

WHEELS INDIA LIMITED



55th ANNUAL REPORT 2013-2014



WHEELS INDIA LIMITED

Registered Office : 21, Patullos Road, Chennai - 600 002.

Website Address : www.wheelsindia.com

CORPORATE IDENTITY NUMBER : L35921TN1960PLC004175

55TH ANNUAL REPORT

FACTORIES

- PADI, CHENNAI - 600 050
TAMIL NADU
- 22KM RAMPUR, TANDA ROAD
RAMPUR-244 925, UTTAR PRADESH
- PLOT NO. C - 1
RANJANGAON GROWTH CENTRE
KAREGAON VILLAGE, SHIRUR TALUK
PUNE DISTRICT - 412 220, MAHARASHTRA
- PLOT NO. 11-18, SECTOR 7
HSIDC GROWTH CENTER, BAWAL
REWARI DISTRICT - 123501, HARYANA
- SRIPERUMBUDUR,
KANCHIPURAM DISTRICT - 602 105
TAMIL NADU
- PLOT NO. 56, SECTOR 11
INTEGRATED INDUSTRIAL ESTATE
PANTNAGAR, UDHAM SINGH NAGAR - 263 153
UTTARAKHAND
- PLOT NO. D - 3, DEOLI GROWTH CENTRE
DEOLI MIDC, TALUKA DEOLI
WARDHA DISTRICT - 442 101, MAHARASHTRA
- DP NO 70 (P), SURVEY NO 214 (P),
SIDCO INDUSTRIAL ESTATE, THIRUMUDIVAKKAM,
SRIPERUMBUDUR TALUK,
KANCHIPURAM DISTRICT, CHENNAI 600 044

BANKERS

- UNITED BANK OF INDIA
- STATE BANK OF INDIA
- STANDARD CHARTERED BANK
- HDFC BANK LIMITED

AUDITORS

- M/S SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
CHENNAI

STOCK EXCHANGE LISTING

- NATIONAL STOCK EXCHANGE OF INDIA LIMITED
MUMBAI

BOARD OF DIRECTORS

S RAM	Chairman
S VIJI	
J M A AKERS	
SRIVATS RAM	Managing Director
T K SESHADRI	
T S VIJAYARAGHAVAN	
S PRASAD	
AROON RAMAN	

AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
T K SESHADRI	
AROON RAMAN	

STAKEHOLDERS RELATIONSHIP COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

NOMINATION & REMUNERATION COMMITTEE

S PRASAD	Chairman
T K SESHADRI	
T S VIJAYARAGHAVAN	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

SRIVATS RAM	Chairman
S VIJI	
S PRASAD	
AROON RAMAN	

CHIEF FINANCIAL OFFICER & SECRETARY

S. SRIVATHSAN

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Financial Summary - Last Ten Years

Rs. in Lakhs

	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
Operating Results										
Operating revenue (including other income)	1,82,516	1,92,734	2,07,983	1,70,336	1,25,300	1,16,601	1,14,781	1,01,562	86,708	79,088
Earnings Profit before Interest Depreciation and Tax	14,955	15,364	17,493	13,228	9,116	10,997	10,170	8,593	7,826	7,378
Depreciation	5,534	5,359	5,047	4,608	3,316	3,379	3,127	2,672	2,316	2,085
Earnings before Finance costs and Tax	9,421	10,005	12,446	8,620	5,800	7,618	7,043	5,921	5,510	5,293
Finance costs*	5,535	5,550	7,030	5,362	3,777	4,676	3,069	2,052	1,743	1,014
Profit before tax	3,886	4,455	5,416	3,258	2,023	2,942	3,974	3,869	3,767	4,279
Financial Position										
Equity Share capital	1,203	987	987	987	987	987	987	987	987	987
Reserves and Surplus	35,155	24,898	23,056	20,768	19,050	18,272	16,781	15,003	13,132	11,226
Shareholders' equity	36,358	25,885	24,043	21,755	20,037	19,259	17,768	15,990	14,119	12,213
Borrowings	33,166	41,957	38,768	32,975	37,402	38,195	28,736	23,993	20,971	24,076
Gross block**	98,908	92,293	81,668	75,947	71,064	65,540	55,185	44,644	38,878	32,575
Net block**	51,290	49,330	44,001	42,951	42,623	40,237	33,113	25,444	22,260	18,102
Dividend - Amount	900.14	799.43	986.95	641.51	444.12	542.82	690.86	641.51	641.51	740.21
Per equity Share (Rs.)										
Dividend	8.20	8.10	10.00	6.50	4.50	5.50	7.00	6.50	6.50	7.50
Book Value Per Share	302.17	262.27	243.61	220.43	203.02	195.14	180.03	162.02	143.05	123.75
Earning Per Share	27.06	30.61	34.80	24.96	13.12	21.43	26.20	26.37	26.72	29.03

* As per revised Schedule VI from 31.3.11

** Includes Capital Work-in-Progress

Dividend for year ended 31.3.14 includes interim dividend of Rs 4/- per share on existing shares before rights issue and final dividend of Rs 4.20 per share on the enhanced share capital after the Rights Issue

Notice to the Shareholders

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Shareholders of the Company will be held on Monday, 8th September, 2014, at 11.00 a.m. at "The Music Academy", 168 (Old No.306), T T K Road, Chennai 600 014, to transact the following business:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Statement, Cash Flow Statement for the year ended 31st March, 2014 together with the Reports of the Directors and Auditors thereon, be approved and adopted.

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT an Interim Dividend of Rs 4/- per share paid on the paid-up capital of the Company consisting of 98,69,444 equity shares of Rs 10/- each amounting to Rs.3,94,77,776 be and is hereby confirmed and recorded.

RESOLVED FURTHER THAT, as recommended by the Directors, a Final dividend of Rs 4.20 per share (42%) on the paid-up capital consisting of 1,20,32,279 equity shares, ranking pari passu for dividend absorbing Rs 5,05,35,571.80 (Rupees Five Crores Five Lakhs Thirty Five Thousand Five Hundred and Seventy One and Eighty Paise only), be and the same is hereby declared payable for the year ended 31st March, 2014 as Final Dividend.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr T K Seshadri (DIN 00063592), Director, who retires by rotation at this Annual General Meeting, has not offered himself for re-election, and the vacancy caused by the retirement of Mr T K Seshadri, Director be not filled up.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr S Viji (DIN 00139043), a Director retiring by rotation, being eligible for re-election, be and is hereby re-elected as a Director of the Company liable for retirement by rotation.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Registration Number 004207S), the retiring auditors, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Statutory Auditors be paid an audit fee of Rs 26.00 Lakhs (excluding service tax and reimbursement of out of pocket expenses).

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and any statutory modifications or re-enactment thereof, subject to such approvals



as may be required, the existing Article 84 (1) of the Articles of Association of the Company be substituted with the following new Article:-

“84(1). Unless otherwise determined, the number of Directors shall not be less than three and not more than ten.”

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, matters, deeds, and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution and to comply with all other requirements in this regard.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, Mr S Ram (DIN 00018309), Executive Chairman be re-appointed as a Whole-Time Director designated as Executive Chairman liable to retire by rotation and be paid remuneration with effect from 1.5.2014 on the terms and conditions including remuneration as set out hereunder and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director.

Salary: Rs 2,50,000 per month in the scale of pay Rs 250,000 – 25,000 – 375,000 effective May 01, 2014 with annual increment of Rs 25,000 in every April, commencing from April 2015.

Free furnished accommodation or House Rent Allowance @60% of the salary.

Perquisites: As detailed in the Annexure I to the Explanatory Statement.

Minimum remuneration: Where in any financial year, during the currency of his tenure, the Company has no profits or its profits are inadequate, Mr S Ram, shall be entitled to the salary and perquisites mentioned above as minimum remuneration, however not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV to the said Act, Mr T S Vijayaraghavan (DIN 00063728), an Independent Director of the Company, whose term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr S Prasad (DIN 00063667), an Independent Director of the Company, whose

term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr Aroon Raman (DIN 00201205), an Independent Director of the Company, whose term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr B Santhanam (DIN 00494806), in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed

as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby accorded to the Board of Directors of the Company, for borrowing monies for the purpose of business of the Company, from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up Capital of the Company and its Free Reserves that is to say, reserves not set apart for any specific purpose, provided however that the aggregate of amounts so borrowed and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs 400 crores (Rupees four hundred crores only).

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby accorded to the Board of Directors of the Company to create / modify any mortgage, hypothecation or other charge or encumbrance



from time to time on such terms as it may think fit, over the whole or substantially the whole of the Company's undertaking, including all present and future immovable and movable properties and assets of the Company wherever situate, in favour of the banks, financial institutions and other persons for securing loans, credit, guarantees or other facilities provided or to be provided by them to the Company, which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs 400 crores (Rupees four hundred crores only).

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 73, 76 of the Companies Act, 2013 (Act) read with the Companies (Acceptance of Deposit) Rules 2014, and other applicable provisions, if any, of the Companies Act, 2013 and subject to such conditions, approvals, permissions, as may be necessary,

the consent of the members be and is hereby accorded to the Board of Directors of the Company to invite / accept / renew Deposits (secured or unsecured) from its members and/or from public upto the permissible limits prescribed under applicable provisions of the Act and the rules framed thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things that may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto.

Regd. Office:

21, Patullos Road
Chennai 600 002
July 16, 2014

By Order of the Board

S Srivathsan
Chief Financial Officer
& Secretary

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the Proxy need not be a member of the Company. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1.9.2014 to 8.9.2014 (both days inclusive) for payment of dividend on equity shares.
5. Final Dividend, as recommended by the Board of Directors, if declared at the Meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 8.9.2014. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
6. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing banking bank particulars already registered against their respective folios are requested to write to the Company.
7. Pursuant to the provisions of Section 205 A of the Companies Act, 1956, as amended, interim dividend declared on 31.1.2008 for the financial year ended 31.3.2008 and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the above financial year or any subsequent financial year are requested to make their claim to the Share Department of the Company at Padi, Chennai - 600 050. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.
8. The disclosures under clause 49 of the Listing Agreement in respect of the Directors appointed are given in the Report on Corporate Governance forming part of the Annual report.



9. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, postal ballot / e-voting facility have been provided to the members. The Board of Directors has appointed Mr S Dhanapal, Partner, M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The e-voting period would commence on Tuesday, 2nd September, 2014 (9:00 am) and end on Thursday, 4th September, 2014 (5:30 pm).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The procedure and instructions for e-voting is furnished in this notice as a separate Annexure. Pursuant to Clause 35B (ii) of the

Listing Agreement, to enable those shareholders who do not have access to e-voting facility, the Company has enabled a postal ballot facility. A member desiring to exercise vote by postal ballot is requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours (5.30 PM) on Thursday, 4th September, 2014.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the postal ballot / e-voting will be announced by the Company on its website – www.wheelsindia.com within two days of passing of the Resolutions at the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 102 of the Companies Act, 2013

SPECIAL BUSINESS

Item No 6

Article 84(1) of the present Articles of Association restricts the maximum number of Directors on the Board to nine. The Companies Act, 2013 (Act), the rules framed thereunder and the Listing Agreement with Stock Exchange requires the appointment of Independent Director, Women Director on the Board and also several Committees with restriction on the number of Committee membership for the Directors.

In order to comply with the above requirement it is proposed to increase the maximum number of Directors on the Board to ten. None of the Directors is interested or concerned in the above said resolution.

None of the Key Managerial Personnel of the Company either directly or through their relatives are in any way concerned or interested, whether financially or otherwise in this resolution.

Item No 7

At the Annual General Meeting held on 13-8-2010, Mr S Ram (DIN 00018309) was appointed as Executive Chairman not liable to retire by rotation for a period of 5 years with effect from 01.05.2010, on the terms and conditions as approved by the shareholders at the said Annual General Meeting. In order to comply with the provisions of Section 152 of the Act, the Board at its meeting held on May 16, 2014, have approved the re-appointment of Mr S Ram as whole-time Director and designated as Executive Chairman liable to retire by rotation. Further, the Board also approved that the other terms and conditions of appointment including the remuneration as set out in this notice.

