

WHEELS INDIA LIMITED



57th ANNUAL REPORT 2015-2016



WHEELS INDIA LIMITED

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

Website Address : www.wheelsindia.com

CORPORATE IDENTITY NUMBER : L35921TN1960PLC004175

57TH 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 CENTRE,
BAWAL 123 501, REWARI DISTRICT, HARYANA
- SRIPERUMBUDUR 602 105
KANCHIPURAM DISTRICT, TAMIL NADU
- PLOT NO. 56, SECTOR 11
INTEGRATED INDUSTRIAL ESTATE,
PANTNAGAR 263 153, UDHAM SINGH NAGAR
UTTARAKHAND
- PLOT NO. D 3, DEOLI GROWTH CENTRE
DEOLI MIDC, TALUKA DEOLI 442 101,
WARDHA DISTRICT, MAHARASHTRA
- DP NO 70 (P), SURVEY NO 214 (P),
SIDCO INDUSTRIAL ESTATE, THIRUMUDIVAKKAM
CHENNAI - 600 044. TAMIL NADU.
- F8 & F9 SIPCOT INDUSTRIAL PARK,
IRUNGATTUKOTTAI, SRIPERUMBUDUR 602105,
KANCHEEPURAM DIST, TAMIL NADU
- SURVEY NO 152/3, SRIPERUMBUDUR THIRUVALLUR
ROAD, THODUKADU VILLAGE & POST 602105,
THIRUVALLUR TALUK & DISTRICT

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 | |
| SRIVATS RAM | Managing Director |
| S PRASAD | |
| T S VIJAYARAGHAVAN | |
| AROON RAMAN | |
| B SANTHANAM | |
| CHRISTOPHER M B AKERS | |
| BHARATI RAO | |
| PAUL G REITZ | |

AUDIT COMMITTEE

| | |
|--------------------|----------|
| S PRASAD | Chairman |
| S VIJI | |
| T S VIJAYARAGHAVAN | |
| AROON RAMAN | |

STAKEHOLDERS RELATIONSHIP COMMITTEE

| | |
|----------|----------|
| S VIJI | Chairman |
| S RAM | |
| S PRASAD | |

NOMINATION & REMUNERATION COMMITTEE

| | |
|--------------------|----------|
| S PRASAD | Chairman |
| AROON RAMAN | |
| 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 Crores

| | 31.03.16 | 31.03.15 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Operating Results | | | | | | | | | | |
| Operating revenue (including other income) | 2,018.13 | 1,982.54 | 1,825.16 | 1,927.34 | 2,079.83 | 1,703.36 | 1,253.00 | 1,166.01 | 1,147.81 | 1,015.62 |
| Earnings Profit before Interest Depreciation and Tax | 174.36 | 152.75 | 149.55 | 153.64 | 165.98 | 132.28 | 91.16 | 109.97 | 101.70 | 85.93 |
| Depreciation | 60.45 | 54.14 | 55.34 | 53.59 | 50.47 | 46.08 | 33.16 | 33.79 | 31.27 | 26.72 |
| Earnings before Finance costs and Tax | 113.91 | 98.61 | 94.21 | 100.05 | 115.51 | 86.20 | 58.00 | 76.18 | 70.43 | 59.21 |
| Finance costs* | 57.58 | 59.07 | 55.35 | 55.50 | 61.35 | 53.62 | 37.77 | 46.76 | 30.69 | 20.52 |
| Profit before tax | 56.33 | 39.54 | 38.86 | 44.55 | 54.16 | 32.58 | 20.23 | 29.42 | 39.74 | 38.69 |
| Financial Position | | | | | | | | | | |
| Equity Share capital | 12.03 | 12.03 | 12.03 | 9.87 | 9.87 | 9.87 | 9.87 | 9.87 | 9.87 | 9.87 |
| Reserves and Surplus | 396.13 | 369.03 | 351.55 | 248.98 | 230.56 | 207.68 | 190.50 | 182.72 | 167.81 | 150.03 |
| Shareholders' equity | 408.16 | 381.06 | 363.58 | 258.85 | 240.43 | 217.55 | 200.37 | 192.59 | 177.68 | 159.90 |
| Borrowings | 386.13 | 389.23 | 331.66 | 419.57 | 387.68 | 329.75 | 374.02 | 381.95 | 287.36 | 239.93 |
| Gross block** | 1,123.22 | 1,054.67 | 989.07 | 922.93 | 816.68 | 759.47 | 710.64 | 655.40 | 551.85 | 446.44 |
| Net block** | 535.15 | 522.04 | 512.89 | 493.30 | 440.01 | 429.51 | 426.23 | 402.37 | 331.13 | 254.44 |
| Dividend - Amount | 10.83 | 9.03 | 9.01 | 7.99 | 9.87 | 6.41 | 4.44 | 5.43 | 6.91 | 6.41 |
| Per Equity Share (Rs.) | | | | | | | | | | |
| Dividend | 9.00 | 7.50 | 8.20 | 8.10 | 10.00 | 6.50 | 4.50 | 5.50 | 7.00 | 6.50 |
| Book Value Per Share | 339.22 | 316.70 | 302.17 | 262.27 | 243.61 | 220.43 | 203.02 | 195.14 | 180.03 | 162.02 |
| Earning Per Share | 33.24 | 24.72 | 27.06 | 30.61 | 34.80 | 24.96 | 13.12 | 21.43 | 26.20 | 26.37 |

* As per revised Schedule VI of Companies Act 1956 from 31.3.11 and Schedules III of Companies Act 2013 from 31.03.15

** Includes Capital Work-in-Progress

Notice to the Shareholders

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of the Shareholders of the Company will be held on Wednesday August 10, 2016, at 11.00 A.M. at "The Music Academy", 168 (Old No.306), T T K Road, Chennai 600014, 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 Financial Statements, including the Consolidated Financial Statements, of the Company for the year ended 31st March 2016 and the Board's and Auditors' Reports thereon, be and are hereby 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. 3.50 (35%) per equity share of Rs 10/- each, already paid on the paid-up capital of the Company amounting to Rs.4,21,12,976.50 be and is hereby confirmed and recorded.

RESOLVED FURTHER THAT, as recommended by the Directors, a Final dividend of Rs 5.50 per share (55%) on the paid-up capital consisting of 1,20,32,279 equity shares, absorbing Rs. 6,61,77,534.50 (Rupees Six crore sixty one lakhs seventy seven thousand five hundred and thirty four and fifty paise only), be approved and the same is hereby declared payable for the year ended 31st March, 2016 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 S Ram (DIN 00018309), 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.

4. 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. 32.00 lakhs (excluding service tax and reimbursement of out of pocket expenses).

SPECIAL BUSINESS:

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

RESOLVED THAT Mr S Ram (DIN 18309) appointed and designated as Chairman, who has been re-elected as a Director of the Company liable for retirement by rotation be paid a remuneration as detailed below:-

Commission not exceeding 1% of the net profits of the Company as may be decided by the Nomination and Remuneration Committee. Sitting fees for attending Meetings of Board / Committees.

Perquisites – Company car with driver and telephone facility.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised 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.



6. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, M/s. Geeyes and Co, Cost and Management Accountants, firm Registration Number 00044 appointed by the Board of Directors of the Company, to conduct the

audit of the cost records of the Company for the financial year ending 31st March 2017, be paid a remuneration of Rs 7.00 lakhs (Rupees Seven Lakhs only) per annum excluding service tax and travel and reimbursement of out-of-pocket expenses.

Regd. Office:
21, Patullos Road
Chennai 600 002
Date: 25.5.2016

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 authorised representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorising 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 1.8.2016 to 10.8.2016 (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 10.8.2016. 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.

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7. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, as amended, dividend declared for the financial year ended 2008-09 from the date of declaration of dividend 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. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, remote e-voting facility have been provided to the members. The facility for voting either through electronic voting system or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- Members intending to vote at the venue are requested to bring their photo identity card.
9. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means , the time schedule including the time period during which the votes may be cast by remote e-voting, the details if the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders.
10. The Board of Directors has appointed Mr N.Ramanathan Partner, M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the 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 7.8.2016 (9:00 AM) and end on 9.8.2016 (5:00 P.M.).
11. 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 03.08.2016 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.
12. The procedure and instructions for e-voting is furnished in this notice as a separate annexure. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the e-voting will be announced by the Company on its website – www.wheelsindia.com within two days of the Annual General Meeting.



