	0.00	284,520	1.50		
	30-06-2014	Transfer /Sale	144	0.00	284,376	1.50		
	04-07-2014	Transfer /Sale	376	0.00	284,000	1.50		
	11-07-2014	Transfer /Sale	339	0.00	283,661	1.50		
	05-09-2014	Transfer /Sale	3,661	0.02	280,000	1.48		
	12-09-2014	Transfer /Sale	178	0.00	279,822	1.48		
	19-09-2014	Transfer /Sale	21	0.00	279,801	1.48		
	10-10-2014	Transfer /Sale	974	0.01	278,827	1.47		
	17-10-2014	Transfer /Sale	4,000	0.02	274,827	1.45		
	31-10-2014	Transfer /Sale	209	0.00	274,618	1.45		
	14-11-2014	Transfer /Sale	2,896	0.02	271,722	1.43		
	21-11-2014	Transfer /Sale	549	0.00	271,173	1.43		
	28-11-2014	Transfer /Sale	900	0.00	270,273	1.42		
	12-12-2014	Transfer /Sale	3,000	0.02	267,273	1.41		
	31-12-2014	Transfer /Sale	4,019	0.02	263,254	1.39		
	02-01-2015	Transfer /Sale	300	0.00	262,954	1.39		
	09-01-2015	Transfer /Sale	1,612	0.01	261,342	1.38		
	16-01-2015	Transfer /Sale	3,621	0.02	257,721	1.36		
	23-01-2015	Transfer /Sale	3,000	0.02	254,721	1.34		
	06-03-2015	Transfer /Sale	721	0.00	254,000	1.34		
	31-03-2015	Transfer /Sale	404	0.00	253,596	1.34		
		Closing Balance					253,596	1.34
TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP EQUITY FUND-ULIF 009 04/01/07 WLE 110								
202,370	01-04-2014	Opening Balance						
	21-11-2014	Transfer /Sale	1,075	0.01	201,295	1.06		
	28-11-2014	Transfer /Sale	1,600	0.01	199,695	1.05		
	02-01-2015	Transfer /Sale	305	0.00	199,390	1.05		
	30-01-2015	Transfer /Sale	3,912	0.02	195,478	1.03		
	13-02-2015	Transfer /Sale	842	0.00	194,636	1.03		
	20-02-2015	Transfer /Sale	6,335	0.03	188,301	0.99		
	27-02-2015	Transfer /Sale	1,000	0.01	187,301	0.99		
	06-03-2015	Transfer /Sale	2,000	0.01	185,301	0.98		
	13-03-2015	Transfer /Sale	5,301	0.03	180,000	0.95		
		Closing Balance					180,000	0.95
CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED								
150,712	01-04-2014	Opening Balance						
	31-03-2015	Closing Balance					150,712	0.79

*Cuts
Stake*

*Cuts
Stake*

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								
95,191	01-04-2014	Opening Balance						
	04-04-2014	Transfer / Purchase	420	0.00	95,611	0.50		
	02-05-2014	Transfer / Sale	600	0.00	95,011	0.50		
	16-05-2014	Transfer / Purchase	3,000	0.02	98,011	0.52		
	30-06-2014	Transfer / Sale	341	0.00	97,670	0.51		
	04-07-2014	Transfer / Purchase	3,000	0.02	100,670	0.53		
	25-07-2014	Transfer / Purchase	7,000	0.04	107,670	0.57		
	22-08-2014	Transfer / Purchase	1,350	0.01	109,020	0.57		
	19-09-2014	Transfer / Purchase	10,000	0.05	119,020	0.63		
	14-11-2014	Transfer / Purchase	10,000	0.05	129,020	0.68		
	28-11-2014	Transfer / Purchase	1,000	0.01	130,020	0.69		
	23-01-2015	Transfer / Sale	1,050	0.01	128,970	0.68		
	30-01-2015	Transfer / Sale	8,000	0.04	120,970	0.64		
	06-02-2015	Transfer / Purchase	5,000	0.03	125,970	0.66		
	06-03-2015	Transfer / Purchase	12,500	0.07	138,470	0.73		
	13-03-2015	Transfer / Purchase	4,000	0.02	142,470	0.75		
		Closing Balance					142,470	0.75
IDFC STERLING EQUITY FUND								
198,470	01-04-2014	Opening Balance						
	19-09-2014	Transfer / Sale	57,676	0.30	140,794	0.74		
	09-01-2015	Transfer / Sale	1,575	0.01	139,219	0.73		
	16-01-2015	Transfer / Sale	5,000	0.03	134,219	0.71		
	31-03-2015	Transfer / Sale	1,517	0.01	132,702	0.70		
		Closing Balance					132,702	0.70
PINEBRIDGE INVESTMENTS ASIA LIMITED A/C, PINEBRIDGE INVESTMENTS GF MAURITIUS LTD								
163,437	01-04-2014	Opening Balance						
	16-05-2014	Transfer / Purchase	10,000	0.05	173,437	0.91		
	23-05-2014	Transfer / Purchase	1,508	0.01	174,945	0.92		
	05-09-2014	Transfer / Sale	7,000	0.04	167,945	0.89		
	12-09-2014	Transfer / Sale	4,277	0.02	163,668	0.86		
	19-09-2014	Transfer / Sale	1,685	0.01	161,983	0.85		
	30-09-2014	Transfer / Sale	20,000	0.11	141,983	0.75		
	14-11-2014	Transfer / Sale	585	0.00	141,398	0.75		
	21-11-2014	Transfer / Sale	13,968	0.07	127,430	0.67		
	05-12-2014	Transfer / Sale	1,553	0.01	125,877	0.66		
		Closing Balance					125,877	0.66