Accordingly the resolutions contained require the consent of the members. Mr S Ram is interested in this resolution to the extent of the remuneration payable to him. Mr S Viji (DIN 00139043), Director and Mr Srivats Ram (DIN 00063415), Managing Director are deemed to be interested in the said resolution. None of the other directors or Key Managerial Personnel of the Company either directly or through their relatives are in any way concerned or interested, whether financially or otherwise in this resolution.

Item No 8 to 10

The Independent Directors as mentioned in the respective resolutions are appointed in compliance with the Listing Agreement, whose period of office

were liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

Section 149 (10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board. Further, Section 149 (13) of the Companies Act, 2013 states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of Independent Directors.

In addition, the Ministry of Corporate Affairs (MCA), Government of India, by a General Circular, has clarified that if a Company intends to appoint existing Independent Directors as Independent Directors under the Act, such appointment must be made expressly within one year from April 1, 2014. The Company proposes to comply with the provisions of the Companies Act, 2013 and the circular issued by MCA.

In the opinion of the Board, all Directors mentioned in the respective resolution(s) fulfill the conditions specified in the Act for appointment as Independent Directors of the Company. Details in respect of each of the Directors, who are proposed to be appointed as Independent Directors, are furnished in the Report on Corporate Governance forming part of the Annual Report.

The Board considers that their continued association with the Company would be of immense benefit to the Company. In view thereof, your Board has recommended them to be appointed as Independent Directors.

Concerned Directors are interested in their respective resolutions being related to their own appointments.



Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, whether financially or otherwise in the respective Resolution as set out. None of the said Directors are related inter se to each other.

Item No 11

In accordance with the requirements of Section 149 of the Companies Act, 2013 and the Listing Agreement, the Company should have 50% of the total number of directors as Independent Directors. In order to meet the said requirement, it is proposed to appoint Mr B Santhanam (DIN 00494806) as an Independent Director of the Company.

Your Board is of the opinion that Mr B Santhanam (DIN 00494806) fulfills the conditions specified in the Act for appointment as an Independent Director of the Company. Details of the Director, who is proposed to be appointed as an Independent Director, is furnished in the Report on Corporate Governance forming part of the Annual Report. Your Board considers his association with the Company would be of immense benefit to the Company. In view thereof, your Board has recommended Mr B Santhanam (DIN 00494806) to be appointed as an Independent Director from the date of this Annual General Meeting.

Concerned Director is interested in the resolution being related to his own appointment. Other than that none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, whether financially or otherwise in the Resolution as set out.

Item No 12 and 13

At present the Board of Directors are empowered to borrow (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs. 400 crores vide resolution passed by the members under Sections 293(1)(d) and 293(1) (a) of the Companies Act, 1956 at the Annual General Meeting held on 14-8-2012.

Section 180 of the Companies Act 2013 has been notified with effect from September 12, 2013 which corresponds to Section 293 of the Companies Act, 1956. Ministry of Corporate Affairs vide its General Circular no. 04 /2014 dated 25/03/2014 have clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the Company will be regarded as sufficient compliance with the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Act. Further the new section requires the approval of the members by Special Resolution.

Accordingly, the resolutions as set out in the notice are submitted to the Members for consideration to borrow moneys / creation of security on assets of the Company upto Rs 400 crores (Rupees four hundred crores only) over and above the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors is interested or concerned in the above said resolutions. None of the Key Managerial Personnel of the Company either directly or through their relatives are in any way concerned or interested, whether financially or otherwise in this Resolution.

Item No 14

The Company had been accepting deposits under the provisions of the Companies Act, 1956 and the rules framed thereunder. However, with the commencement of the Companies Act, 2013 (Act), deposits are now governed by new law and henceforth acceptance/ renewal of the deposits are subject to the approval of the shareholders by way of Special Resolution and also compliance with other provisions of the Act read with the Companies (Acceptance of Deposit) Rules 2014 (Rules) framed thereunder.

The members are also informed that the Company will be complying with the necessary requirements as required under the Act and the Rules. The Board of Directors of your Company has approved the acceptance of Deposits subject to the Act and Rules, in the Board meeting held on 16th July, 2014

and recommends the resolution as set out in the accompanying Notice for the approval of the members of the Company as a Special Resolution.

Accordingly, the resolution as set out in the Notice is submitted to the Members for consideration. None of the Directors or Key Managerial Personnel of the Company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in this resolution except to the extent of deposit holding and /or their shareholding of the Company if any.

Regd. Office:

21, Patullos Road
Chennai 600 002
July 16, 2014

By Order of the Board

S Srivathsan
Chief Financial Officer
& Secretary



Annexure I:

Details of perquisites payable to Mr S Ram (DIN18309) :-

Company's contribution to Provident Fund, Gratuity Fund and encashment of leave as applicable to other Senior Executives of the Company.

Payment or reimbursement of medical expenses (for self and family), provision of telephone at residence, mobile phone, gas, electricity, water, payment of premium for personal accident insurance, Leave Travel Assistance, Club Membership of any 2 clubs (excluding admission and life membership fee), provision of car with driver and such other allowances/ perquisites/benefits and amenities as may be provided by the Company to other senior executives from time

to time; the annual value of these will be limited to a ceiling of 100% of annual salary.

Provision of chauffer driven Company car for official purposes shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. Payment of Company's contributions to Provident Fund/ Gratuity Fund and encashment of leave (at the end of tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

Directors' Report to the Shareholders

Your Directors present their Fifty Fifth Annual report and the Audited Accounts of your Company for the year ended March 31, 2014.

Financial results

Sales for the year under review were Rs 1,798 crores compared to Rs 1,897 crores in the last year. The financial results of your Company for the year under review are as below:

(Rs. in Lakhs)

	2013-14	2012-13
Gross profit before finance cost and depreciation	14,955	15,364
Finance Costs	5,535	5,550
Depreciation	5,534	5,359
Profit before tax for the year	3,886	4,455
Profit after tax for the year	2,841	3,188
Transfer to General Reserve	1,800	2,000

Dividend

The Board approved and paid an interim Dividend of Rs 4.00 per equity share (40%) in December 2013.

Your Directors are pleased to recommend a final dividend of Rs.4.20 per equity share (42%) for the year ended 31st March, 2014 on the enhanced Capital. The final dividend recommended, if approved at the Fifty Fifth Annual General Meeting, will be paid to all the shareholders whose name appears in the Register of Members as on the Book closure date. The total dividend for the financial year including the proposed final dividend will absorb Rs 10.53 crores including Dividend Distribution Tax of Rs 1.53 crores.

Rights Issue

During the year under review your Company came with a Rights Issue of 21,62,835 equity shares of Rs 10/- each to the non-promoter shareholders in the ratio of 51 shares for every 20 shares held, at a price of Rs 400/- per share (including a premium of Rs 390/- per share). This issue was made to meet the minimum Public Shareholding requirement of 25% as stipulated by the Securities and Exchange Board of India (SEBI).

The Board of Directors thanks all the investors for fully subscribing the Rights Issue. The basis of allotment was finalized in consultation with National Stock Exchange of India Limited. The funds raised through the rights issue were mainly utilized towards reducing the borrowings of the Company.

Management Discussion and Analysis

In the year 2013, the global economy continued to struggle with GDP growth estimated to be only 2.5%. While western economies remained sluggish throughout the year, the year also saw a marked slowdown in India and China. In India, the economy grew at its slowest rate in a decade with GDP growth estimated to be 4.7%. This was compounded by persistently high inflation, a slowing down of capital formation and stagnant industrial production, affecting demand in your Company's key industry segments.

The poor sentiment in the market resulted in negative growth of 6% in the passenger car market, for the first time in decades. The year saw the Government systematically reduce the gap in price between petrol and diesel which resulted in a shift in demand towards petrol cars. The market was driven by new product launches and saw a shift in volume towards



the premium B segment. There was a double digit decline in the utility vehicle market that was affected by both the increasing diesel prices and the slowing of economic activity.

The slowing down of the economy in the last year resulted in less goods movement and under utilization of trucks by fleets. This took place at a time when fuel costs increased on a monthly basis affecting the viability of operations for truck operators, with no prospects for improving conditions. These business prospects for good carriage operators resulted in a decline of more than 25% in the commercial vehicle industry. The decline was across the board from small trucks to heavy commercial vehicles.

A good monsoon resulted in record levels of agricultural output and a buoyant growth of the agricultural tractor industry in the last year. The tractor industry grew by 19% in the last financial year as farmers increasingly looked at mechanization to overcome labour availability issues. The construction and mining equipment industry continued to be adversely affected through the year and registered negative growth.

There was delay in implementation of the JNNURM scheme for buses, which resulted in the demand for air suspension systems to be stagnant in the last year. The power equipment sector was badly affected by slow execution of projects on account of land acquisition, coal linkages, environmental clearances, social issues and funding and declined by 20% in the last year.

Your Company saw sales decline by 5.3% in the last financial year, largely affected by the steep decline in volumes across the commercial vehicle industry. The decline in our sales to the passenger car and

utility vehicle industry was made up by our increased sales to the agricultural tractor industry. There was a marginal improvement in our exports. The Company was affected by inflationary headwinds that resulted in significant hikes in government controlled power tariffs and minimum wages. At the same time, the steel price increased in the second half of the year increasing our input cost. There was an effective review mechanism within the Company with a focus on controlling and reducing costs that enabled the Company to manage in these difficult times.

While the last year saw low levels of growth, the government had improved the current account deficit and fiscal deficit levels by the year end. The current year is filled by the prospects of some improvement in economic activity with a new government coming to power. This should in time result in improved sentiments and an uptick in infrastructural and industrial activity in the country. It is expected that this could positively impact the automotive and commercial vehicle segments towards the latter part of the current year. The agricultural tractor industry is likely to see muted growth in the current year, following year of record production and high growth. Further, there is some uncertainty regarding the impact of global climatic patterns on our monsoons that could dampen growth in the sector. It is expected that in the latter part of the current year that economic activity and infrastructure development pick up, resulting in growth of construction and mining equipment market. Similarly, we expect that there will be some improvements in the power sector with the new government in place. There are orders from state transport undertakings for buses with air suspension which would result in some growth in the air suspension business of your Company. While the business environment remains difficult, it

is expected that prospects could improve in the latter part of the current year.

Your Company received major awards for its performance in the year under review as a supplier from key customers like Ashok Leyland, Caterpillar, Hyundai, John Deere, Mahindra & Mahindra, Maruti Suzuki, TAFE, Toyota and Volvo-Eicher.

Directors

The newly enacted Companies Act, 2013 provides that 2/3rd of the non-independent Directors should be liable to retire by rotation. In order to comply with this requirement, your Board of Directors at the meeting held on 16th May, 2014 re-appointed Mr S Ram (DIN 18309) as a Whole-time Director designated as Executive Chairman, liable to retire by rotation, subject to the approval of the members of the Company. The notice for this meeting places this subject before you for your approval.

Mr T K Seshadri, Director (DIN63592) who retires by rotation at this Annual General Meeting, has not offered himself for re-election for personal reasons. Your directors place on record the valuable contribution made by him to the growth and development of the Company through his vast experience and expertise during his tenure as a Director of the Company.

In order to meet the requirements of the Listing Agreement on the composition of the Board with reference to the Independent Directors, your Board at its meeting held on July 16, 2014, have recommended the appointment of Mr B Santhanam (DIN 00494806), as an Independent Director of the Company to hold office for a term of five consecutive years from the

date of the Annual General Meeting. The notice for this meeting places this subject before you for your approval.

Mr T S Vijayaraghavan (DIN 0063728), Mr S Prasad (DIN 63667) and Mr Aroon Raman (DIN 00201205) present Independent Directors are being appointed for a term of five consecutive years as mentioned in the Notice, subject to the approval of the shareholders.

In the opinion of the Board, the Independent Directors fulfill the conditions specified under the Companies Act, 2013 and rules made thereunder and are independent of the management.

Under Article 94(3) of the Company, Mr S Viji (DIN 139043) retires by rotation and being eligible, offers himself for re-election.

Corporate Governance

In pursuance to Clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report is given elsewhere and forms part of this Report.

Director's Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 and Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, your Directors confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to



give a true and fair view of the state of affairs of your Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;

3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis and
5. proper systems are in place to ensure compliance with all laws applicable to the Company

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Fifty Fifth Annual General Meeting and are eligible for re-appointment. The Company has received necessary certificate from the Auditors under Section 141 of the Companies Act, 2013 to the effect that they satisfy the conditions under the Companies Act, 2013 and the rules made thereunder for the above appointment. The Directors recommend their re-appointment.