Annexure to the Notice

Explanatory Statement under Section 102 of the Companies Act, 2013

SPECIAL BUSINESS

Item No 5

At the Annual General Meeting (AGM) held on 8.9.2014 the shareholders approved the appointment of Mr. S Ram, as Whole-time Executive Chairman liable to retire by rotation. At the AGM held on 13.8.2015 the shareholders approved the appointment of Mr. S Ram, as Non-Executive Chairman with effect from 1.9.2015 liable to retire by rotation and approved payment of commission and other remuneration as detailed in the said resolution.

Mr S Ram is retiring by rotation at this AGM and is seeking reappointment. Approval is sought by way of Special Resolution for the payment of remuneration to him as detailed in the Notice convening this AGM. A brief profile of Mr. S Ram, as required to be given pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been given in the Corporate Governance report forming part of the Directors Report. Accordingly the resolution contained require the consent of the Members. Mr S Ram is interested in this resolution to the extent of remuneration payable to him. Mr S Viji (DIN 139043), Director, Mr Srivats Ram (DIN 63415), Managing Director are related to Mr. S Ram and 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 6

The Board, on the recommendations of the Audit Committee, has approved the appointment of the Cost Auditors, M/s. Geeyes & Co, Cost and Management Accountants, at a remuneration of Rs. 7.00 lakhs (Rupees Seven Lakhs only) per annum plus travel and reimbursement of out of pocket expenses, at actuals, to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2017.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing the resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017. The Board recommends the resolution set forth in the Notice for the approval of the Members. None of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Regd. Office:
21, Patullos Road
Chennai 600 002
Date: 25.5.2016

By Order of the Board
S Srivathsan
Chief Financial Officer
& Secretary

Directors' Report to the Shareholders

Your Directors present their Fifty Seventh Annual report and the Audited Accounts of your Company for the year ended March 31, 2016.

Performance

Sales for the year under review were Rs, 1,981 crores compared to Rs. 1,944 crores in the last year showing an increase of 2% when compared with the previous year.

Financial Results

The financial results of your Company for the year under review are as below:

| | (Rs in Crores) | |
|---|----------------|---------|
| | 2015-16 | 2014-15 |
| Gross profit before finance cost and depreciation | 174.36 | 152.75 |
| Finance Costs | 57.58 | 59.07 |
| Depreciation | 60.45 | 54.14 |
| Profit before tax for the year | 56.33 | 39.54 |
| Profit after tax for the year | 39.99 | 29.74 |
| Transfer to General Reserve | 25.00 | 18.00 |

Dividend and transfer to General Reserve

The Board approved an Interim Dividend of Rs 3.50 per equity share (35%) in February 2016, which was paid to the shareholders in March 2016.

Your Directors are pleased to recommend a final dividend of Rs. 5.50 per equity share (55%) for the year ended 31st March, 2016. The final dividend recommended, if approved at the 57th 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. 10.83 crores and dividend distribution tax of Rs 2.21 crores.

The Company proposes to transfer an amount of Rs 25 crores to the General Reserves. An amount of Rs. 11.58 crores is proposed to be retained in the Statement of Profit and Loss.

Management Discussion and Analysis

In 2015, the global economy was estimated to have grown at 3.1%. The year was characterised by low commodity prices and a resilient US economy tempering the effect of a slowdown in China. The Indian economy is estimated to have grown at 7.6% in 2015-16, compared to 7.2% in the previous year. The services sector continued to be the major driver for India's GDP growth, with manufacturing and agricultural sectors remaining relatively flat. Inflation remained under control with declines in both the Consumer Price Index and the Wholesale Price Index. The country's economic fundamentals strengthened with a narrowing current account deficit.

The India vehicle industry saw 28% growth in the medium and heavy commercial vehicle segment, following healthy growth in the previous year. The replacement of vehicles were in full swing with lower fuel prices, phased introduction of BS IV norms, resumption of mining activity, and an acceleration of road building activity in the latter part of the year. While the demand was essentially replacement demand there were segments that saw growth due to an upswing of economic activity in pockets of industry.

The demand for light commercial vehicles tends to lag the demand for medium and heavy commercial vehicles through business cycles. The latter part of the last financial year, saw the replacement cycle in this segment kick in, resulting in a 10% growth in the segment. The small commercial vehicle segment which has declined over the last few years, saw a bottoming out and demand there has marginally increased.

The passenger vehicle segment saw a 7% growth with the two leading manufacturers consolidating their market positions with new products. The year was characterised by the noticeable shift towards petrol



vehicles as the cost differential between petrol and diesel narrowed, and as the Supreme Court banned sale of diesel vehicles in the NCR. The demand for steel wheels was further affected by alloy wheel fitment on passenger vehicles crossing 22%.

The tractor segment declined by 9% as we had another year of sub-optimal and erratic monsoons and weak commodity prices. There was significant agrarian distress that badly affected the rural economy. The low international commodity prices affected the tractor industry globally as production volumes dropped at all major customers.

The global earthmoving and mining equipment business declined governed by low commodity prices and low economic activity in key markets. The majority of your company's production of wheels for this industry segment is for export markets. In India, while the prospects for both construction and mining equipment remain positive, the actual domestic production remained flat.

The demand for buses with air suspension system remained flat in the current year, due to limited central government fund allocation. We continue to service the spares for the growing fleet of vehicles fitted with our air suspension systems. Your company started manufacturing of lift axle air suspension systems, and this segment grew in line with the growth in the heavier tonnage trucks.

The thermal power equipment market continued to struggle due to the financial stress in the sector. However, the wind equipment segment continued to grow and your Company continues to increase the number of different components and customers we service in this segment.

The year saw low commodity prices with a double digit reduction in steel cost over the year which reflected in lower wheel prices. The reduction in steel scrap rates was significantly more than the raw material cost reduction, adversely affecting the Company's profitability.

In terms of value, there was only a marginal sales growth in the year under review, due to the deflationary effect of lower commodity prices. There was a decent volume growth especially in the commercial vehicle segment, which more than offset the decline in other segments. The energy component business of your company also showed strong growth driven by growth in the windmill installations in the country.

In the commercial vehicle segment, the growth allowed your company to better utilise capacities, as we grew our wheel production in line with the small, medium and heavy commercial vehicle growth. In the light commercial vehicle segment, we were able to ramp up our production and increase our penetration in this segment. In the passenger car segment, with the increased aluminium wheel fitment, we saw a marginal decline in demand for your Company's steel wheels. There was decline in the tractor market due to the stress in the agrarian economy.

In the construction and mining equipment segment, in spite of widening product portfolio, your Company's sales followed the decline of these segments globally. This segment along with the decline in the agricultural tractor market overseas, resulted in your Company's exports declining for the first time in this decade.

While low capacity utilisation in the tractor and passenger car wheel market continue to affect profitability, there was a significant improvement on this front in the commercial vehicle wheel segment.

The year under review saw the company continue to exercise tight controls over major costs, through its structured cost review process. There was a continued focus on safety and quality at your Company's manufacturing plants. In recognition of its performance, your Company received customer awards from Caterpillar, Daimler, Hyundai, TAFE, Mahindra & Mahindra, Toyota Kirloskar and General Motors.

In the coming year, the economic survey tabled in the Parliament projected GDP growth at only marginally

higher than the last financial year, with a normal monsoon coupled with a gentle cyclical upswing in the economy. We expect the commercial vehicle market to continue to grow healthily, albeit at a lower rate than the last year due to a base effect. There is also expected to be some growth in road-building, resulting in domestic demand for both tippers and construction equipments. This will ensure that there is some growth in the construction wheel business of your Company, in the coming year, despite continued negative sentiment in this segment globally.

The expected normal monsoons should help fuel the agrarian economy towards the latter part of the coming year. This should help fuel some growth in agricultural tractors, after two successive years of decline. Your company also expects some growth in exports in the coming year, with a base effect in the off-highway segments, and growth projected in the forged aluminium truck wheel business. The air suspension business will grow largely due to the effect of full year volumes in the lift air suspension business. The prospects for the energy component business is expected to remain strong with increased windmill installations in the country, following a renewable energy friendly environment.