*Increase
Stake*

Cuts

Cuts

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
SBI LIFE INSURANCE CO. LTD.								
NIL	01-04-2014	Opening Balance						
	30-09-2014	Transfer / Purchase	70,657	0.37	70,657	0.37		
	10-10-2014	Transfer / Purchase	5,000	0.03	75,657	0.40		
	07-11-2014	Transfer / Purchase	100	0.00	75,757	0.40		
	28-11-2014	Transfer / Purchase	210	0.00	75,967	0.40		
	05-12-2014	Transfer / Purchase	4,532	0.02	80,499	0.42		
	12-12-2014	Transfer / Purchase	400	0.00	80,899	0.43		
	19-12-2014	Transfer / Purchase	5,432	0.03	86,331	0.46		
	31-12-2014	Transfer / Purchase	90	0.00	86,421	0.46		
	02-01-2015	Transfer / Purchase	643	0.00	87,064	0.46		
	23-01-2015	Transfer / Purchase	4,771	0.03	91,835	0.48		
	13-02-2015	Transfer / Sale	9	0.00	91,826	0.48		
	20-02-2015	Transfer / Purchase	18	0.00	91,844	0.48		
	27-02-2015	Transfer / Purchase	3,796	0.02	95,640	0.50		
	06-03-2015	Transfer / Purchase	3,015	0.02	98,655	0.52		
	20-03-2015	Transfer / Sale	72	0.00	98,583	0.52		
	31-03-2015	Closing Balance					98,583	0.52
L AND T MUTUAL FUND TRUSTEE LTD - L AND T EQUITY FUND								
112,034	01-04-2014	Opening balance						
	12-09-2014	Transfer / Purchase	1,000	0.01	113,034	0.60		
	30-09-2014	Transfer / Sale	17,400	0.09	95,634	0.50		
	03-10-2014	Transfer / Sale	4,611	0.02	91,023	0.48		
	28-11-2014	Transfer / Sale	1,200	0.01	89,823	0.47		
	12-12-2014	Transfer / Sale	6,000	0.03	83,823	0.44		
	19-12-2014	Transfer / Purchase	1,543	0.01	85,366	0.45		
	31-12-2014	Transfer / Purchase	2,000	0.01	87,366	0.46		
	02-01-2015	Transfer / Purchase	3,500	0.02	90,866	0.48		
	06-03-2015	Transfer / Sale	3,000	0.02	87,866	0.46		
	31-03-2015	Closing Balance					87,866	0.46
UTI - EQUITY FUND								
75,000	04-01-2014	Opening Balance						
	16-05-2014	Transfer / Purchase	4,252	0.02	79,252	0.42		
	23-05-2014	Transfer / Purchase	588	0.00	79,840	0.42		
	20-06-2014	Transfer / Purchase	1,730	0.01	81,570	0.43		
	06-02-2015	Transfer / Sale	1,095	0.01	80,475	0.42		
	27-02-2015	Transfer / Sale	28	0.00	80,447	0.42		
	31-03-2015	Closing Balance					80,447	0.42

Continued from page 2017 and forming part of the Directors' Report for the year ended March 31, 2016.

1. Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 6,000,000/- per annum

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	P. Kaniappan	20/02/2008	Managing Director	B. Tech, M.Sc, Engg., (Warwick), Executive MBA	55	33	12,115,952	Sundaram-Clayton Ltd.
2.	Rajagopalan T S	25/12/2008	Chief Financial Officer	B.Com., ACA, AICWA, ACS, CFA, CMA & Executive MBA	57	32	80,11,247	Sundaram-Clayton Ltd.
3.	Dinesh Shyamsundar	02/09/2011	Leader, Software Development Centre	B.E.,	52	29	62,06,550	Varroc Engineering Pvt. Ltd.
4.	Narayanamurthy G	20/02/2008	Sr. Vice President - Marketing	B.E.,	59	37	76,93,461	Sundaram-Clayton Ltd.

2. Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 500,000/- per month.

Sl. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration	Last Employment
1.	Selvamani S.**	20/02/2008	Sr. Vice President - R & D	B.E.	61	35	1,06,79,700	Sundaram-Clayton Ltd.

Growth in CVs segment can be significantly contribute to the revenue of the company but CVs growth is linked with the economy so any slowdown in economy again hit adversely to the cycle of CVs.

WABCO INDIA LIMITED

Management discussion and analysis report

I. Industry Structure and Development:

I. Gross Domestic Product (GDP) Growth:

India's GDP growth for 2014-15 at 5.6% was marginally higher than the GDP of 2013-14. Table -1 shows India's real GDP growth rates (at factor cost) for various sectors broadly from 2010-11 to 2014-15.

Sector	2010-11	2011-12	2012-13	2013-14	2014-15 (Forecast)
Agriculture	8.6	5.0	1.42	4.71	2.9
Industry	7.5	7.8	0.96	0.35	3.6
Services	9.6	6.5	6.96	6.78	7.0
GDP (constant prices)	8.9	6.6	4.47	4.74	5.6

Source: Reserve Bank of India - Publications, Government of India.

The GDP growth in 2014-15 is driven by a significant growth in Industrial production.

Industrial Growth:

On a cumulative basis in Apr'14 - March '15, IIP registered a growth of 2.82% as compared to previous year negative growth of 0.1%.

II. Indian Commercial Vehicle Industry:

The Indian Commercial Vehicle (CV) industry has witnessed a sign of recovery from its lackluster performance over past two years. Medium & Heavy Commercial Vehicle (M & H CV) is the major contributor for the out-performance of CV industry which grew around 17%. Positive market sentiment, resolution of the mining imbroglio and real spends on infrastructure are key factors to trigger a growth in the CV industry.

However in 2014-15, sale of Light Commercial Vehicles (LCV) declined by 13.8% as compared to the previous year. Performance of LCV market largely depends on overcapacity issues and constrained financing environment which were unfavorable to the LCV market and which is expected to perform reasonably in near future.

The competitive intensity in the domestic CV industry has increased over the past five years as new OEMs have entered the market while existing players have ventured into new segments and expanded their sales-cum-service network.

From fleet operator's perspective, sharp decline in diesel rates, moderate interest rates and hike in freight charges by railways impacted positively and operators were able to operate with full capacity which impacted positively in their cash flow and enhanced the sale of M & H CV. Table 2 shows the growth in production and sales of M & H CV from 2013-14 to 2014-15.

Table - 2 M & H CV Production and Sales numbers.

Category	Figures in units		
	2013-14	2014-15	Growth
M & H CV production	2,21,556	2,68,553	21%
M & H CV Sales	2,24,431	2,63,407	17%

Source: SIAM

II. Business outlook and overview

The macroeconomic situation in India has improved significantly during the year and current account deficit has contracted, the fiscal deficit target has been met, and investment project approvals are accelerating. In addition government's policy to boost the manufacturing and service sector and commitment to resolve mining and infra projects will give positive outlook for the year 2015-16. But high inflation, tax complexity, unpredicted monsoon and global slowdown continues to be a cause of concern for India in the next year.

Growth: The economic growth outlook for the year 2015-16 is to be in the range of 7.5% to 8% as estimated by various rating agencies and Government and international bodies, on the back of a high investment inflow, GDP growth coupled with new initiatives for manufacturing and service sector and accelerated project clearance. The mining sector is expected to overcome the recent past repercussion on government policy issues.

Inflation & Monetary Context: For more than a year now, inflation continues to remain untamed. Meanwhile, leakages in the food and petroleum sectors, the two key drivers of inflation persist. And critical road and rail infrastructure projects are progressing only slowly, preventing Indian businesses from exploiting the shortest possible routes to efficiently transport food, raw materials and petroleum products. The Reserve Bank of India (RBI) aims to

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This can be seen in June-2015 quarter. profits rise to.~50%.

below 8% by January 2015 - year horizon as part of its on-targeting monetary policy last year is limiting food cost s dropped in the past few on enduring disinflation; anticipated in the near term.