Internal Control and Audit

Your Company remains committed to ensure an effective internal control system which is a prerequisite for good governance. The internal control procedures are designed to ensure that all the transactions are properly authorized, recorded, and reported, apart from safeguarding the assets of the Company. Further the internal control system is supplemented by well-documented policies, guidelines and procedures and

in order to ensure that an effective internal control environment is in vogue internal audit department of the Company and external audit firms, review regularly the internal control procedures implemented at the various units of the Company, and give its recommendations for improvement if found necessary. Besides statutory auditors also give their suggestion for improvement in control and compliance.

Cost Audit

The Report of M/s Geeyes & Co, Cost and Management Accountants, Chennai, (Firm Registration No. 00044), on the Cost Audit carried out for the Financial Year 2012-13 was filed with the Central Government on 27.9.2013 (within the due date of 180 days from the closure of the financial year).

Safety

Your Company has identified safety of people and environment as a primary focus of responsibility and attempts all efforts towards achieving the same. The Company has embarked on an important journey of creating a safe work place for all the stake holders with the help of an external consulting entity, who have done pioneering work in this field. During the year under review, your Company constituted various Committees under the leadership of Managing Director to oversee the implementation of the recommendations of the Consultant. The main focus is on cultural change and making people understand the importance of Safety on and off the work place. Various programs were held to educate and train people at all levels.

Corporate Social Responsibility (CSR)

Your Company is involved in a number of CSR activities so as to cater to basic needs of the society in the field of health and education. During the year under review,

number of initiatives were taken in the above fields in and around the Company's plants. As provided under Section 135 of the Companies Act 2013, the Board of Directors have constituted Corporate Social Responsibility Committee of the Board. The Committee will evolve the CSR policy of the Company and the same will be placed before the Board for approval in due course.

Particulars of Employees

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

General

Particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are enclosed in the annexure and forms part of this report.

The Directors wish to thank United Bank of India, State Bank of India, Standard Chartered Bank, HDFC Bank, and other Banks for their continued support. Your Company continues to have the full co-operation of all its employees. The Directors would like to place on record the appreciation of the efforts of the employees in controlling costs and improving the profitability of the Company.

On behalf of the Board of Directors

Chennai
July 16, 2014

S Ram
Chairman
DIN 00018309



Annexure to the Directors' Report

Conservation of Energy

Your Company is implementing energy conservation activities in all plant locations. Energy saving projects have been successfully implemented on following themes: Usage of magnetic flux concentrator for induction heating process, Reduction of losses in induction heating process by optimizing busbar length, Improved chilling system for induction heating coils for manufacturing process chill water needs, Replacement of inefficient motor with Energy Efficient motor, Use of Variable Speed Drive for motor, Optimization of motor capacity, Use of energy efficient lamp like induction lamp, Replacement of inefficient water pump with energy efficient pump, Power factor improvement to reduce energy billing in northern plants.

Besides the above, harnessing wind-electric energy is being continued, wherein at Padi plant two-thirds of energy requirement was met through Renewable energy and at Sriperumbudur plant three-fourth of energy needs was met through wind energy.

Your Company installed a renewable solar thermal system for heating of pre-heatment tanks of its Padi paint plant which is the largest such solar thermal rooftop system for a process in Asia. Additionally, your Company invested in equipment that extracts reusable thinner from sludge generated by our painting process saving resources and cost.

Technology Absorption

Your Company has a strong technology base with state of art in-house testing facility. During the year 2013-14, Company filed 10 patents and developed 216 new products. This enabled your Company to enhance the competitiveness and thereby continue its growth in its global business.

The Company has been actively engaging in developing new generation light weighting wheels to meet emerging OEM customer requirements on

quality, durability and also ensuring cost effectiveness. Development of Tube-Type Forged Aluminium Wheel in the commercial vehicle (CV) segment received the Auto Component of the Year Award from Apollo-CV Magazine.

In order to combat stiff competition, the Company is also focusing on development of alternate manufacturing process with better yield improvements. Your Company's in-house development of an innovative disc manufacturing process is well received by the OEMs and a milestone achievement in our process engineering capabilities.

Your Company continues to develop air suspension system to various new segments. Introduction of air suspension system for the van segment and lift axle systems for trucks are important developments in the last year. Specific R&D effort to offer competitive light weight products without compromise on field performance are the important initiatives taking place in this year.

Your Company continues to innovate and increase its technology deployment to meet the requirements of its customers in various industry segments and will continue efforts towards yield improvement, resource optimization, light-weighting and improved performance of its products.

Expenditure on R & D	(Rs in Lakhs)
Capital	471.94
Revenue	1087.75
Total as a percentage of turnover	0.86%

Foreign Exchange Earnings and Outgo

The Foreign exchange outgo to the Company during the year under review was Rs 10,660.37 lakhs and the foreign exchange earned was Rs 35,856.24 lakhs.

On behalf of the Board of Directors
 Chennai
 July16, 2014
S Ram
 Chairman
 DIN 00018309

Report on Corporate Governance

1. Report on Corporate Governance

Your Company believes that effective Corporate Governance is a product of law, ethics, regulation and voluntary practices that helps in maximizing the stakeholders' value.

2. Board of Directors

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

The Board of Directors consists of 8 Directors, headed by the Chairman.

Name	Category	No. of Directorship in other public limited companies in India	No. of Membership/ Chairmanship in Committees of Boards of other Companies
Mr S Ram	Executive Chairman	8	4
Mr S Viji	Non Executive	8	2
Mr J M A Akers	Non Executive	Nil	Nil
Mr Srivats Ram	Managing Director	5	1
Mr T K Seshadri *	Non Executive	Nil	Nil
Mr T S Vijayaraghavan *	Non Executive	1	3
Mr S Prasad *	Non Executive	5	5
Mr Aroon Raman *	Non Executive	4	2

Mr S Ram is father of Mr Srivats Ram, Managing Director and brother of Mr S Viji.

* Independent Directors

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under Clause 49 of the listing agreement, across all public limited companies in which they are directors.

Attendance at Board Meetings and last Annual General Meeting:

During the Financial Year 2013-14, 5 Board Meetings of the Company were held on 27.5.2013, 5.8.2013, 31.10.2013, 25.12.2013 & 3.2.2014 and the last Annual General Meeting was held on 13th August 2013.

Directors	Attendance at Board Meetings	Attendance at Last Annual General Meeting
Mr S Ram	5	Yes
Mr S Viji	5	Yes
Mr J M A Akers	1	No
Mr Srivats Ram	5	Yes
Mr T K Seshadri	5	Yes
Mr T S Vijayaraghavan	4	Yes
Mr S Prasad	5	Yes
Mr Aroon Raman	2	Yes



Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

Name of the Director	Nature of Transactions	No of Shares held	Amount	Interest
Mr S Viji	Fixed Deposits	-	100.56 *	11.59
Mr T S Vijayaraghavan	Fixed Deposits	-	15.00*	1.58
Mr S Prasad	Dividend	1600	0.05	-

*Balance outstanding as on 31.03.2014.

3. Audit Committee

The Company constituted an Audit Committee comprising of Non-executive Directors. The terms of reference of the Audit Committee pertains to the areas referred to in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee met 7 times during the year on 30.4.2013, 27.5.2013, 26.7.2013, 5.8.2013, 31.10.2013, 7.1.2014 & 31.1.2014. The Audit Committee comprises of Mr S Prasad as the Chairman, Mr S Viji, Mr T K Seshadri and Mr Aron Raman as the other Members. The attendance of each member of the Committee during the year 2013 - 2014 are given below:-

Name	Category	No. of Meetings	
		Held	Attended
Mr S Prasad, Chairman	Non Executive and Independent	7	7
Mr S Viji	Non Executive	7	7
Mr T K Seshadri	Non Executive and Independent	7	7
Mr Aron Raman	Non Executive and Independent	7	4

4. Nomination & Remuneration Committee (formerly Remuneration Committee)

The Nomination & Remuneration Committee consists of Non-executive and Independent Directors. The Committee reviews/approves the remuneration payable to the Whole-time Directors depending upon their performance and the performance of the Company, within the overall limits approved by the Members of the Company.

The Committee has the responsibility of determining the remuneration for the Executive Chairman and Managing Director. The Non-Executive Directors are not paid any remuneration except for the sitting fees for attending the Board meetings / Committee meetings.

The Committee has Mr S Prasad, as Chairman, Mr T K Seshadri and Mr T S Vijayaraghavan as the other Members.

The Committee met on 28.3.2014 wherein all the members were present. The Committee approved a salary of Rs 4,00,000/- per month to Mr Srivats Ram, Managing Director with effect from 01.04.2014. The Committee took on record the increase in salary of Mr S Ram, Chairman to Rs 2,50,000 with effect from 01.04.2014. The Committee also approved payment of commission of 1.50% on the Net Profit to Mr Srivats Ram, Managing Director for the year 2013-14.

Details of the remuneration paid to the Directors during the year 2013-14 are given below:

(Rs. in lakhs)

Name of the Director	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees
Mr S Ram	43.20	6.10	-	3.24	-
Mr S Viji	-	-	-	-	1.30
Mr J M A Akers	-	-	-	-	0.15
Mr Srivats Ram	67.20	1.27	57.90	11.34	-
Mr T K Seshadri	-	-	-	-	1.40
Mr T S Vijayaraghavan	-	-	-	-	0.45
Mr S Prasad	-	-	-	-	1.45
Mr Aron Raman	-	-	-	-	0.60

5. Stakeholders Relationship Committee (formerly Share Transfer and Investor Relations Committee)

The Committee consists of three Directors with Mr S Viji as the Chairman, Mr S Ram and Mr S Prasad being the other members. The Committee met on 9.5.2013 & 14.2.2014. The attendance of each member of the Committee during the year 2013 - 2014 are given below:-

Name	Category	No. of Meetings	
		Held	Attended
Mr S Viji, Chairman	Non Executive	2	2
Mr S Ram	Executive	2	2
Mr S Prasad	Non Executive and Independent	2	1

The Board has authorized Mr S Srivathsan, the Secretary of the Company to approve share transfers and request for dematerialization of shares.

Mr S Srivathsan, Chief Financial Officer & Secretary is the Compliance Officer.

No. of Shareholders' complaints received during the year - 12

No. not solved to the satisfaction of shareholders - Nil

No. of pending complaints - 1

6. Committee - Capital Issue

The "Committee – Capital Issue" consists of Mr S Prasad as Chairman, Mr Srivats Ram, and Mr T K Seshadri. At the Board Meeting held on 25.12.2013, Mr J M A Akers was appointed as a member of the "Committee – Capital Issue". The Committee met on 29.10.2013, 3.2.2014 & 22.3.2014. In the Meeting held on 22.3.2014, 21,62,835 Rights Equity Shares of Face value of Rs 10/- each at an Issue Price of Rs 400/- per Rights Equity Share (including a premium of Rs 390/- per Equity Share), aggregating to Rs 8,651.34 Lakhs were allotted to the eligible non promoter shareholders / beneficial owners and renounees who have applied for the rights shares. The attendance of each Member of the Committee during the year 2013 - 2014 are given below:-



Name	Category	No. of Meetings	
		Held	Attended
Mr S Prasad, Chairman	Non Executive and Independent	3	3
Mr Srivats Ram	Executive	3	3
Mr T K Seshadri	Non Executive and Independent	3	3
Mr J M A Akers	Non Executive	2	1

7. Shareholder Information - Details of Annual/Extraordinary General meetings

Year	Date	Location	Time	Special Resolution Passed
2012-13	13-08-2013	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 AM	-
2011-12	14-08-2012	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 AM	-
2010-11	10-08-2011	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 A.M	-

None of the resolutions passed at the above meetings were required to be passed through postal ballot.

8. Disclosures

Details of transactions entered into with related parties during the year under review have been given in the notes forming part of Accounts and no differential treatment from the accounting standards was followed in preparation of the financial statements of the Company.

There were no instances of non-compliance by the Company on any matter related to capital markets during the preceding three years. Hence, there were no penalties, strictures imposed by SEBI / Stock Exchanges or any other statutory authorities against the Company.