The challenges for your Company in addition to ramping up in a timely manner to meet the expected increase in commercial vehicle wheels, especially towards the end of the year, prior to the April 2017 BS IV deadline, is the expected steel price increases fuelled by changes in import policy. The government towards the end of the last financial year put in place a minimum import price and a safeguard duty on import of steel. The government policy towards protecting the steel industry is likely to continue in the coming year. While your Company will work on recovering these cost increases from customers, it will strain the working capital requirements in the coming year.

Fixed Deposits

As at 31st March, 2016, fixed deposits accepted by the Company from public and shareholders aggregated to

Rs 97.35 crores, which are within the limits prescribed under the Companies Act, 2013 ("2013 Act") and the rules framed thereunder.

The provisions of the 2013 Act also mandate that any Company inviting/ accepting/ renewing deposits is required to obtain Credit Rating from a recognised credit rating agency. Your Company has obtained a credit rating for its fixed deposits from ICRA.

The details relating to deposits covered under Chapter V of the 2013 Act are given in Annexure I forming part of this Report.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the 2013 Act. The details of the investments made by Company are given in the notes to the financial statements.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the 2013 Act, the consolidated financial statements drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report.

In accordance with the provisions of Section 136 of the 2013 Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements will be available on our website www.wheelsindia.com. These documents will also be available for inspection during business hours at the registered office of the Company.

A statement containing the salient features of the financial statements of the Associate Company is provided in Form AOC1, vide Annexure II of this report. During the year under review Sundaram Hydraulics Limited ceased to be an Associate of your Company

Directors

Under Article 94(3) of the Company, Mr S Ram (DIN00018309) retires by rotation and being eligible,



offers himself for re-election. Brief resume of the Director proposed to be appointed along with additional information pursuant to SEBI (Listing Obligations & Disclosure Requirements Regulations) 2015 ("SEBI LODR") is given in the Corporate Governance Report.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the 2013 Act.

Board Evaluation

Pursuant to the provisions of Section 134(3)(p), Section 149(8) and Schedule IV of the 2013 Act, SEBI LODR Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board have been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors. The criteria and manner in which the evaluation has been carried out are provided in Annexure I forming part of this Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on appointment and remuneration including criteria for determining qualifications, positive attributes and independence are provided in the Corporate Governance Report forming part of this Report. The policy is given as Annexure III forming part of this Report

Corporate Social Responsibility

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken various projects in accordance with Schedule VII of the 2013 Act.

The Board of Directors of your Company constituted the CSR Committee to help the Company to frame, monitor and execute the CSR activities. The Board of your Company has further approved the CSR Policy of the Company to provide guidelines for CSR activities of the Company. The Committee defines the parameters and observes them for effective discharge of the social responsibility of your Company.

Your Company has fulfilled its obligation towards CSR by spending a sum of Rs 83.77 lakhs during the year. The constitution of the CSR Committee and the report as required under the 2013 Act, are provided in Annexure IV, forming part of this Report.

Risk Management, Internal Financial Control Systems and Audit

Your Company has implemented a mechanism for risk management and has formulated a Risk Management Policy. The Policy provides for identification of risks and mitigation measures. The Audit committee is informed on the risk assessment and minimisation mechanism adopted by the Company.

As part of the compliance initiatives your Company has started the process of implementing IT based Governance, Risk and Compliance (GRC) software across its multiple locations. The Project has multiple phases covering risks & compliance across manufacturing, finance, logistics and IT processes. The benefits of implementing GRC is multi fold and management has clear insights on the various practices and improvements in different divisions of business

Your Company maintains an adequate and effective Internal Control System commensurate with its size. The Internal Control System provides a reasonable assurance to the effect that the transactions are executed with the authorisations and are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets are secured and safeguarded against any misuse or loss. The internal

control system is supplemented through an extensive internal audit programme and periodic review by the Management and Audit Committee. The Company has in place adequate internal financial controls and during the year, such controls were tested and no reportable material weakness was observed.

Vigil Mechanism / Whistle Blower Policy

In accordance with the requirements of the 2013 Act, your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees to report genuine concerns. The said Policy meets the requirement of the Vigil Mechanism framework under the 2013 Act, and the members can view the details of the policy on www.wheelsindia.com

Director's Responsibility Statement

The Directors acknowledges their responsibility of ensuring compliance with the provisions of Section 134(3)(c) of the 2013 Act. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the 2013 Act :

- a. that in the preparation of the annual financial statements the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the financial statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other

irregularities;

- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that proper systems are in place so as to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Related Party Transactions

The Company has formulated a policy on related party transactions and the same is uploaded on the Company's website www.wheelsindia.com.

All Related Party transactions that were entered into by the Company during the financial year 2015-16, were in compliance of Section 188 of the 2013 Act and the Rules framed thereunder . There are no "Material" contracts or arrangement or transactions at arm's length basis and hence disclosure in form AOC-2 is not required.

All Related Party transactions were placed before the Audit Committee for their prior approval in accordance with the requirements of the SEBI LODR. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

There are no materially significant related party transactions made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual



calendar of the Board and Committee Meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

Resolution passed by Circulation: In case of special and urgent business need, the approval of the Board/ Committee is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent meeting. The details of the meetings of the Board as well as the Committees are disclosed in the Corporate Governance Report, forming part of this Report.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. There are no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Employees and details of Remuneration

In accordance with the provisions of the first proviso to section 136(1) of the Act, the Directors' Report is being sent to all the shareholders of the Company excluding the statement prescribed under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said statement is available for inspection by the members at Registered Office during office hours till the date of Annual General Meeting.

The information required pursuant to Section 197 of the 2013 Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in Annexure V forming part of this report.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the above Act.

Corporate Governance

In pursuance to SEBI LODR, Corporate Governance Report is given in Annexure VI and forms part of this Report.

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Fifty Seventh Annual General Meeting and are eligible for re-appointment. The Company has received necessary certificate from the Auditors under Sections 139 and 141 of the 2013 Act, to the effect that they satisfy the conditions under the 2013 Act and the rules made thereunder for the above appointment. The Directors recommend their re-appointment.

As required under the SEBI LODR, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Audit

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Audit and Record) Rules 2014, the cost records and the accounts maintained by the Company are required to be audited. Your Company has appointed M/s. Geeyes and Co, Cost and Management Accountants to audit the cost records and the accounts maintained by the Company for the financial year ended 31.3.2016. The report of the said Cost Auditor will be filed with the Central Government in accordance with the rules framed thereunder.

Secretarial Audit

Pursuant to the provisions of Section 204 of the 2013 Act and the rules framed thereunder, the Company appointed M/s. S Dhanapal & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in Annexure VII and forms part of this Report.

Comments on Auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in Practice in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Safety

Having embarked on a journey to transform the safety culture and practices of the Company in consultation with DuPont, the year saw a consolidation of the good work practices and ethics towards safety culture.

Employees have been encouraged to practice safety in all their activities in and out of company premises. Continuous safety training is conducted at all levels and special emphasis is given to implementation of safety work standards. Company also rewards best safety performers, from different groups of employees regularly. By all these, a significant change in the

mind set of employees towards better safe work environment is cultivated

Extract of Annual Return

The details forming part of the extract of the Annual Return in Annexure VIII forms part of this Report

General

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the 2013 Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are enclosed as Annexure IX and forms part of this report. The Directors wish to thank United Bank of India, State Bank of India, Standard Chartered Bank, HDFC Bank, other Banks and financial institutions 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 their 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
May 25, 2016

S Ram
Chairman
DIN 00018309



Annexure I

Deposits

The details relating to Deposits covered under Chapter V of the 2013 Act are given below:- Rs in crores

| | |
|--|-------|
| Accepted during the year | 41.70 |
| Remained unpaid or unclaimed as at the end of the year | 0.50 |
| Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved | |
| (i) at the beginning of the year; | Nil |
| (ii) maximum during the year; | Nil |
| (iii) at the end of the year; | Nil |
| The details of deposits which are not in compliance with the requirements of Chapter V of the 2013 Act | Nil |

Board Evaluation

The criteria for evaluation were in accordance with the Nomination & Remuneration Policy adopted by the Company. The evaluation was carried out taking into account the following:-

Composition of the Board and availability of multi-disciplinary skills, commitment to good corporate governance practices, adherence to regulatory compliance, grievance redressal mechanism, track record of financial performance, existence of integrated risk management system, use of modern technology, commitment to corporate social responsibility.