III. Opportunities & Threats

The Company provides safety and vehicle control solutions to the commercial vehicle segment of the automotive industry. In connection to this, the Anti-Lock Brake Systems (ABS) legislation for M3 and N3 vehicles is getting implemented from Q3 15-16 which will result in increased business. Local market growth opportunities through increase in content per vehicle in the form of introducing new systems / technologies like Automated Manual Transmission (AMT), Automatic Slack Adjusters, Lift Axle control valve, Air Disc Brake, higher capacity compressors etc. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) tender Phase II has been renamed as Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The bus program will be completed under JNNURM Phase I and urban transformation of 500 cities and towns will begin under AMRUT as a 10 year program. This is likely to boost the CV sector as production of trucks and buses will be essential for this infrastructure change.



In the Aftermarket side, further potential in retro fitment of Anti-Lock Brake Systems (ABS) for buses and LCV segment is being explored. Our focused efforts in Trailer segment have-boosted the sales considerably and Trailer Anti-Lock Brake Systems (TABS) and Trailer Electronic Brake Systems (TEBS) are also continued to be explored in this segment.

buses are being carried out. Distributor branches are increasing their presence in B & C towns and that is resulting in availability of genuine parts in remote locations. Our authorized service center network is expanding and currently we have 200 service centers with Pan India presence to cater the customer requirements. These initiatives would result in improved service practices, availability of genuine parts and generate additional revenue for the Company.



The company's competitors have an active presence in India and are trying to establish a base through new investments in production and R & D facilities.

IV. Risks and concerns

The cyclical nature of the Indian commercial vehicle industry (Company's major customer segment) might affect the demand. In 2015-16, operating expenses are likely to rise with the expected increase in prices of key raw materials.

ALUMINIUM

In the domestic market aluminum Ingot prices rose by 12.2% during April to Dec 2014. Although domestic demand during this period was low with consumption declining by 7.9%, prices rose on the back of improved global demand. The London Metal Exchange (LME) index marginally rose by 3% y-o-y during Jan - Dec 2014, the impact on price contributed due to weaker Indian rupee against dollar by 4% y-o-y , in overall the procurement prices had an impact of 5% higher in 2014 compared to 2013. With demand for aluminum rising, we expect the production cuts imposed by manufacturers to be lifted in the coming months. China has increased its aluminum production even when other major producers implemented production cuts. This increase in supply is expected to cap the rise in aluminum prices globally to 3.4 percent in 2015-16. However the domestic market may witness a higher percent of increase during 2015 if the rupee weakens further against USD.

Since, major growth is expected from ABS and new technological products, new product launch at the right time will be the focus area. Suitable measures to ensure on time launch and supplies of new products have been factored in the company's operating plan. The OEM customers across the world would continue their pressure on price reduction from their suppliers. The Company plans to mitigate this risk through cost reduction initiatives such as design to cost, localization, process optimization and sourcing from the best cost countries.

Risk Management:

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

The Company has a proper and adequate system

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Competitors have working on R&D which can leads to creation of strong competitors against company.

A. Manufacturing

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Company having major clients based as commercial vehicles so improvement in CVs segment can improve sales of the company. Subdue growth of the company can be possibly because of weak cycle of CVs segment.

Cash Flow Statement for the year ended 31st March 2015

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

	Year ended 31 st March 2015 ₹ lakhs	Year ended 31 st March 2014 ₹ lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	17,662.86	16,106.70
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortization	4,666.37	3,215.09
Provision for doubtful debt	61.81	19.78
Provision for doubtful advances	325.25	-
Net foreign exchange loss (not realised)	27.33	189.53
Profit on sale of investments	(324.77)	(181.21)
Loss / (Profit) on sale of fixed assets (net)	(4.94)	1.74
Interest paid	36.09	14.46
Interest income	(1,425.63)	(882.32)
	<u>3,361.51</u>	<u>2,377.07</u>
Operating profit before working capital changes	21,024.37	18,483.77
Adjustments for:		
(Increase) / decrease in inventories	(552.62)	2,318.06
(Increase) / decrease in trade receivable	(6,836.72)	(4,396.67)
(Increase) / decrease in loans and advances	(537.97)	(1,870.56)
Increase / (decrease) in long term liabilities	(1.00)	-
Increase / (decrease) in trade payable and current liabilities	4,487.03	4,178.96
Increase / (decrease) in provisions	295.62	228.83
	<u>(3,145.66)</u>	<u>458.62</u>
	<u>17,878.71</u>	<u>18,942.39</u>
Direct taxes paid	(5,468.47)	(4,638.93)
Net cash from operating activities (A)	12,410.24	14,303.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets including capital work-in-progress	(7,268.28)	(6,165.59)
Sale of fixed assets during the year	13.86	84.97
Purchase of investments	(51,600.00)	(31,225.00)
Redemption of investments	53,024.77	28,931.21
Interest received	1,323.39	822.16
Net cash from / (used in) investing activities (B)	(4,506.26)	(7,552.25)