The Company complies with all mandatory requirements.

9. Disclosure regarding appointment of Directors

Given below are the brief resumes of the Directors proposed to be appointed in this Annual General Meeting:-

Name of the Director	Mr S Viji
Age	68 years
Qualification	B.Com, A.C.A, M.B.A (University of Michigan, Ann Arbor)
Expertise in specific functional areas	Has over four decades of experience in financial services and automotive industries.
Directorship in other Companies	Chairman: Sundaram Finance Limited, Sundaram BNP Paribas Home Finance Limited. Managing Director : Brakes India Limited. Director: BIH Braking Company Limited, Royal Sundaram Alliance Insurance Company Limited, Sundaram Dynacast Private Limited, Sundaram Industries Limited, Sundaram Trustee Company Limited, T V Sundram Iyengar & Sons Limited.
Chairman/Member in Committees of other companies:	NIL

Name of the Director	Mr S Ram
Age	74 years
Qualification	Mechanical Engineer from Guindy Engineering College, Chennai and Master's Degree in production engineering from Birmingham University, UK.
Expertise in specific functional areas	Has over five decades of experience in automotive industry.
Directorship in other Companies	Chairman: Axles India Ltd. Director: T V Sundram Iyengar & Sons Limited, Sundaram Industries Limited, Southern Roadways Limited, Sundaram Finance Limited, Global TVS Bus Body Builders Limited, TVS Logistics Services Limited, India Motor Parts & Accessories Limited.
Chairman/Member in Committees of other companies:	Audit Committee: Axles India Ltd, T V Sundram Iyengar & Sons Limited, TVS Logistics Services Limited. Remuneration Committee: Axles India Ltd.

Name of the Director	T S Vijayaraghavan
Age	73 years
Qualification	BE (Electrical and Mechanical), Graduate in Electronics and Telecommunication Engineering, certificate holder in Metallurgy and Doctor of Science (Honoris Causa).
Expertise in specific functional areas	After working at a private sector steel Company for a short period, he joined the Indian Administrative Service and worked in State and Central Governments. In Central Government, he worked at different levels in the Ministries of Heavy Industry and of Commerce, was Secretary, Ministry of Defence Production and of the Ministry of Petroleum and Natural Gas and retired as Secretary to Government of India in the Ministry of Heavy Industry and Public Enterprises. Closely associated with the development of automotive industry in India and has good knowledge of the Industry.
Directorship in other Companies	SPEL Semi Conductors Limited.
Chairman/Member in Committees of other companies:	Audit Committee: SPEL Semi Conductors Limited. Chairman: Remuneration & Compensation Committee, Share Transfer and Investor Grievance Committee: SPEL Semi Conductors Limited.

Name of the Director	Mr S Prasad
Age	66 years
Qualification	F.C.A
Expertise in specific functional areas	Has ten years' experience in industry as finance professional and thirty years' experience as a practising Chartered Accountant.
Directorship in other Companies	India Motor Parts & Accessories Ltd, Sundaram Finance Limited, Sakthi Auto Motors Ltd, Royal Sundaram Alliance Insurance Company Limited, MSE Financial Services Limited.



Chairman/Member in Committees of other companies:	<p>Chairman in Audit Committee: India Motor Parts & Accessories Ltd, Sundaram Finance Limited, Royal Sundaram Alliance Insurance Company Limited.</p> <p>Audit Committee: MSE Financial Services Limited.</p> <p>Chairman in Share Transfer and Investor Relations Committee: Sundaram Finance Limited.</p>
Shareholding as on March 31, 2014	1600 equity shares of Rs 10/- each

Name of the Director	Mr Aroon Raman
Age	54 years
Qualification	Post-graduate degree in Economics from Jawaharlal Nehru University, New Delhi and an MBA from The Wharton School, University of Pennsylvania, USA, majoring in Finance and Marketing.
Expertise in specific functional areas	<p>Mr Raman is an entrepreneur who ran his own transformer insulation materials Company for a number of years and built it into one of the global leaders in its field before divesting it to ABB to pursue other business interests.</p> <p>Mr Raman is associated with a research & innovation based Company - Raman FibreScience - specialising in the design and development of various types of wet-laid nonwoven composites and specialty papers tailored to client requirements.</p> <p>Mr Raman specializes in conducting due diligence to assess companies for their competencies in term of technology, process, people capabilities and also on strategic interventions. He has held several senior positions with the Confederation of Indian Industry (CII), and was the Chairman of CII, Karnataka State Council in 2010-11. He was recipient of the State's highest civilian honour - the Karnataka Rajyotsava Award for 2010 for his contribution to the industrial development of the State. He is a regular columnist in leading newspapers and magazines.</p>
Directorship in other Companies	Raman FibreScience Private Limited, Sundaram Finance Limited, Edutech NTT India Private Limited, Anahita Investments Private Limited, TVS Automobile Solutions Limited, Carborandum Universal Limited, Brigade Enterprises Limited.
Chairman/Member in Committees of other companies:	<p>Chairman - Corporate Social Responsibility Committee: Sundaram Finance Limited.</p> <p>Compensation Committee: Sundaram Finance Limited.</p>

Name of the Director	Mr B Santhanam
Age	57 years
Qualification	B.Tech (IIT Madras), PGDM (IIM Ahemdabad).
Expertise in specific functional areas	<p>Mr Santhanam started his carrier at Grindwell Norton Limited, a Saint-Gobain Group company, as Management Trainee and served in various functions such as Sales and Marketing, Product Development, Operations, Information Technology, ending up as Member of Management Board. Over the last decade and a half, as Founder Managing Director of Saint-Gobain Glass India, Mr Santhanam was instrumental in the Saint-Gobain Group's investment in India.</p> <p>He is an elected member of the National council of CII and was the Chairman for the CII Southern Region (2013-14). He is active in advocating diversity in work force and has been champion of the newly created Indian Women Network as part of the diversity agenda of CII.</p> <p>His academic engagement includes member on the Board of Governors of IIIT D&M, Member of the Syndicate, Anna University and Director of IIT Madras Research Park. Mr Santhanam was honoured with several awards and recognitions including 'Honorary Doctorate Degree' (Honoris Causa) conferred by Hindustan University, 'CEO of the year', a biannual award by National HRD Network.</p>
Directorship in other Companies	<p>Managing Director - Saint-Gobain Glass India Limited.</p> <p>Director - IIT Madras Research Park, Saint-Gobain Glass Egypt S.A.E and Saint-Gobain Research India Limited.</p>

10. Means of Communication

Quarterly Unaudited and Annual Audited financial results are published in Business Line (English) and Dinamani (Tamil – vernacular) within the stipulated time.

The Unaudited quarterly results and the Annual audited results are also displayed on the Company's website www.wheelsindia.com. The above information and other communication are sent to Stock Exchanges.

11. Details of Unclaimed Share Certificates

In terms of Clause 5A of the Listing Agreement, the Company had transferred 6748 equity shares comprised in the Share Certificates, which have remained undelivered into one Folio in the name of Wheels India Limited Unclaimed Suspense Account.

In accordance with the said clause the following information are provided:-



Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	40 and 6748 equity shares of Rs.10 each respectively
Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	1 Shareholder for 225 Shares
Number of shareholders to whom shares were transferred from suspense account during the year.	1 Shareholder for 225 Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	39 and 6523 equity shares of Rs.10 each respectively

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

12. General Shareholder Information

Date of Annual General Meeting	September 8, 2014
Time	11.00 AM
Venue	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Chennai - 600 014.
Date of Book Closure	1st September 2014 to 8th September 2014 (both days inclusive).
Dividend Payment Date	Will be paid on or before October 4, 2014 – Rs 4.20 per share (42%)
Approval of financial results for the Quarter ending June 30, 2014	Last week of July 2014.
Quarter ending September 30, 2014	2nd week of November, 2014.
Quarter ending December 31, 2014	2nd week of February 2015.
Year ending March 31, 2015	Last week of May, 2015.
Listing on Stock Exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Ltd. Further, the Company has been permitted for dealings on Bombay Stock Exchange under “Permitted Securities” Category.
Listing Fees	Payment towards Listing Fee to National Stock Exchange is made as and when it falls due.
ISIN Code in NSDL and CDSL	INE 715A01015.
STOCK Code	WHEELS

Registrar and Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002. Phone: 044 - 28460390 ; Fax: 044 – 28460129 E - Mail: investor@cameoindia.com
Share Transfer System	Share Transfers which are received in physical form are processed and the share certificate returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company's Registrar and Share Transfer Agent are entrusted with the work relating to share registry in terms of both physical and electronic mode.
Dematerialisation of shares and liquidity :	According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 26.03.2001. M/s Cameo Corporate Services Ltd., are the Registrars of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members. As on 31.03.2014, 97.36% of the equity shares are held in dematerialized form.
Pattern of Shareholding as on March 31, 2014	Data in statement form – forming part of this Report.
Distribution of Shareholding as on March 31, 2014	Data in statement form – forming part of this Report.
Share Performance	NSE Vs Index Graph form - forming part of this Report.
Share Price Data - High/Low	NSE – Data in statement form – forming part of this Report.
Address for Investors' correspondence:	Registrar and Share Transfer Agents:- Cameo Corporate Services Limited "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, Phone : 044 - 28460390 Fax : 044 – 28460129 E - Mail : investor@cameoindia.com
	Investor Correspondence / Compliance Officer Mr S Srivathsan Chief Financial Officer & Company Secretary Wheels India Limited, Padi, Chennai - 600 050 Phone: 044 - 26258511 Extn: 2003 Fax : 044 – 26257121 E- Mail: investorservices@wheelsindia.com



13. Plant locations

Padi, Chennai – 600 050, Tamil Nadu	22KM Rampur – Tanda Road, Rampur–244 925, Uttar Pradesh	Plot No. C - 1 Ranjangaon Growth Centre Karegaon Village, Shirur Taluk Pune District - 412 220 Maharashtra	Plot No.11-18, Sector 7, HSIDC Growth Center, Bawal, Rewari District – 123 501, Haryana
Sriperumbudur, Kancheepuram, District – 602 105 Tamil Nadu	Plot No.56, Sector 11, Integrated Industrial Estate Pantnagar, Udham Singh Nagar -263 153, Uttarakhand	Plot No D-3, Deoli Growth Centre, Deoli MIDC, Taluka Deoli, Wardha District-442 101, Maharashtra	DP No 70 (P), Survey No 214 (P), SIDCO Industrial Estate, Thirumudivakkam, Sriperumbudur Taluk, Kanchipuram District Chennai 600044

14. Auditor's Certificate on Corporate Governance

As required by Clause 49 of the listing agreement, the Auditor's Certificate is forming part of this report.