In addition to the above the following were also considered:- Qualifications & experience, leadership qualities, standard of integrity, understanding of macro & micro economic and industry trends, public relations, future vision and innovation, Attendance in Board meetings/ Annual General Meeting, understanding of Company's business value addition in Board Meetings and other parameters mentioned in the Policy.

Annexure II Form No. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

| | | |
|--|--|----------------|
| 1 | Sl. No. | Not Applicable |
| 2 | Name of the subsidiary | |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | |
| 5 | Share capital | |
| 6 | Reserves & surplus | |
| 7 | Total assets | |
| 8 | Total Liabilities | |
| 9 | Investments | |
| 10 | Turnover | |
| 11 | Profit before taxation | |
| 12 | Provision for taxation | |
| 13 | Profit after taxation | |
| 14 | Proposed Dividend | |
| 15 | % of shareholding | |
| Notes: The following information shall be furnished at the end of the statement: | | |
| 1. Names of subsidiaries which are yet to commence operations | | |
| 2. Names of subsidiaries which have been liquidated or sold during the year. | | |

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

| | Name of Associates / Joint Ventures | Axles India Limited CIN U27209TN1981PLC008630 |
|---|--|---|
| 1 | Latest audited Balance Sheet Date | 31.3.2015 |
| 2 | Shares of Associate/Joint Ventures held by the Company on the year end | |
| | Number | 24,24,661 |
| | Amount of Investment in Associates/Joint Venture | Rs 2.72 crores |
| | Extend of Holding % | 9.51% |
| 3 | Description of how there is significant influence | By virtue of Articles of Association of Axles India Limited |
| 4 | Reason why the Associate/Joint Venture is not consolidated | Not Applicable |
| 5 | Net worth attributable to Shareholding as per latest audited Balance Sheet | Rs 6.63 crores |
| 6 | Profit / Loss for the year 2015-16** | Net profit Rs 11.94 crores |
| | i. Considered in Consolidation | Net profit Rs 1.14 crores |
| | ii Not Considered in Consolidation | – |

** considered on the basis of unaudited financial statements / details

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

S Ram
Chairman

Srivats Ram
Managing Director

S Prasad
Director

For **Sundaram & Srinivasan**
Chartered Accountants
Registration Number 004207S

S Srivathsan
Chief Financial Officer & Secretary

K Srinivasan
Partner
Membership No:5809

Chennai
May 25, 2016

Annexure III - Nomination and Remuneration Policy

Preamble

The Company strongly believes that human resources which manage the other resources have infinite potential, and therefore, their development is the key to organisational effectiveness. We commit ourselves to integrate human resources with Organisational growth and development for mutual benefit.

Scope

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 and other applicable provisions of the Companies Act 2013 read

with the applicable rules thereto and the provisions of the Listing Agreement.

Objective

- To laydown criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management
- To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- To formulate criteria for determining qualification, positive attributes and independence of a Director.



Definitions

“Key Managerial Personnel”, in relation to a company, means (i) the Chief Executive Officer or the managing director or the manager; (ii) the whole-time director; (iii) the Chief Financial Officer; (iv) the company secretary and (v) such other officer as may be prescribed under the Companies Act 2013.

Senior Management: - means executives of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Policy:

The role of the committee shall be in accordance with the provisions of the Listing Agreement and the Companies Act 2013 and the Rules framed thereunder. The Nomination & Remuneration Committee (“Committee”) constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person is sufficient for such position.

A. Appointment

Appointment and Remuneration - Executive Directors

The appointment, payment of remuneration to the Executive Directors shall be in accordance with the provisions of the Companies Act 2013 (as amended from time to time) read with the applicable Rules framed under the Companies Act 2013.

Independent Directors

An independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management sales, marketing, administration , research , corporate governance, technical operations or other disciplines related to the company’s business and such other related areas as the Nomination & Remuneration Committee may its absolute discretion deem fit.

KMP, Senior Management and other Employees

The Company has an organisational chart displaying the position of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the company is to match the requirements prescribed in the organisational chart of the Company.

B. Remuneration

Remuneration of the Directors, KMPs shall be based on and taking in to account the following:-

- Scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company’s performance
- Legal and Industrial Obligations
- Other parameters as the Company may decide from time to time

The power to decide structure of remuneration for Senior Management and other employees has been delegated to the Human Resources Department of the Company.

C. Evaluation

Executive Directors and Non-Executive Directors

The performance of the Board as a whole, of its committees, and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

The results of board evaluation shall remain confidential between the Chairman and Directors concerned. The evaluation process will be used constructively as a mechanism to improve board effectiveness and maximize strengths.

Independent Directors

The same will be in accordance with Section 149 of the Companies Act 2013 read with Schedule IV to the said Act, the rules framed thereunder under the Act. The

performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

KMPs, and Senior Management

The criteria will be in accordance with the HR guidelines as applicable to the company from time to time.

Other Employees

The power to decide criteria for evaluation of other employees has been delegated to Human Resource department of the company.

D. Deviation from this policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in interest of the company, will be made if there are specific reasons to do so in individual cases.

Criteria for Evaluation

Criteria for Evaluation of the Board and Non-Independent Directors at a separate meeting of the Independent Directors

- a) Composition of the Board and availability of multi-disciplinary skills
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make the company a pioneer in its area of operations.
- b) Commitment to good corporate governance practices
 1. Whether the company practises high ethical and moral standards
 2. Whether the company is fair and transparent in all its dealings with stake holders
- c) Adherence to regulatory compliance
Whether the company adheres to the various government regulations, local, state and central in time.
- d) Track record of financial performance
Whether the company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value. Whether the company is transparent in all its disclosures on financial data
- e) Grievance redressal mechanism
Whether a proper system is in place to attend to the complaints/ grievances from the shareholders, depositors, customers , employees and others quickly and fairly.
- f) Existence of integrated Risk Management system: Whether the company has an integrated risk management system to cover the business risks
- g) Use of modern technology
Whether the company has a system for

periodical technology up-gradation in respect of IT hardware/software, production processes and engineering, designing capabilities, innovation and increasing its technology deployment to meet the requirements of its customers in various industry segments.

- h) Commitment to CSR
Whether the company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities

Criteria for evaluation of Chairman at separate meeting of Independent Directors

- a) Leadership qualities
- b) Standard of integrity
- c) Understanding of Macro & micro economic and industry trends
- d) Public relations
- e) Future vision and innovation

Criteria for evaluation of Independent Directors by the entire Board

- a) Qualifications & experience
- b) Standards of integrity
- c) Attendance in Board Meetings/ AGM
- d) Understanding of Company's business
- e) Value addition in Board Meetings

Criteria for evaluation of the Audit committee by the Board

- a) Qualification Experience of members
- b) Depth of review of financial performance
- c) Overview of Audit & inspection
- d) Review of regulatory compliance
- e) Fraud monitoring



Annexure IV

Annual Report on CSR Activities for the Financial Year 2015-16

| | | |
|---|--|--|
| 1 | A brief outline of the Company's CSR policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | The CSR activities carried out by the Company are in accordance with the Policy, as laid down and approved by the Committee, duly approved by the Board. The CSR policy is available on the Company's website and Web-link is: http://wheelsindia.com/pdf/CSR-policy.pdf |
| 2 | The Composition of the CSR Committee | The Committee has Mr Srivats Ram, as Chairman, Mr S Viji, Mr S Prasad & Mr Aroon Raman as other Members |
| 3 | Average net profit of the Company for last three financial years | Rs.4,131.78 lakhs |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | Rs. 82.64 lakhs |
| 5 | Details of CSR spent during the financial year | a) Total amount to be spent for the financial year: Rs. 82.64 lakhs b) Amount unspent, if any: NIL c) Manner in which the amount spent during the financial year is given in Annexure |
| 6 | In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report | Not applicable |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company | We hereby state that implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company |