FCF For both years +ve.

Cash Flow Statement for the year ended 31st March 2015

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

No new debt

	Year ended 31 st March 2015 ₹ lakhs	Year ended 31 st March 2014 ₹ lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend and dividend tax paid	(1,109.56)	(1,109.56)
Grant received from the Govt. of Uttarkhand	6.26	-
Interest paid	(36.09)	(14.46)
Net cash from financing activities (C)	(1,139.39)	(1,124.02)

18. REVENUE FROM OPERATIONS

Revenue from cost
business increasing

	31 st March 2015 ₹ lakhs	31 st March 2014 ₹ lakhs
Revenue from operations		
(a) Sale of products:		
(i) Finished goods	138,362.94	113,503.89
(b) Rendering of services	6,784.67	5,736.78
(c) Other operating revenue - Scrap sales	858.23	750.82
Revenue from operations (net)	146,005.84	119,991.49
Less: Excise duty	11,209.50	8,921.40
Revenue from operations (net)	134,796.34	111,070.09

Notes to financial statements for the (All amounts are in lakhs of Indian Rupees)

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~81% of growth in ABS sales which can be showing increasing demand of ABS.

Details of products sold

Finished goods sold (net of excise duty)

- (a) Air assist and full air actuation system for automotive and non-automotive applications and elements thereof
- (b) Spares
- (c) Exports of automotive components
- (d) Anti lock braking system

	31 st March 2015 ₹ lakhs	31 st March 2014 ₹ lakhs
(a)	58,347.04	41,658.19
(b)	19,902.54	18,001.54
(c)	43,167.98	41,760.10
(d)	5,735.88	3,162.66
	127,153.44	104,582.49

	(2.23)	12.13
(b) Finished goods		
(i) Inventories at the end of the year	1,709.17	2,002.08
(ii) Inventories at the beginning of the year	2,002.08	2,089.30
	292.91	87.22
(Increase) / decrease in inventories	290.68	99.35

Details of inventory

32. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

(Rupees in lakhs)

Company consuming indigenous Raw materials more compare to imported which reducing foreign currency risk.

I. CONSUMPTION OF RAW MATERIALS AND COMPONENTS

- a) Imported
- b) Indigenous

II. CONSUMPTION OF MACHINERY SPARES

- a) Imported
- b) Indigenous

Year ended 31 st March 2015		Year ended 31 st March 2014	
% of total consumption	Value	% of total consumption	Value
18.4	14,552.22	20.5	12,992.07
81.6	64,451.03	79.5	50,295.56
100.0	79,003.25	100.0	63,287.63
<hr/>		<hr/>	
4.3	8.43	2.0	4.83
95.7	189.32	98.0	238.95
100.0	197.75	100.0	243.78

Value of imports calculated on CIF basis

a) Raw materials and components	13,429.20	15,552.55
b) Stores and tools	472.52	67.84
c) Capital goods	619.06	322.33

WABCO INDIA LIMITED

NOTES

1) Company having key trigger points for revenue growth can be ABS and Commercial Vehicles segment growth.

Sales of the ABS ~81% in FY15 compare to FY14 which indicates the growth in particular product but highly optimism for one product can be harmful to the future growth of the company.

2) Company doesn't posted huge growth in bottom line as per optimism in market which can be seen in growth in market capitalization of the company.

3) Management doesn't holding chunk of shares of the company which is a good sign that they put much more focus on growth of the company rather playing with the share price.

4) Company having revenue from CVs segment which is linked with economy and poor growth of the economy can be impact adversely to the growth of the CVs segment.

Disclosure --- No holding in company. Do your own homework before making any decision. Please!!!

Date - 3rd Aug, 2015

Disclaimer: This is not a recommendation to Buy-Sell-Hold. And I am not a SEBI registered analyst.