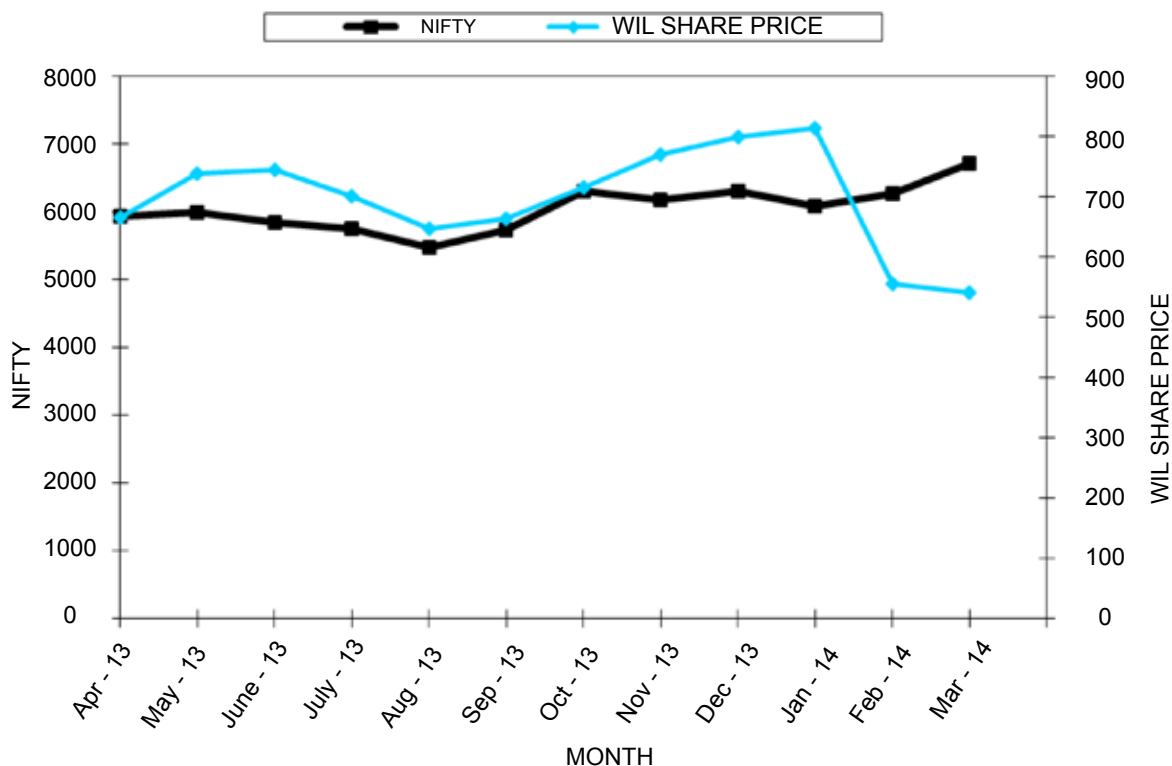
15. Shareholding Pattern

Categories of Shareholders	No. of shares Held	Percentage
Promoters	90,24,209	75.00
Directors/ Relatives	30,741	0.26
Insurance Companies	1,81,736	1.51
Corporate Bodies	9,22,343	7.66
Mutual Funds	1,34,921	1.12
Public	15,17,833	12.61
Non-Resident Indians	18,703	0.16
Hindu Undivided Families	48,884	0.41
Clearing Member	1,50,118	1.25
Bank	2,791	0.02
TOTAL	1,20,32,279	100.00

16. Distribution pattern

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to - 500	7,215	90.45	6,78,884	5.64
501 - 1000	382	4.79	2,81,917	2.34
1001 - 2000	213	2.67	3,01,749	2.52
2001 - 3000	57	0.71	1,37,467	1.14
3001 - 4000	32	0.40	1,11,795	0.93
4001 - 5000	22	0.28	1,01,524	0.84
5001 - 10000	37	0.46	2,31,235	1.92
10001 and above	19	0.24	1,01,87,708	84.67
Total	7,977	100.00	1,20,32,279	100.00

17. Performance in Comparison to broad based indices





18. Market price data

FY 2013-14	Quotation at NSE	
	HIGH	LOW
Apr-13	743.20	581.50
May-13	916.00	642.20
Jun-13	811.60	637.00
Jul-13	912.80	686.05
Aug-13	741.00	632.00
Sep-13	737.00	635.00
Oct-13	782.80	662.00
Nov-13	820.00	666.20
Dec-13	823.90	745.10
Jan-14	898.80	775.60
Feb-14	1118.00	545.00
Mar-14	611.80	425.00

19. Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective dates, as under, in accordance with the provisions of Section 205A(5) of the Companies Act, 1956.

Nature of Dividend	Transferable to IEPF on
First Interim Dividend 2007 - 08	6th March, 2015
Second Interim Dividend 2007 - 08	22nd May, 2015
Dividend 2008 - 09	18th September, 2016
Dividend 2009 – 10	17th September, 2017
Dividend 2010 – 11	14th September, 2018
First Interim Dividend 2011 - 12	19th April, 2019
Final Dividend 20011 – 12	18th September, 2019
Dividend 2012 – 13	17th September, 2020
Interim Dividend 2013 – 14	21st January, 2021

On behalf of the Board of Directors

Chennai
July 16, 2014

S Ram
Chairman
(DIN 00018309)

Code of Conduct Certification

The Board of Wheels India Limited laid down a code of conduct for all Board members and Senior Management. The Code of Conduct has been posted in the Company's website www.wheelsindia.com. All the Board members and the Senior Management affirmed compliance to the code for the year 2013-14.

Place: Chennai
Date: July 16, 2014

Srivats Ram
Managing Director
(DIN 00063415)

Auditor's Certificate on Corporate Governance

To the Members of WHEELS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Wheels India Limited, for the year ended on 31.3.2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No: 004207S)

K. Srinivasan
Partner
Membership No.5809

July 16, 2014
Chennai



Independent Auditors' Report on the Financial Statements

To the Members of Wheels India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of WHEELS INDIA LIMITED, which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No: 004207S)

K. Srinivasan

Partner

Chennai
16th May, 2014

Membership No.5809



Annexure to the Independent Auditors' Report

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

- I. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- c. The Company has not disposed off substantial part of fixed assets during the year.
- II. a. Physical verification of inventory has been conducted at reasonable intervals by the Management.
- b. The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- III. The Company has neither granted nor taken any loans, secured or unsecured, to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, the clauses (iii) (b) to (g) of the Order are not applicable.
- IV. There is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
- V. a. The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the section.
- b. The transaction in excess of Rs.5,00,000/- in respect of each party, have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has complied with the provisions of Section 58A and 58 AA or any other relevant provisions of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- VII. The Company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been

- maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- IX. a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- b. There were no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Custom Duty, Value Added Tax and Cess. However disputed service tax, value added tax and property tax aggregating to Rs.127.11 lakhs has not been deposited on account of disputes which are contested in appeals and are pending before Central Excise and Service Tax Appellate Tribunal, Joint Commissioner, Commercial Tax - Appeal, Appellate Deputy Commissioner - Commercial Taxes and Madras High Court.
- X. The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI. The Company has not defaulted in repayment of dues to a financial institution or bank.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the order is not applicable to the Company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. Based on the balance sheet and fund flow statement of the Company in our opinion the funds raised on short term basis have not been used for long term investments.
- XVIII. The Company has not made any preferential allotment of shares during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Management has disclosed the end use of the money raised during the year by issue of rights shares and the same has been verified.
- XXI. No fraud on or by the Company has been noticed or reported during the year.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No: 004207S)

K. Srinivasan

Partner

Chennai
16th May, 2014

Membership No.5809



ACCOUNTS 2013-2014

Balance Sheet as at 31st March 2014

Rs. in Lakhs

Particulars	Note No.		As at 31.03.2013
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	1,203.23	986.94
b) Reserves and Surplus	2	35,155.36	24,898.29
		36,358.59	25,885.23
2. Non-current Liabilities			
a) Long-term Borrowings	3	12,219.68	20,473.80
b) Deferred tax liabilities (Net)	4	5,838.05	5,632.64
c) Other long term liabilities	5	202.83	3,425.00
d) Long-term provisions	6	195.18	214.46
		18,455.74	29,745.90
3. Current Liabilities			
a) Short-term borrowings	7	13,526.40	12,906.52
b) Trade payables	8	30,953.49	22,952.19
c) Other current liabilities	9	11,509.73	14,417.41
d) Short-term provisions	10	2,375.06	2,598.01
		58,364.68	52,874.13
TOTAL		1,13,179.01	1,08,505.26
II ASSETS			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	11	46,308.73	43,528.63
(ii) Intangible assets	12	225.59	343.14
(iii) Capital Work-in-progress	13	4,755.42	5,427.25
(iv) Machinery in Transit		-	30.65
b) Non-current investments	14	1,668.11	1,768.96
c) Long-term loans and advances	15	1,628.04	2,950.62
d) Other non-current assets	16	628.50	222.55
		55,214.39	54,271.80
2. Current Assets			
a) Current Investments	17	50.00	50.00
b) Inventories	18	23,392.09	21,570.43
c) Trade receivables	19	30,251.37	28,868.05
d) Cash and cash equivalents	20	279.36	167.03
e) Short-term loans and advances	21	3,984.51	3,569.49
f) Other current assets	22	7.29	8.46
		57,964.62	54,233.46
TOTAL		1,13,179.01	1,08,505.26
Significant Accounting Policies	A		

S RAM
Chairman

S VIJI
Director

SRIVATS RAM
Managing Director

T K SESHADRI
Director

As per our report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.:004207S)

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

AROON RAMAN
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner

Membership No.5809

Chennai
16th May, 2014

Profit and Loss Statement for the Year Ended 31st March 2014



	Note No.	Rs. in Lakhs	
		2012-13	
REVENUE FROM OPERATIONS			
Sale of Products		1,79,373.22	1,88,900.25
Sale of Services		1,273.60	956.69
Other operating revenues		16,921.78	18,824.86
Revenue from Operations - Gross		1,97,568.60	2,08,681.80
Less: Excise Duty {On sale of products Rs.13,705.83 lakhs (previous year Rs.14,840.99 lakhs); Others Rs. 1,547.53 lakhs (previous year Rs.1,456.43 lakhs)}		15,253.36	16,297.42
Revenue from Operations - Net		1,82,315.24	1,92,384.38
Other income	25	200.49	284.03
TOTAL REVENUE		1,82,515.73	1,92,668.41
EXPENSES			
Cost of materials consumed	26	1,22,024.66	1,29,656.53
Changes in inventories of finished goods, Work-in-progress	27	(798.51)	1,744.62
Employee benefit expense	28	19,154.76	17,961.53
Other Expenses	29	27,179.36	27,941.64
TOTAL EXPENSES		1,67,560.27	1,77,304.32
Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses		14,955.46	15,364.09
Finance Costs	30	5,534.92	5,549.40
Depreciation and amortisation expenses	11&12	5,534.15	5,359.32
Profit before exceptional and extraordinary items and tax		3,886.39	4,455.37
Exceptional items		-	-
Profit before extraordinary items and tax		3,886.39	4,455.37
Extraordinary items		-	-
Profit before tax		3,886.39	4,455.37
Tax expense:			
Current tax		840.00	-
Minimum Alternate Tax		-	892.00
Minimum Alternate Tax Credit entitlement		-	(209.00)
Net Current tax		840.00	683.00
Deferred tax		205.41	584.73
Profit (Loss) for the year		2,840.98	3,187.64
Earnings per equity share:	37		
1. Basic		27.06	30.61
2. Diluted		27.06	30.61
Significant Accounting Policies	A		

S RAM
Chairman

S VIJI
Director

SRIVATS RAM
Managing Director

T K SESHADRI
Director

As per our report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.:004207S)

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

AROON RAMAN
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner

Membership No.5809

Chennai
16th May, 2014

Notes on Accounts

A Significant Accounting Policies:

i) General:

The financial statements have been prepared on the historical cost convention in accordance with generally accepted accounting principles.

ii) Fixed Assets and Depreciation:

a) Fixed assets are stated at historical cost net of CENVAT and VAT credits as reduced by accumulated depreciation.

b) Depreciation on fixed assets has been provided -

i) at the rates specified in Schedule XIV of the Companies Act, 1956

- on straight line method for plant and machinery and buildings and

- on written down value method for electronic data processing machines and other fixed assets

ii) on the basis of estimated life of the capital tools.

c) Leasehold land:

Premium paid on leasehold land is amortised over the lease period.

d) The cost of software relating to ERP is amortised over the estimated useful life viz. 5 years. The cost of other intangible assets are amortised over the estimated useful life viz. 3 years.

e) i) The expenditure during construction period relating to the new projects till the commencement of commercial production is capitalised and allocated to fixed assets.

ii) In accordance with AS 16 - Borrowing costs issued by the ICAI, the borrowing costs attributable to the new projects are capitalised till the commencement of commercial production and included in expenditure during construction period and allocated to fixed assets and other borrowing costs are recognised in the year in which it is incurred.

iii) Investments:

a) Long term investments are stated at cost less provision for diminution other than temporary if any, in value of such investments.

b) Current investments are stated at the lower of cost and fair value.

iv) Inventories:

The stock of raw materials, stores, loose tools and goods in transit are valued at cost (net of CENVAT and VAT credits on weighted average basis). The stock of finished goods and work-in-process are valued at cost (net of CENVAT and VAT credits including appropriate overheads) or market value whichever is lower.

v) Revenue recognition:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred. Service revenues are recognised when services are rendered. Interest income



is recognised on time proportion basis. Dividend income is recognised when rights to receive payment is established

vi) Staff terminal benefits:

a) Provident Fund:

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Company make monthly contributions to the regional provident fund authorities/ Company's Employees Provident Fund Trust, equal to specified percentage of eligible covered employees salary. The Company has no other obligations than the monthly contributions.

b) Gratuity:

The gratuity plan provides for a lump sum payment to vested employees eligible for gratuity at the time of retirement, death, incapacity or termination of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as at the Balance Sheet date based upon which the Company contributes all the ascertained liabilities to LIC, who is the administrator of the plan.

c) Superannuation:

Eligible employees receive benefit from Superannuation at the time of retirement, death or leaving the services. The Company makes an annual contribution to LIC of India, equal to a specific percentage of the eligible employee's basic salary. Apart from this, the Company has no other obligation under this head.

d) Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation and the Company contributes part of the ascertained liabilities to SBI Life Insurance Company Limited, who is the administrator of the plan.

vii) Research & Development expenses:

Revenue expenditure on Research & Development is charged to profit & loss account in the year in which it is incurred.

viii) Foreign Currency Transactions:

The exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which the transactions were initially recorded during the financial year, in so far as they relate to depreciable capital assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset and in other cases are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset / liability but not beyond 31st March, 2020.