Chennai
May 25, 2016

S Prasad
Director

Srivats Ram
Chairman - CSR Committee

Annexure to Annual Report on CSR Activities for the Financial Year 2015-16

Rs in lakhs

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------|---|--|---|---|---|---|--|
| S. No | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1 | Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause | Education | Tamil Nadu | 53.51 | 53.51 | 53.51 | Direct and through Implementing Agency A) Rural Self Employment and Educational Development Society (RSEEDS) (B) Iniya Udaiyam Charitable Trust (C) Tirupur Auxilium Salesian Sisters Society (D) Bro Siga Animation Centre (E) Eureka Child Foundation - NGO |
| 2 | Desilting | Rural Development Projects | Maharashtra | 6.66 | 6.66 | 60.17 | Direct |
| 3 | Promoting Health Care including Preventive Health Care | Health | Rampur, Uttar Pradesh | 1.90 | 1.90 | 62.07 | Direct |
| 4 | Disaster Relief | Disaster Relief | Tamil Nadu | 20.00 | 20.00 | 82.07 | Direct |
| 5 | Contribution to Sports | Special Children Sports | Tamil Nadu | 0.20 | 0.20 | 82.27 | Direct |
| 6 | Protection of National Heritage, Arts and Culture | National Heritage, Arts and Culture | Tamil Nadu | 1.50 | 1.50 | 83.77 | Direct |
| | TOTAL | | | 83.77 | 83.77 | | |

Chennai
May 25, 2016

S Prasad
Director

Srivats Ram
Chairman - CSR Committee



Annexure V

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

| | Name of the Director / Key Managerial Personnel | Ratio to Median Remuneration (times) |
|----|---|--------------------------------------|
| a) | Mr S Ram, Chairman | 12.92 |
| b) | Mr Srivats Ram, Managing Director | 35.27 |
| c) | Mr S. Srivathsan, Chief Financial Officer & Secretary | 13.30 |

- b. Percentage increase in remuneration of the following KMPs in the financial year:

| | | |
|----|---|--------|
| a) | Mr Srivats Ram, Managing Director | 7.82% |
| b) | Mr S. Srivathsan, Chief Financial Officer & Secretary | 10.22% |

Non-Executive Directors: - Except Chairman, Non-Executive Directors are not paid any remuneration other than Sitting fee for attending the Board Meetings. The Remuneration paid to Chairman is as per the approval accorded by the shareholders at the Annual General meeting held on 13.8.2015. The sitting fee paid to each of the Non-Executive Directors are given in the Corporate Governance Report, which is forming part of the Directors' Report.

- c) Percentage increase in the median remuneration of employees in the financial year: Increase in the median remuneration of employees in the financial year : 5.81%
- d) Number of permanent employees on the rolls of Company: As on 31.3.2016, the Company had 2254 permanent employees on the rolls of the Company.
- e) Explanation on the relationship between average increase in remuneration and Company performance: The remuneration paid is commensurate with the Company's performance taking into account the scope of duties, the role and nature of responsibilities and the increase is in line with the market trends, board-level positions held in similar- sized Companies etc.,
- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company and comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: The remuneration paid to the Key Managerial Personnel is in comparison with the industry norms, considering the performance of the Company.

Rs. in Crores

| | |
|--|--------|
| Remuneration of Key Managerial Personnel (KMP) during 2015-16 (aggregated) | 2.30 |
| EBIDTA | 174.36 |
| Remuneration as % EBIDTA | 1.32 |

| Particulars | Managing Director | CFO & Secretary |
|-----------------------------|-------------------|-----------------|
| Remuneration | 1.67 | 0.63 |
| EBIDTA | 174.36 | 174.36 |
| Remuneration as % of EBIDTA | 0.96 | 0.36 |

- g) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.

| Market capitalisation of the Company | As on 31.3.2016 | As on 31.3.2015 |
|--|---|--------------------|
| Closing price of WIL equity share in NSE | 963.85 | 1,275.45 |
| Outstanding shares | 1,20,32,279 | 1,20,32,279 |
| Market capitalisation of the Company | Rs 1,159.73 crores | Rs 1,534.66 crores |
| Price earnings ratio as at the closing date of the current financial year | 28.99 | 51.60 |
| Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer | The data cannot be ascertained as the last public offer was during 1975 at a price of Rs 11.50 per equity share of Rs 10/- each | |

- h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 11.36 % for Employees other than Key Managerial Personnel and 9.02% for Key Managerial Personnel.
- i) The key parameters for any variable component of remuneration availed by the directors: There are no variable component of remuneration (other than Commission) paid to the Managing Director and Chairman. Other Directors are not paid any remuneration except sitting fee for attending the meetings of the Board/ Committees.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: No employee receive remuneration in excess of the highest paid director during the year under review.
- k) Affirmation that the remuneration is as per the remuneration policy of the Company.
The remuneration paid to the Chairman, Managing Director and the Key Managerial Persons are in accordance with the remuneration policy of the Company as approved by the Board of Directors.



Annexure VI

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 maximising 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 and the declaration in this regard by the Managing Director is forming part of this Report. The Board of Directors at present consists of 10 Directors, headed by the Chairman.

| S. No | Name of the Directors | Category | No. of Directorship in other public limited companies in India | No. of Membership in Committees of Boards of other public limited Companies* | No. of Chairmanship in Committees of Boards of other public limited Companies* |
|-------|--------------------------|------------------------|--|--|--|
| 1 | Mr S Ram** | Non-Executive Chairman | 6 | Nil | 1 |
| 2 | Mr S Viji | Non-Executive | 4 | Nil | Nil |
| 3 | Mr Srivats Ram | Managing Director | 4 | 1 | Nil |
| 4 | Mr T S Vijayaraghavan | Independent | Nil | Nil | Nil |
| 5 | Mr S Prasad | Independent | 3 | Nil | 4 |
| 6 | Mr Aroon Raman | Independent | 4 | 1 | Nil |
| 7 | Mr B Santhanam | Independent | Nil | Nil | Nil |
| 8 | Mr Christopher M B Akers | Non-Executive | Nil | Nil | Nil |
| 9 | Ms Bharati Rao | Independent | 9 | 7 | 1 |
| 10 | Mr Paul G Reitz | Non-Executive | Nil | Nil | Nil |

*Only Audit Committee and Stakeholders Relationship Committee considered.

** Non Executive Chairman with effect from 1.9.2015

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

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"), across all public limited companies in which they are directors. All the Independent Directors have Complied with the maximum number of Directorships permitted under the Companies Act, 2013 ("Act").

Attendance at Board Meetings and last Annual General Meeting

During the Financial Year 2015-16 under review, 5 Board Meetings of the Company were held on 23.4.2015, 18.5.2015, 12.8.2015, 5.11.2015 and 11.2.2016 and the last Annual General Meeting was held on 13.8.2015.

| Directors | Attendance | Directors | Attendance |
|-----------------------|------------|--------------------------|------------|
| Mr S Ram | 5 | Mr Aron Raman | 3 |
| Mr S Viji | 5 | Mr B Santhanam | 5 |
| Mr Srivats Ram | 5 | Mr Christopher M B Akers | 2 |
| Mr T S Vijayaraghavan | 5 | Mr Paul G Reitz | 2 |
| Mr S Prasad | 5 | Ms Bharati Rao | 5 |

All Directors except Mr B Santhanam attended the AGM

Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

| Name of the Director | Nature | No. of Shares held | Amount | Interest |
|-----------------------|----------------|--------------------|---------|----------|
| Mr S Ram | Fixed Deposits | - | - | - |
| Mr S Viji | Fixed Deposits | - | 110.89* | 11.46 |
| Mr T S Vijayaraghavan | Fixed Deposits | - | 25.00* | 2.56 |
| Mr S Prasad | Dividend | 1,600 | 0.128 | - |

*Balance outstanding as on 31.03.2016

3. Audit Committee

Terms of reference

The Audit Committee is governed by the terms of reference which are as defined under the relevant provisions of the Act and SEBI LODR.

Composition, Meetings and Attendance

The Company Audit Committee comprises of Independent Directors and Non-executive Director. The Audit Committee comprises of Mr S. Prasad as the Chairman, Mr S. Viji, Mr T S Vijayaraghavan and Mr Aron Raman as the other Members.

The Committee met 7 times during the year under review on 23.4.2015, 18.5.2015, 20.7.2015, 12.8.2015, 14.10.2015, 5.11.2015 and 10.2.2016. The attendance of each member of the Committee are given below:-

| Name | Category | No. of Meetings Attended |
|-----------------------|---------------|--------------------------|
| Mr S Prasad, Chairman | Independent | 7 |
| Mr S Viji | Non Executive | 7 |
| Mr T S Vijayaraghavan | Independent | 7 |
| Mr Aron Raman | Independent | 5 |

4. Nomination and Remuneration Committee

Terms of Reference

The role of the Committee is in accordance with the provisions of the SEBI LODR and the Act and the Rules framed thereunder. The Nomination & Remuneration Committee constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person is sufficient for such position.

Composition, Meetings and Attendance

The Nomination & Remuneration Committee consists of three Independent Directors. The Committee has Mr S. Prasad, as Chairman, Mr Aron Raman and Mr T.S.Vijayaraghavan as the other Members.



The Committee met on 23.4.2015 and 24.3.2016, which were attended by all the members of the Committee. The Committee also approved payment of commission:-

- at 1.5% on the net profits of the Company for the financial year 2015-16, computed in accordance with the relevant provisions of the Act, subject to a maximum of Rs 65 lakhs to Mr Srivats Ram, Managing Director
- at 1% on the net profits of the Company for the period 1.9.2015 to 31.3.2016, computed in accordance with the relevant provisions of the Act to Mr S Ram, Chairman

Remuneration Policy

Remuneration of the Directors, KMPs shall be based on and taking in to account their scope of duties, role and nature of responsibilities, level of skill, knowledge and experience, core performance requirements, the Company's performance and such other parameters as the Company may decide from time to time.

The power to decide structure of remuneration for Senior Management and other employees has been delegated to the Human Resources Department of the Company. The criteria for making payment to Non Executive directors are in accordance with the policy framed by the Company and the Nomination and Remuneration Committee (NRC) policy is given as a part of the Directors' report. The performance evaluation criteria for Independent Directors is also as per the said policy.

Details of the remuneration to the Directors during the year 2015-16 are given below: (Rs. in lakhs)

| Name of the Director | Salary and allowances | Perquisites / Benefits | Commission | Contribution to funds | Sitting fees |
|--------------------------|-----------------------|------------------------|------------|-----------------------|--------------|
| Mr S Ram | 22.00 | 3.38 | 34.26 | 1.65 | 0.45 |
| Mr S Viji | - | - | - | - | 2.50 |
| Mr Srivats Ram | 86.40 | 1.33 | 65.00 | 14.58 | - |
| Mr T S Vijayaraghavan | - | - | - | - | 2.55 |
| Mr S Prasad | - | - | - | - | 2.65 |
| Mr Aroon Raman | - | - | - | - | 1.80 |
| Mr B Santhanam | - | - | - | - | 1.05 |
| Mr Paul G Reitz | - | - | - | - | 0.40 |
| Ms Bharati Rao | - | - | - | - | 1.05 |
| Mr Christopher M B Akers | - | - | - | - | 0.40 |

5. Stakeholders Relationship Committee

The Committee looks into the redressal of the Investor complaints and complaints received from the stock exchanges. The said committee deals with redressal of matters relating to transfer/transmission of shares, non-receipt of balance sheet, non-receipt of dividend declared etc.

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 5.11.2015, which was attended by all the members of Committee.

The Board has authorised Mr S Srivathsan, the Secretary of the Company to approve share transfers and request for dematerialisation of shares, when received in physical form. The details are reported to the Board of Directors in each meeting in accordance with the SEBI LODR.

Mr S Srivathsan, CFO & Secretary is the Compliance Officer.

| | |
|--|-------|
| No. of pending complaints during the start of the financial year | - Nil |
| No. of Shareholders' complaints received during the year | - 1 |
| No. not solved to the satisfaction of shareholders | - Nil |
| No. of pending complaints | - Nil |

6. Corporate Social Responsibility Committee

In terms of Section 135 of the Act, the Board of Directors constituted the CSR Committee. The Chairman of the Committee is an Executive Director and the committee also consists of Non-executive & Independent Directors. The Committee has Mr Srivats Ram, as Chairman, Mr S Viji, Mr S Prasad & Mr Aroon Raman as other Members. The Committee met on 20.7.2015 which was attended by all the above directors.

7. Independent Directors' Meeting

During the year under review, the Independent Directors met on March 24, 2016 inter alia, to evaluate the performance of non-Independent Directors, Chairman and the Board of Directors as a whole. Evaluation was done on the basis of attendance, quality of discussion in the meetings, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

8. Shareholder Information - Details of Annual / Extraordinary General Meetings

| Year | | |
|---------|---|--|
| 2014-15 | Date | 13.8.2015 |
| | Location | The Music Academy No.168, (old no. 306), TTK Road, Chennai 600 014 |
| | Time | 11.00AM |
| | Special Resolution Passed | Re-appointment of Mr S Ram (DIN 00018309) as non-whole-time Director liable to retire by rotation and his re-appointment as a non-executive Chairman on and from 1.9.2015 |
| 2013-14 | Date | 8-9-2014 |
| | Location | The Music Academy No.168, (old no. 306), TTK Road, Chennai 600 014 |
| | Time | 11.00AM |
| | Special Resolution Passed | a) Amendment to the Articles of Association to increase the maximum number of Directors to Ten. |
| | | b) Re-appointment of Mr S Ram (DIN 00018309) as Whole Time Director, designated as Executive Chairman liable to retire by rotation. |
| | | c) Approval for borrowing of moneys under the Companies Act, 2013 upto Rs 400 crores |
| | | d) Approval for creation / modification of charge, mortgage on the assets of the Company under the Companies Act, 2013 and the Rules framed thereunder to the extent of Rs 400 crores. |
| | e) Approval for acceptance of deposits under the Companies Act, 2013 and the Rules framed thereunder. | |
| 2012-13 | Date | 13-08-2013 |
| | Location | The Music Academy, No.168, (old no. 306), TTK Road, Chennai 600 014 |
| | Time | 11.00AM |
| | Special Resolution Passed | – |

9. Postal Ballot

The Company provided Postal Ballot facility to the shareholders, in respect of the business set out in the Notice convening Annual General Meeting on 13.8.2015. This was provided to facilitate them to exercise the voting in additional to E-voting facility. The Special resolutions passed as set out in the said AGM notice are mentioned above.



The Board of Directors appointed Mr S Dhanapal, Partner, M/s. S Dhanapal & Associates, Practicing Company Secretaries, Chennai as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Results of the voting for the resolutions passed at the 56th Annual General Meeting of the Company along with the Scrutinizer Report pursuant to Section 108 & 109 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, are available in the Company's website www.wheelsindia.com.

10. Disclosures

- i. There are no materially significant related party transactions that may have potential conflict with the interest of listed entity at large.
- ii. There were no instances of non-compliance by the Company on any matter related to capital markets during the preceding three years and there were no penalties, strictures imposed by SEBI / Stock Exchanges or any other statutory authorities against the Company.
- iii. The policy on Related Party Transactions is given in www.wheelsindia.com. 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.
- iv. Disclosures of Commodity price risk / Foreign Exchange risk and Hedging activities:-
 - The Board has put in place a risk management policy to manage the risks arising out of foreign currency fluctuations. The Company enters into forward contracts to hedge the foreign currency risks in accordance with the policy.
 - The Company's exposure to commodity risk in respect of aluminum is hedged by periodical revision to aluminum wheel prices made in line with the prices quoted for aluminum in London Metal Exchange.
- v. There are no non-compliance of any of the Corporate Governance report as required under SEBI LODR.
- vi. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR are complied
- vii. The Company complied with all mandatory requirements
- viii. The details of familiarisation programme imparted to Independent Directors are hosted on the website of the Company, www.wheelsindia.com.
- ix. The Company has complied with the discretionary requirements as specified in Part E of Schedule II with regard to the Board and separate post of Chairperson and Managing Director.