Foreign currency transactions other than the above items outstanding at the year end are accounted for at year end rates and the profit / loss so determined and also the realised exchange gains / losses are recognized in the Profit and Loss statement. In respect of Forward Exchange contracts, the difference

between the forward rate and the exchange rate at the date of inception of the contract is recognized as income or expense over the period of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognized as income or expense for the year.

ix) Export Incentives:

Export incentives are recognised as revenue as and when exports are made.

x) Derivative Contracts:

The profit/loss arising on derivative contracts is accounted for as income/expenditure on the date of settlement of the contract.

The outstanding derivative contracts are revalued at the end of the year and while the net loss arising there from is debited to profit and loss account, the net unrealised gain is ignored, except in case where they relate to borrowing costs that are attributable to the acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such fixed assets.

xi) Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the revenue account as per the lease terms.

xii) Earnings per share:

Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

xiii) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences; being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

xiv) Provisions and Contingencies:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligations. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.



Rs. in Lakhs

1 SHARE CAPITAL

	As at 31.03.2014	As at 31.03.2013
a) Authorised		
2,00,00,000 Equity Shares of Rs.10/- each	2,000.00	2,000.00
b) Issued, Subscribed and Fully Paid-up		
1,20,32,279 Equity shares of Rs.10/- each (Previous year 98,69,444 Equity Shares of Rs.10/- each)	<u>1,203.23</u>	<u>986.94</u>

c) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

	2013 - 14		2012 - 13	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Equity Shares of Rs.10/- each				
Outstanding at the beginning of the year:	98,69,444	986.94	98,69,444	986.94
Add: Issue of Shares on rights basis #	21,62,835	216.29	-	-
Outstanding at the end of the year	<u>120,32,279</u>	<u>1,203.23</u>	<u>98,69,444</u>	<u>986.94</u>

During the year, in order to comply with the Securities Contract (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreement with National Stock Exchange of India Limited, which requires the Company to maintain a minimum public shareholding of 25%, the Company issued and allotted 21,62,835 equity shares of face value of Rs.10/- each at an Issue Price of Rs.400/- per equity share (including a premium of Rs.390/- per equity share) on March 22, 2014 by way of a Rights Issue to the eligible non promoter equity shareholders in the ratio of 51 Rights Equity shares for every 20 Equity Shares held on the Record date, i.e. February 14, 2014. The proceeds of the issue were fully utilised for the purpose for which issue was made as mentioned in the Letter of Offer dated 18th February, 2014 namely repayment / prepayment of certain identified loans availed by the Company and for general corporate purposes.

d) **Rights, Preferences and restrictions**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.

	31.03.2014 (Number of shares in lakhs)	31.03.2013 (Number of shares in lakhs)
e) Shareholding of shareholders holding more than 5% of shares as at		
T V Sundram Iyengar & Sons Limited	24.56	24.56
Southern Roadways Limited	11.16	11.16
Sundaram Finance Limited	13.34	13.34
Titan Europe Plc, UK	41.19	35.44

Notes on Accounts (Contd.)

		Rs. in Lakhs			
		As at 31.03.2014		As at 31.03.2013	
2	RESERVES AND SURPLUS				
a)	Capital Reserves				
	As per last Balance Sheet	0.02		0.02	
b)	Securities Premium Reserve				
	As per last Balance Sheet	-			
	Additions during the year				
	On 21,62,835 equity shares issued on rights basis at Rs 390/- per share	8,435.06			
	Less: Shares issue expenses of rights shares	222.18	8,212.88		
c)	General Reserves				
	As per last Balance Sheet	24,421.09		22,421.09	
	Additions during the year	1,800.00	26,221.09	2,000.00	24,421.09
d)	Surplus				
	As per last Balance Sheet	886.90		634.55	
	Add: Profit for the year	2,840.98		3,187.64	
		3,727.88		3,822.19	
	Less:				
	Interim Dividend (@ Rs.4.00 per share)	394.78			
	Dividend Tax on interim dividend	67.09			
	Proposed final equity dividend Rs 4.20 per share (previous year @ Rs.8.10 per share)	505.36		799.43	
	Dividend Tax on proposed equity dividend	85.89		135.86	
	Transfer to General Reserves	1,800.00		2,000.00	
		2,853.12	874.76	2,935.29	886.90
e)	Foreign Currency Monetary Items				
	Translation Difference Account		(153.39)		(409.72)
			35,155.36		24,898.29

The expenses relating to issue of rights shares during the year amounting to Rs.222.18 lakhs (which include remuneration and reimbursement of expenses to auditors of Rs.5 lakhs and Rs.1 lakh respectively) has been debited to Securities Premium Reserve Account



Rs. in Lakhs

	As at 31.03.2014		As at 31.03.2013	
NON CURRENT LIABILITIES				
3 LONG TERM BORROWINGS				
A. SECURED BORROWINGS				
a. Term Loans from Banks				
Secured by equitable mortgage of land and buildings at Padi	-		1,600.00	
By first Charge by way of hypothecation of specific machinery	<u>4,874.13</u>	<u>4,874.13</u>	<u>12,388.05</u>	13,988.05
b. Term Loans from others				
By first Charge by way of hypothecation of specific machinery		<u>2,500.00</u>		-
B. UNSECURED BORROWINGS				
a. Deferred payment liabilities		<u>254.47</u>		349.50
From State Government under Interest Free Sales tax Deferral Scheme				
b. Fixed Deposits		<u>4,591.08</u>		6,136.25
		<u>12,219.68</u>		<u>20,473.80</u>
Terms of Repayment		Refer to Note no.24		
4 DEFERRED TAX LIABILITIES (NET)				
a) Deferred Tax Liability				
i) Depreciation	<u>5,907.04</u>		5,619.42	
ii) Exchange difference on Long Term Foreign Currency Monetary Item	<u>52.14</u>		<u>139.26</u>	
		<u>5,959.18</u>		5,758.68
b) Deferred Tax Asset				
Expenses allowable for tax purpose on payment basis		<u>121.13</u>		126.04
		<u>5,838.05</u>		<u>5,632.64</u>

Notes on Accounts (Contd.)

	Rs. in Lakhs	
	As at 31.03.2014	As at 31.03.2013
5 OTHER LONG TERM LIABILITIES		
Security Deposits	202.83	248.13
Advance from customers	—	3,176.87
	202.83	3,425.00
6 LONG TERM PROVISIONS		
Provision for employee benefits	195.18	214.46
	195.18	214.46
CURRENT LIABILITIES		
7 SHORT TERM BORROWINGS		
A. SECURED BORROWINGS		
a) Loans repayable on demand from Banks Secured by hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.	12,626.76	10,815.49
B. UNSECURED BORROWINGS		
a) Loans repayable on demand from Banks	-	1,629.15
b) Fixed Deposits	899.64	461.88
	13,526.40	12,906.52
8 TRADE PAYABLES		
Dues to Micro, Small and Medium Enterprises	526.08	222.28
Dues to others	30,427.41	22,729.91
	30,953.49	22,952.19



Rs. in Lakhs

	As at 31.03.2014	As at 31.03.2013	
9 OTHER CURRENT LIABILITIES			
a) Current maturities of long-term debt (Refer note 24)	7,419.73		8,576.72
b) Interest accrued but not due on borrowings	741.66		630.05
c) Unclaimed dividends	16.89		15.52
d) Share Application money received for allotment of securities and due for refund	8.13		-
e) Unclaimed matured deposits and interest accrued thereon	85.51		46.32
f) Other payables			
Statutory dues	313.54	500.15	
Trade Deposits	84.86	73.37	
Recovery from Employees	72.01	67.42	
Creditors for capital goods [includes due to MSME Rs.66.95 Lakhs (previous year Rs.46.14 lakhs)]	642.86	650.87	
Advance from customer	1,446.57	3,176.87	
Provision for expenses	582.55	588.00	
Provision for Excise duty on Finished Goods Stock	95.42	92.12	5,148.80
	3,237.81		
	11,509.73		14,417.41
10 SHORT TERM PROVISIONS			
a) Provision for employee benefits	1,359.53		1,337.02
b) Due to Directors	57.90		68.00
c) Others			
Provision for Taxation less Advance Tax and Tax deducted at Source (includes reversal of Minimum Alternate Tax Credit entitlement set off Rs.Nil - previous year Rs.217.67 lakhs)	647.96	257.70	
Less:			
Minimum Alternate Tax Credit entitlement set off	281.58	-	257.70
Provision for Dividend	505.36		799.43
Provision for Dividend Tax	85.89		135.86
	2,375.06		2,598.01

NON CURRENT ASSETS - FIXED ASSETS

Rs. in Lakhs

Description	Gross Block At Cost			Depreciation/Amortisation			Net Block			
	As At 31.3.2013	Additions	Adjustments Relating to Foreign Exchange Fluctuations and Borrowing Costs	Deletions	As At 31.3.2014	As At 31.3.2013	Additions	Deletions	As At 31.3.2014	As At 31.3.2013
11. TANGIBLE ASSETS										
Land (Free hold)	267.37	104.37	-	-	371.74	0.00	-	-	371.74	267.37
Land (Lease hold)	639.38	-	-	-	639.38	48.78	5.49	-	585.11	590.60
Buildings	9,807.79	771.51	1.81	-	10,581.11	2,326.85	327.60	-	7,926.66	7480.94
Plant & Equipment	72,322.81	7,337.25	94.41	1,194.11	78,560.36	37,817.87	4,779.83	852.45	36,815.11	34,504.94
Furniture and Fixtures	472.13	28.35	-	0.50	499.98	342.29	31.00	0.48	127.17	129.84
Vehicles	15.12	0.34	-	0.21	15.25	13.26	0.55	0.21	1.65	1.86
Office Equipment	1,931.82	120.24	-	28.22	2,023.84	1,378.74	189.92	26.11	1,542.55	553.08
	85,456.42	8,362.06	96.22	1,223.04	92,691.66	41,927.79	5,334.39	879.25	46,308.73	43,528.63
12. INTANGIBLE ASSETS										
Computer Software	1,210.80	76.40	-	0.08	1,287.12	955.10	143.76	0.05	1,098.81	255.70
Technical Know-how	167.63	5.84	-	-	173.47	80.19	56.00	-	136.19	87.44
	1,378.43	82.24	0.00	0.08	1,460.59	1,035.29	199.76	0.05	1,235.00	343.14
Total	86,834.85	8,444.30	96.22	1,223.12	94,152.25	42,963.08	5,534.15	879.30	47,617.93	46,534.32
Previous year	78,539.49	8,341.28	70.21	116.13	86,834.85	37,666.37	5,359.32	62.61	42,963.08	43,871.77

13. CAPITAL WORK-IN-PROGRESS

- a) Buildings
b) Plant and Machinery

	31.3.2014	31.3.2013
a) Buildings	378.77	374.89
b) Plant and Machinery	4,376.65	5,052.36
	<u>4,755.42</u>	<u>5,427.25</u>



	Rs. in Lakhs			
	As at 31.03.2014		As at 31.03.2013	
14 NON CURRENT INVESTMENTS				
A Trade Investments - At cost				
Unquoted				
Investment in Equity instruments				
i) In Associates				
Axles India Limited	272.36		272.36	
24,24,661 Equity Shares of Rs.10/- each fully paid-up				
Sundaram Hydraulics Limited	1,125.00		1,125.00	
1,12,50,000 Equity Shares of Rs.10/- each fully paid up		1,397.36		1,397.36
ii) Others				
MEFCO Engineers Private Limited	20.00		20.00	
20,000 Equity Shares of Rs.100/- each fully paid up				
Siva Electric Generation Private Limited	16.22		21.77	
1,62,172 Equity Shares of Rs.10/- each fully paid up (previous year 2,17,672 Equity Shares of Rs 10/- each)				
Gamma Green Power Private Limited				
20,28,250 Equity Shares of Rs 10/- each fully paid up (previous year 24,81,250 Equity Shares of Rs.10/- each)	202.83	239.05	248.13	289.90
B Non-Trade Investments - At cost				
Unquoted				
Investments in debentures or bonds				
Rural Electrification Corporation Ltd.				
Capital Gains Tax Exemption Bonds	-		50.00	
500 Numbers of Non Convertible Redeemable Taxable Bonds in the nature of debentures of Rs.10,000/- each				
National Highways Authority of India Ltd				
Capital Gains Tax Exemption Bonds				
317 Numbers of 54EC Capital Bonds in the nature of Rs 10,000/- each	31.70	31.70	31.70	81.70
		1,668.11		1,768.96

Notes on Accounts (Contd.)

	Rs. in Lakhs	
	As at 31.03.2014	As at 31.03.2013
15 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered good		
a) Advances for Capital goods	277.13	959.94
b) Security Deposits	581.01	574.72
c) Loans and advances due by an officer of the company	1.00	1.00
d) Minimum Alternate Tax credit entitlement	622.09	787.67
e) Other loans and advances		
Advances to employees	124.07	119.67
Export incentives receivable	13.10	497.26
Prepaid expenses	9.64	10.36
	<u>146.81</u>	<u>627.29</u>
	<u>1,628.04</u>	<u>2,950.62</u>
16 OTHER NON CURRENT ASSETS		
Unsecured - Considered good		
Trade Receivables	628.50	222.55



	Rs. in Lakhs	
	As at 31.03.2014	As at 31.03.2013
CURRENT ASSETS		
17 CURRENT INVESTMENTS		
Unquoted		
Investments in debentures or bonds (At cost)		
Rural Electrification Corporation Ltd		
Capital Gains Tax Exemption Bonds	50.00	50.00
500 Numbers of Non Convertible Redeemable Taxable Bonds in the nature of debentures of Rs.10,000/- each		
18 INVENTORIES - As certified by Managing Director		
a) Raw Materials	11,895.16	11,307.30
(includes Goods in Transit Rs.558.67 lakhs (previous year Rs.1320.69 lakhs))		
b) Work - in - Progress	4,859.73	3,968.01
c) Finished goods	1,831.00	1,924.21
d) Stores and Spares	3,287.98	2,886.20
(includes Goods in Transit Rs.9.48 lakhs (previous year Rs.10.51 lakhs))		
e) Loose tools	1,518.22	1,484.71
Refer to note no.32	<u>23,392.09</u>	<u>21,570.43</u>
19 TRADE RECEIVABLES		
Unsecured - Considered good		
a) Outstanding for a period exceeding six months from the date from which they are due for payment	708.66	900.04
b) Others	29,542.71	27,968.01
	<u>30,251.37</u>	<u>28,868.05</u>

Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2014	As at 31.03.2013	
20 CASH AND CASH EQUIVALENTS			
a) Balances with Banks			
i) Current Accounts	223.98	126.40	
ii) Fixed Deposits	30.43	16.00	
iii) Unclaimed Dividend Accounts	16.88	15.52	157.92
b) Cash on hand	8.07	9.11	
	<u>279.36</u>	<u>167.03</u>	
21 SHORT TERM LOANS AND ADVANCES			
Unsecured - Considered good			
a) Balance with Central Excise authorities	1,068.85	1,012.94	
b) Minimum Alternate Tax credit entitlement	-	116.00	
c) Others			
VAT receivable	56.31	69.45	
Advances to employees	304.71	283.26	
Export incentives receivable	1,105.86	1,034.49	
Advances to Vendors	521.99	400.31	
Prepaid expenses	666.77	361.71	
Sales tax refund receivable	152.49	217.78	
Other Advances	107.53	73.55	2,440.55
	<u>3,984.51</u>	<u>3,569.49</u>	
22 OTHER CURRENT ASSETS			
Interest accrued on deposits and investments	7.29	8.46	



Rs. in Lakhs

	As at 31.03.2014	As at 31.03.2013
23 CONTINGENT LIABILITIES AND COMMITMENTS		
i) Contingent Liabilities		
a) Bills discounted with Banks	10,766.53	9,400.81
b) Disputed amounts in respect of sales tax, service tax, customs duty and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs.4.63 lakhs (previous year Rs.11.96 lakhs) paid under protest appears under Long term Loans and Advances in the Balance Sheet)	122.28	115.31
c) Contingent Liability towards demand for enhanced compensation for Land at Bawal, Haryana not provided for	83.73	172.10
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	687.88	1,931.06

24 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS

The term loans and other loans are repayable over a period of 1 to 5 years as per the terms of agreement entered into with the Banks / others.

Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2013-14	2012-13
25 OTHER INCOME		
a) Interest on deposits and advances	150.70	174.44
b) Profit on sale of fixed assets (Net)	23.37	86.91
c) Other non-operating income	26.42	22.68
	<u>200.49</u>	<u>284.03</u>
26 RAW MATERIAL CONSUMPTION		
Raw Material	1,00,677.18	1,09,301.96
Components	21,347.48	20,354.57
	<u>1,22,024.66</u>	<u>1,29,656.53</u>
27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
a) Opening inventory of Finished Goods	1,924.21	1,890.48
Less: Closing inventory of Finished Goods	1,831.00	1,924.21
Net change in stock of Finished Goods	<u>93.21</u>	<u>(33.73)</u>
b) Opening inventory of Work - in - Progress	3,968.01	5,746.36
Less: Closing inventory of Work - in - Progress	4,859.73	3,968.01
Net change in stock of Work - in - Progress	<u>(891.72)</u>	<u>1,778.35</u>
Net change in Finished Goods and Work - in - Progress	<u>(798.51)</u>	<u>1,744.62</u>



Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2013-14	2012-13
28 EMPLOYEE BENEFIT EXPENSES		
a) Salaries, Wages, Bonus and Commission	16,553.70	15,442.97
b) Contribution to Provident and Other Funds	754.08	791.14
c) Staff Welfare expenses	1,846.98	1,727.42
	<u>19,154.76</u>	<u>17,961.53</u>
29 OTHER EXPENSES		
Consumption of Stores, tools and spare parts	6,484.08	6,504.55
Power and fuel	9,316.85	9,044.46
Rent including Lease Rent	635.97	601.15
Repairs to		
Buildings	638.12	620.65
Machinery	907.02	823.01
Insurance	359.87	310.85
Rates and taxes, excluding taxes on income	201.47	191.29
Directors sitting fees	5.35	5.35
Auditors' remuneration		
Statutory Audit	21.00	21.00
Taxation matters (includes Rs.3.00 lakhs for Tax Audit - Last year Rs.3.00 lakhs)	8.00	7.00
Company Law matters	-	1.00
VAT Audit fees	1.00	-
Certification fees	4.00	4.00
Reimbursement of expenses	5.82	6.00
Freight	<u>2,878.66</u>	<u>2,545.46</u>
Net Loss on foreign currency transactions and translation (other than exchange loss considered as finance cost)	162.79	2,317.07
Miscellaneous expenses	5,549.36	4,938.80
	<u>27,179.36</u>	<u>27,941.64</u>
30 FINANCE COSTS		
a) Interest expense	4,646.43	5,198.95
b) Interest on shortfall and other interests under Income Tax Act	1.16	(9.41)
c) Other borrowing costs	46.04	35.50
d) Net (gain)/Loss on foreign currency transactions and translation	841.29	324.36
	<u>5,534.92</u>	<u>5,549.40</u>

31 Imported and Indigenous Materials consumed

	2013-14		2012-13	
	% to total Consumption	Value	% to total Consumption	Value
a) Raw Materials				
i) Imported	8.63	8,689.97	10.42	11,393.78
ii) Indigenous	91.37	91,987.21	89.58	97,908.18
	<u>100.00</u>	<u>1,00,677.18</u>	<u>100.00</u>	<u>1,09,301.96</u>
Refer to note no.26				
b) Components				
i) Imported	2.15	458.26	3.35	681.44
ii) Indigenous	97.85	20,889.22	96.65	19,673.13
	<u>100.00</u>	<u>21,347.48</u>	<u>100.00</u>	<u>20,354.57</u>
Refer to note no. 26				
c) Stores and spares				
i) Imported	3.13	202.98	2.30	149.92
ii) Indigenous	96.87	6,281.10	97.70	6,354.63
	<u>100.00</u>	<u>6,484.08</u>	<u>100.00</u>	<u>6,504.55</u>
Refer to note no. 29				

32 Details of Sales, Raw Material Consumption and Inventories

Raw Material & Components	2013-14			2012-13		
	Consumption	Closing Stock	Opening Stock	Consumption	Closing Stock	Opening Stock
Steel	97,729.18	9,353.90	8,877.91	1,06,969.22	8,877.91	11,791.73
Aluminium	2,948.01	364.97	195.35	2,135.96	195.35	417.79
Bought-out components	19,582.00	2,023.77	2,098.35	19,455.95	2,098.35	2,407.81
Others	1,765.47	152.52	135.69	1,095.40	135.69	140.03
	<u>1,22,024.66</u>	<u>11,895.16</u>	<u>11,307.30</u>	<u>1,29,656.53</u>	<u>11307.30</u>	<u>14757.36</u>



Rs. in Lakhs

32 Details of Sales, Raw Material Consumption and Inventories (Contd.)

CLASS OF GOODS	2013-14					2012-13				
	Sales	Closing Stock Finished Goods	Opening Stock Finished Goods	Closing Stock Work in Progress	Opening Stock Work in Progress	Sales	Closing Stock Finished Goods	Opening Stock Finished Goods	Closing Stock Work in Progress	Opening Stock Work in Progress
Wheels for Commercial Vehicles, Passenger Cars, Utility vehicles, Tractors, Earthmoving and construction Equipments	1,51,071.44	1,707.12	1,716.21	4,227.65	3,528.69	1,60,147.76	1,716.21	1,772.54	3,528.69	5,605.09
Air Suspension	8,095.07	7.72	15.05	163.23	152.43	7,855.26	15.05	65.52	152.43	68.41
Others	6,500.88	116.16	192.95	468.85	286.89	6,056.24	192.95	52.42	286.89	72.86
	1,65,667.39	1,831.00	1,924.21	4,859.73	3,968.01	1,74,059.26	1,924.21	1,890.48	3,968.01	5,746.36

Refer to note no.18 and 26

Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2013-14	2012-13
33 Imports (CIF Value)		
i) Raw Materials	6,751.19	9,526.72
ii) Spare Parts	115.76	202.53
iii) Capital Goods	1,977.34	1,070.56
34 Expenditure in Foreign Currency		
i) Royalty and Know-how fees (Net of Tax)	334.83	315.66
ii) Commission	315.50	344.61
iii) Interest	277.53	317.49
iv) Others	436.37	359.64
35 Amount remitted in Foreign Currency towards Dividend		
i) Number of Non-Resident Shareholders	1	1
ii) Number of Shares held	41,18,640	35,44,470
iii) Dividend and years to which it relates		
- Interim Dividend 2013-14	164.74	
- Final Dividend 2012-13	333.61	
- Final Dividend 2011-12		212.67
36 Earnings in Foreign Exchange		
Exports (on FOB basis)	35,856.24	34,316.12
37 Earnings Per Share		
Net profit as per P& L account	2,840.98	3,187.64
Weighted Average Number of Shares	104,98,361	104,14,128
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	27.06	30.61
38 The Company has provided Excise duty on Stock of finished goods at the factory and included the same in the valuation of the said inventories. However this has got no impact on the profit for the year	95.42	92.12
39 The Company opted for accounting the exchange differences arising on reporting Foreign Currency Monetary Items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on AS11 notification dated 31st March, 2009 read with Notification dated 11th May, 2011 and Notification dated 29th December 2011 issued by the Ministry of Corporate Affairs.		