11. Disclosures regarding appointment of Directors

| | |
|--|--|
| Name of the Director | Mr S. Ram |
| Age | 76 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. He has been on the Board of the Company since 28.5.1974 |
| Directorship in other Companies | Chairman: Axles India Ltd, India Motors Parts & Accessories Ltd Director : Sundaram Finance Ltd, T V Sundram Iyengar & Sons Pvt Ltd, Sundaram Industries Pvt Ltd, Southern Roadways Ltd, Global TVS Bus Body Builders Ltd, TVS Logistics Services Ltd |

| | |
|---|---|
| Chairman/Member in Committees of other companies: | Audit Committee: T V Sundram Iyengar & Sons Pvt Ltd. Nomination & Remuneration Committee: Axles India Limited, India Motor Parts & Accessories Limited. CSR Committee: Axles India Ltd, T V Sundram Iyengar & Sons Pvt Ltd. Stakeholders Relationship Committee: Axles India Ltd |
|---|---|

12. Whistle Blower Policy

Vigil mechanism encourage the Whistle blowers of the Company to report unethical business practices at workplace without any fear of reprisal. The employees are encouraged to report, any fraudulent financial or other information to the stakeholders, any conduct that results in the instances of unethical behavior, actual or suspected violation of the Company's Code of Conduct and ethics, which may come to their knowledge. The policy framed by the company:

1. encourages the Whistle blowers to report to the Management on any malpractice, wrongful conduct, unethical behaviour, fraud, violation of any applicable statute and deviation from the Company's policies,
2. ensures timely response to such reports in such a manner to provide complete transparency,
3. provides complete protection to the Whistle blowers from any adverse action as a result of such disclosure and
4. builds and strengthens trust in the Company

We affirm that no personnel has been denied access to the Audit Committee.

13. Means of Communication

Quarterly Unaudited financial results for the first three quarters and Annual Audited financial results are published in Business Line (English) and Dinamani (Tamil - vernacular) or Hindu (Tamil Edition) within the stipulated time.

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

A separate dedicated section on the Company's website gives information on unclaimed dividends, quarterly compliance reports and other relevant information of interest to the investors / public.

14. Details of Unclaimed Share Certificates

In terms of SEBI LODR the details of the Unclaimed Shares are provided below:-

| | |
|--|--|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 39 and 6523 equity shares of Rs.10/- each respectively |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year | 3 |
| Number of shareholders to whom shares were transferred from suspense account during the year | 3 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 36 and 4773 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.

15. General Shareholder Information

| | |
|--------------------------------|---|
| Date of Annual General Meeting | August 10, 2016 |
| 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 August 2016 to 10th August 2016 (both days inclusive) |
| Dividend Payment Date | Will be paid on or before September 08, 2016 - Rs 5.50 per share (55%) |
| Approval of financial results for the: Quarter ending June 30, 2016 Quarter ending September 30, 2016 Quarter ending December 31, 2016 Year ending March 31, 2017 | Financial Year: April 1 To March 31 1st Week of August 2016 2nd week of November, 2016 2nd week of February 2017 Last week of May, 2017 |
| Listing on Stock Exchanges | The equity shares of the Company are listed on the National Stock Exchange of India Ltd. Mumbai (NSE). Further, the Company's equity shares have been permitted for dealings on Bombay Stock Exchange Limited, Mumbai (BSE) under "Permitted Securities" Category. |
| Listing Fees | Payment towards Listing Fee to NSE is made as and when it falls due. |
| ISIN Code in NSDL and CDSL | INE715A01015 |
| STOCK Code | WHEELS - NSE 590073 - BSE |
| Registrar and Share Transfer Agent | Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002. Phone: 044 - 28460390 ; Fax: 044 - 2846 0129 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 dematerialisation of the shares held by the Members. As on 31.03.2016, 97.98% of the equity shares are held in dematerialised form. |
| Pattern of Shareholding as on March 31, 2016 | Data in statement form - forming part of this Report |
| Distribution of shareholding as on March 31, 2016 | 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 |

16. 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 123 501 Rewari District Haryana | Sriperumbudur 602 105, Kanchipuram District Tamil Nadu |
| Plot No. 56, Sector 11, Integrated Industrial Estate Pantnagar 263 153, Udham Singh Nagar Uttarakhand | Plot No D-3, Deoli Growth Centre, Deoli MIDC, Taluka Deoli 442 101 Wardha District Maharashtra | DP No 70 (P), Survey No 214 (P), SIDCO Industrial Estate, Thirumudivakkam, Chennai 600044, Tamil Nadu | F8 & F9 SIPCOT Industrial Park, Irungattukottai, Sriperumbudur 602105, Kancheepuram Dist, Tamil Nadu | Survey No 152/3, Sriperumbudur Thiruvallur Road, Thodukadu Village & Post 602 105 Thiruvallur Taluk & District |

17. Auditor's Certificate on Corporate Governance

As required by Schedule V(E) of the SEBI LODR, the Auditor's Certificate is forming part of this report

18. Shareholding Pattern:

| Categories of Shareholders | No. of shares Held | Percentage |
|----------------------------|--------------------|---------------|
| Promoters | 90,24,209 | 75.00 |
| Directors/ Relatives | 30,741 | 0.26 |
| Insurance Companies | 1,75,370 | 1.46 |
| FII | 1,000 | 0.01 |
| Corporate Bodies | 8,27,558 | 6.88 |
| Resident Individuals | 11,91,257 | 9.90 |
| Non-Resident Indians | 27,795 | 0.23 |
| Hindu Undivided Families | 34,871 | 0.29 |
| Clearing Member | 5,260 | 0.04 |
| Banks | 3,265 | 0.03 |
| Mutual Funds | 7,10,953 | 5.90 |
| TOTAL | 1,20,32,279 | 100.00 |



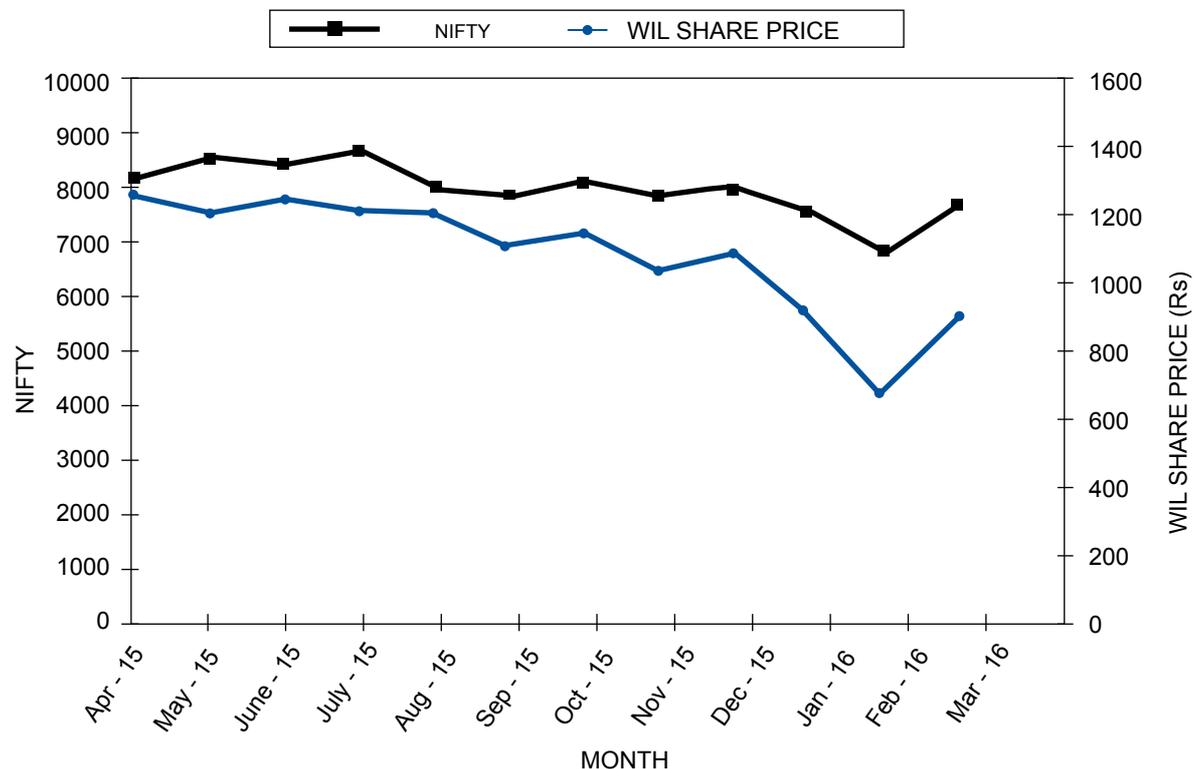
19. Distribution pattern

| No. of Shares Held | Shareholders | | No. of shares | |
|--------------------|--------------|---------------|--------------------|---------------|
| | Number | % | Held | % |
| Upto 500 | 6,752 | 92.57 | 5,05,635 | 4.20 |
| 501 – 1000 | 274 | 3.76 | 2,03,205 | 1.69 |
| 1001 – 2000 | 156 | 2.14 | 2,21,044 | 1.84 |
| 2001 – 3000 | 39 | 0.53 | 92,626 | 0.77 |
| 3001 – 4000 | 27 | 0.37 | 94,611 | 0.79 |
| 4001 – 5000 | 12 | 0.16 | 55,962 | 0.46 |
| 5001 – 10000 | 16 | 0.22 | 98,827 | 0.82 |
| 10001 and above | 18 | 0.25 | 1,07,60,369 | 89.43 |
| Total | 7,294 | 100.00 | 1,20,32,279 | 100.00 |