Consequently, Exchange differences relating to Long Term Foreign Currency Monetary Items (other than Fixed assets) amounting to Rs 153.39 Lakhs loss {net of amortization Rs 1,107.48 Lakhs} [Previous year Rs 409.72 Lakhs loss {net of amortization Rs 202.15 lakhs}] are adjusted to Foreign currency Monetary Translation Difference Account.



	Rs. in Lakhs	
	2013-14	2012-13
40 Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”		
Particulars		
a. Principal amount due to Suppliers under the Act	-	-
b. Interest accrued and due to Suppliers under the Act, on the above amount	-	-
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	238.51	243.54
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	2.43	20.93
f. Interest due and payable to suppliers under the Act, for payments already made	1.32	5.45
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	0.21	1.32

This information has been given in respect of such vendors to the extent they could be identified as ‘Micro, Small and Medium Enterprises’ on the basis of information available with the Company on which the Auditors have relied upon.

	Rs in Lakhs		
	2013-14	2012-13	2011-12
41 Expenditure incurred on Scientific Research and Development			
a) Revenue Expenditure	1,087.75	805.99	702.66
b) Capital Expenditure	471.94	56.75	86.47

42 Employee Benefits

The Company has followed the Accounting Standard 15 (AS-15 revised) “Employee Benefits”.

Brief Description of the plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity and Earned Leave Encashment. In case of funded schemes, the funds are recognized by the Income Tax Authorities and administered through trustees / Life Insurance Corporation of India. The Company’s defined contribution plans are Provident Fund and Employees Pension Scheme (under the provisions of the Employee’s Provident Funds and Miscellaneous Provisions Act, 1952) and Superannuation Fund. The Company has no further obligation beyond making the contributions.

In respect of the Employees Provident Fund Scheme, the interest payable by the trust to the beneficiaries as per the rate notified by the government is met by the trust with Contribution from the Company and hence the company has no obligations towards this interest contribution. The liability in respect of leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for accordingly.

Notes on Accounts (Contd.)

Disclosures for the Defined Benefit Plans based on Actuarial Reports as on 31/03/2014 are as under:

Rs. in Lakhs

	Gratuity (funded)		Leave Salary (Partly funded)	
	2013-14	2012-13	2013-14	2012-13
Change in defined benefit obligation				
Opening defined benefit obligation	1,651.76	1,441.20	378.20	359.18
Current service cost	114.50	96.16	84.75	164.22
Interest cost	132.14	115.29	26.00	28.73
Actuarial loss / (gain)	(5.86)	106.26	(8.85)	(72.50)
Benefits paid	(192.93)	(107.15)	(106.45)	(101.43)
Closing defined benefit obligation	1,699.61	1,651.76	373.65	378.20
Change in fair value of assets				
Opening fair value of plan assets	1,457.72	1,201.81	163.74	51.71
Expected return on plan assets	133.28	123.67	8.84	16.29
Actuarial gain / (Loss)	-	-	5.89	(4.26)
Contribution by employer	194.04	239.39	-	100.00
Benefits paid	(192.93)	(107.15)	-	-
Closing fair value of plan assets	1,592.11	1,457.72	178.47	163.74
Amount recognised in the Balance Sheet				
Present value of obligations at year end	1,699.61	1,651.76	373.65	378.20
Fair value of plan assets at year end	1,592.11	1,457.72	178.47	163.74
Amount now recognised as liability	(107.50)	(194.04)	(195.18)	(214.46)
Net (liability) / asset recognised as on 31st March	(107.50)	(194.04)	(195.18)	(214.46)
Expenses recognised in the Profit & Loss Statement				
Current Service cost	114.50	96.16	84.75	164.22
Interest on defined benefit obligation	132.14	115.29	26.00	28.73
Expected return on plan assets	(133.28)	(123.67)	(8.84)	(16.29)
Net actuarial loss / (gain) recognised in the current year	(5.86)	106.26	(14.74)	(68.24)
Expenses recognised in the Profit & Loss A/c	107.50	194.04	87.17	108.42
Principal actuarial assumptions used				
Discount rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (p.a)	8.00%	8.00%	8.00%	8.00%
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%



		Rs. in Lakhs	
		2013-14	2012-13
43	Borrowing costs in accordance with AS16 issued by ICAI		
	Borrowing costs capitalised during the year	284.98	332.52

44 Segment information for the year ended 31st March, 2014 in accordance with AS 17 issued by ICAI

(i) Primary segments:

Automotive components is the only reportable segment of the company

(ii) Revenue by Geographical Segment:

Rs. in Lakhs						
	2013-14			2012-13		
	India	Outside India	Total	India	Outside India	Total
External	1,46,465.02	35,850.22	1,82,315.24	1,58,084.53	34,299.85	1,92,384.38
Inter-Segment	-	-	-	-	-	-
Total	1,46,465.02	35,850.22	1,82,315.24	1,58,084.53	34,299.85	1,92,384.38
Carrying amount of segment assets	1,12,496.90	682.11	1,13,179.01	1,08,028.27	476.99	1,08,505.26
Additions to fixed assets	8,540.52	-	8,540.52	8,411.49	-	8,411.49

The geographical segments considered for disclosure are as follows:

Sales within India include Sales to customers located within India

Sales outside India include Sales to customers located outside India.

Notes on Accounts (Contd.)

45 Related Party disclosures in accordance with AS18 issued by ICAI

	Rs. in Lakhs			
	2013-14		2012-13	
Associates:				
T.V.Sundram Iyengar & Sons Ltd.				
Axles India Ltd.				
Titan Europe Plc., UK				
Sundaram Hydraulics Ltd.				
Key Managerial Personnel:				
Mr S Ram				
Mr Srivats Ram				
Nature of transactions				
Purchase of goods				
T.V.Sundram Iyengar & Sons Ltd.	0.10		-	
Axles India Limited	3.34		7.35	
Sundaram Hydraulics Limited	62.29	65.73	210.35	217.70
Sale of goods				
T.V.Sundram Iyengar & Sons Ltd.	1,921.40		2,264.53	
Axles India Limited	0.94		1.98	
Sundaram Hydraulics Limited	888.80	2,811.14	972.94	3,239.45
Rendering of Services				
Axles India Limited	7.42		4.25	
Sundaram Hydraulics Limited	25.56	32.98	31.25	35.50
Receiving of Services				
T.V.Sundram Iyengar & Sons Ltd.	17.32		11.76	
Axles India Limited	5.53		50.56	
Sundaram Hydraulics Limited	109.31	132.16	134.62	196.94
Trade advance paid				
Sundaram Hydraulics Limited		60.00		
Trade advance settled				
Sundaram Hydraulics Limited		60.00		
Dividend paid during the year				
T.V.Sundram Iyengar & Sons Ltd.	297.12		147.33	
Titan Europe Plc., UK	498.35	795.47	212.67	360.00
Dividend received during the year				
Axles India Limited		10.91		
		3,968.39		4,049.59
Balance due to us				
T.V.Sundram Iyengar & Sons Ltd.	252.80		188.29	
Sundaram Hydraulics Limited	1,539.98	1,792.78	1,228.65	1,416.94
Balance due from us				
T.V.Sundram Iyengar & Sons Ltd.	0.85		1.96	
Sundaram Hydraulics Limited	53.97	54.82	46.70	48.66



Notes on Accounts (Contd.)

Rs. in Lakhs

Key Managerial Personnel

	2013-14		2012-13	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
Remuneration, Perquisites and Commission	52.54	137.71	44.36	142.18
Interest on fixed deposits	12.03	44.06	11.03	40.11
Dividend paid during the year	-	0.90	-	0.45
Deposits balance outstanding	130.41	438.95	109.69	373.35
Commission outstanding	-	57.90	-	68.00

46 Disclosures relating to leases in accordance with AS19 issued by ICAI

	2013-14	2012-13
	Total Minimum Lease	Total Minimum Lease
Operating Lease		
As at Balance Sheet date	279.45	297.09
Not later than 1 year	103.82	95.46
Later than 1 year and not later than 5 years	175.63	201.62
Later than 5 years	-	-
Lease rentals paid during the year	112.80	97.23

47 Disclosure on Accounting for intangible assets in accordance with AS26 issued by ICAI

	2013-14	2012-13
	Computer software & Technical know how	
Refer to note no.12		
Gross carrying amount at the beginning of the year	1,378.43	1,220.31
Acquired during the year	82.16	158.12
Gross carrying amount at the end of the year	1,460.59	1,378.43
Gross amortisation at the beginning of the year	1,035.29	775.27
Amortised during the year	199.71	260.02
Gross amortisation at the end of the year	1,235.00	1,035.29
Net carrying amount at the beginning of the year	343.14	445.04
Net carrying amount at the end of the year	225.59	343.14

48 Derivative instruments

Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs.5,994.11 lakhs (Previous year - Rs.136.14 lakhs).

49 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

S RAM Chairman	S VIJI Director	SRIVATS RAM Managing Director	T K SESHADRI Director	As per our report attached For SUNDARAM & SRINIVASAN Chartered Accountants (Registration No: 004207S)
T S VIJAYARAGHAVAN Director	S PRASAD Director	AROON RAMAN Director	S SRIVATHSAN Secretary	
				K SRINIVASAN Partner Membership No. 5809

Chennai
16th May, 2014

**Cash Flow Statement in accordance with AS3 issued by ICAI
Annexed to the Balance Sheet for the year ended 31st March, 2014**

Rs. in Lakhs

A	2013-14	2012-13
Cash Flow from Operating Activities:		
Net Profit before Tax and extraordinary items	3,886.39	4,455.37
Adjustment for:		
Depreciation	5,534.15	5,359.32
(Profit) / Loss on sale of assets (net)	(23.37)	(86.91)
Loss on obsolescence	290.37	34.54
Effect of Exchange Rate Change	(249.11)	(92.31)
Interest income	(150.70)	(174.44)
Lease Liabilities	135.15	115.29
Dividend Received	(10.91)	-
Finance costs	5,534.92	5,549.40
	<u>11,060.50</u>	<u>10,704.89</u>
Operating profit before working capital changes	14,946.89	15,160.26
Adjustments for:		
Receivables and advances	(948.17)	1,924.42
Foreign Currency Monetary Items		
Translation Difference account	256.33	(276.42)
Inventories	(1,821.66)	4,590.87
Payables	2,657.29	(5,476.84)
	<u>143.79</u>	<u>762.03</u>
Cash generated from operations	15,090.68	15,922.29
Taxes paid	(449.74)	(1,134.19)
Cash flow before extraordinary items	14,640.94	14,788.10
Net Cash from operating activities (A)	<u>14,640.94</u>	<u>14,788.10</u>
B Cash Flow from Investing Activities		
Purchase of fixed assets	(7,838.04)	(10,741.33)
Purchase of Investments	-	(31.70)
Sale of Investments	100.85	80.00
Sale of fixed assets	76.82	105.89
Interest received	151.87	174.09
Net cash used in investing activities (B)	<u>(7,508.50)</u>	<u>(10,413.05)</u>
C Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	2,526.08	9,358.86
Repayment of Long Term Borrowings	(11,499.45)	(5,009.58)
Repayment of Lease liabilities	(135.15)	(115.29)
Proceeds Share Capital Right Issue	8,651.35	
Share Issue Expenses	(222.18)	
Proceeds from Short Term Borrowings	-	-
Repayment of Short Term Borrowings	-	-
Increase in working capital	626.46	(2,407.70)
Dividend received	10.91	
Finance costs	(5,580.97)	(5,467.43)
Dividend paid	(1,194.21)	(592.17)
Dividend tax paid	(202.95)	(96.06)
Net cash used in Financing activities (C)	<u>(7,020.11)</u>	<u>(4,329.37)</u>
Net increase in cash and cash equivalents (A+B+C)	112.33	45.68
Cash and cash equivalents at the beginning of the year	167.03	121.35
Cash and cash equivalents at the end of the year	279.36	167.03

S SRIVATHSAN
Secretary

SRIVATS RAM
Managing Director

S RAM
Chairman

As per our report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No: 004207S)
K SRINIVASAN
Partner
Membership No. 5809

Chennai
16th May, 2014