20. Market price data

| FY 2015-16 | Quotation at NSE (Rs) | |
|------------|-----------------------|----------|
| | HIGH | LOW |
| Apr-15 | 1,370.00 | 1,132.25 |
| May-15 | 1,345.00 | 1,180.40 |
| Jun-15 | 1,385.00 | 1,025.25 |
| Jul-15 | 1,314.90 | 1,200.15 |
| Aug-15 | 1,474.85 | 1,051.05 |
| Sep-15 | 1,234.00 | 1,103.50 |
| Oct-15 | 1,275.00 | 1,135.10 |
| Nov-15 | 1,290.05 | 1,066.10 |
| Dec-15 | 1,222.20 | 1,001.00 |
| Jan-16 | 1,164.00 | 960.00 |
| Feb-16 | 998.20 | 763.50 |
| Mar-16 | 1,044.00 | 772.00 |

21. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



21. 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 124(5) of the Companies Act, 2013.

| Nature of Dividend | Transferable to IEPF on | Amount as on 31.3.2016 in Rs. |
|--------------------------------|-------------------------|-------------------------------|
| Dividend 2008-09 | 18th September 2016 | 1,53,466.50 |
| Dividend 2009-10 | 17th September 2017 | 1,36,773.00 |
| Dividend 2010-11 | 14th September 2018 | 2,70,016.50 |
| First Interim Dividend 2011-12 | 19th April 2019 | 1,42,444.00 |
| Final Dividend 2011-12 | 18th September 2019 | 1,64,826.00 |
| Final Dividend 2012-13 | 17th September 2020 | 2,43,372.60 |
| Interim Dividend 2013-14 | 29th January 2021 | 1,31,356.00 |
| Final Dividend 2013-14 | 14th October 2021 | 2,41,264.80 |
| Interim Dividend 2014-15 | 11th March 2022 | 1,56,930.00 |
| Final Dividend 2014-15 | 18th September 2022 | 2,53,507.50 |
| Interim Dividend 2015-16 | 18th March 2023 | 2,53,246.00 |

On behalf of the Board of Directors

Chennai
May 25, 2016

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 2015-16.

Place : Chennai
Date : May 12, 2016

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 31.3.2016, as stipulated in Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements Regulations) 2015.

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 SEBI (Listing Obligations & Disclosure Requirements Regulations) 2015.

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

Place : Chennai
Date : May 25, 2016



Annexure VII

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,
The Members,
WHEELS INDIA LIMITED,
Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Wheels India Limited, (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2016, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2016 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992 ('SEBI ACT'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the Company has not issued any shares/options to directors/ employees under the said guidelines / regulations during the year under review

-
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable as the Company has not issued any debt securities which were listed during the year under review
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review

and

we have examined the systems and processes in place to ensure compliance with general laws like labour laws, environmental laws etc., considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) made effective 1st July, 2015.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on our limited review there appear adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



We further report that during the audit period the Company has sought the approval of its members for following major events:

- Change in designation of Mr S Ram (DIN 00018309) as a non-whole-time director liable to retire by rotation and his re-appointment as a non-executive Chairman on and from 01.09.2015 and be paid remuneration with effect from 01.09.2015;
- Regularisation of Director appointed in casual Vacancy by the Board during the year;
- Regularisation of Director appointed as additional Director by the Board during the year;
- Appointment of Cost Auditor M/s. Geeyes & Co. for audit of the Cost records of the Company for the year ending 31.03.2016;
- Appointment of Ms Bharati Rao as an Independent Director.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **S Dhanapal & Associates**

S. Dhanapal
(Partner)

Place : Chennai
Date : 25th May 2016

FCS 6881
CP No. 7028

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To

The Members, **WHEELS INDIA LIMITED**, Chennai

Our report of even date it to be read along with this letter.

Management's Responsibility

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditor's Responsibility

- b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- c. We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.
- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

Disclaimer

- e. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Chennai
Date: 25th May 2016

For **S Dhanapal & Associates**

S. Dhanapal
(Partner)
FCS 6881
CP No. 7028

Annexure VIII

Extract of Annual Return

as on the financial year ended on 31.3.2016

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|-----|---|---|
| i | CIN | L35921TN1960PLC004175 |
| ii | Registration Date | June 13, 1960. |
| iii | Name of the Company | Wheels India Limited |
| iv | Category / Sub-Category of the Company | Public Limited Company |
| v | Address of the Registered office and contact details | Registered office: 21, Patullos Road Chennai 600 002 Corporate Office: Padi Chennai 600 050 Phone: 044 - 26258511; Fax : 044 - 26257121 E- Mail: investorservices@wheelsindia.com |
| vi | Whether listed company | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | 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 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| S. No | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|-------|--|-----------------------------------|------------------------------------|
| 1 | Manufacture of Road Wheels | 29301 | 55% |
| 2 | Manufacture of Parts & Accessories for Machinery / Equipments used by construction and mining industries | 28246 | 14% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No | Name and address of the company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|-------|---|-----------------------|----------------------------------|------------------|--|
| 1 | Axles India Limited, 21, Patullos Road Chennai 600002 | U27209TN1981PLC008630 | Associate | 9.51 | Section 2(6) of the Companies Act 2013 |



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

i) Category-wise Shareholding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % of Change during the Year |
|---|---|----------|-----------|-------------------|---|----------|-----------|-------------------|-----------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| (b) Central Govt | - | - | - | - | - | - | - | - | - |
| (c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corp. | 49,05,569 | - | 49,05,569 | 40.77 | 49,05,569 | - | 49,05,569 | 40.77 | - |
| (e) Banks / FI | - | - | - | - | - | - | - | - | - |
| (f) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (1) | 49,05,569 | - | 49,05,569 | 40.77 | 49,05,569 | - | 49,05,569 | 40.77 | - |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corp. | 41,18,640 | - | 41,18,640 | 34.23 | 41,18,640 | - | 41,18,640 | 34.23 | - |
| (d) Banks / FI | - | - | - | - | - | - | - | - | - |
| (e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (2) | 41,18,640 | - | 41,18,640 | 34.23 | 41,18,640 | - | 41,18,640 | 34.23 | - |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 90,24,209 | - | 90,24,209 | 75.00 | 90,24,209 | - | 90,24,209 | 75.00 | - |
| (B) Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| (a) Mutual Funds | 6,28,982 | - | 6,28,982 | 5.23 | 7,10,953 | - | 7,10,953 | 5.91 | 0.68 |
| (b) Banks/FI | 1,493 | - | 1,493 | 0.01 | 3,265 | - | 3,265 | 0.03 | 0.01 |
| (c) Central Govt | - | - | - | - | - | - | - | - | - |
| (d) State Govt (s) | - | - | - | - | - | - | - | - | - |
| (e) Venture Capital funds | - | - | - | - | - | - | - | - | - |
| (f) Insurance Companies | 1,75,370 | - | 1,75,370 | 1.46 | 1,75,370 | - | 1,75,370 | 1.46 | - |
| (g) FIs | 1,458 | - | 1,458 | 0.01 | 1,000 | - | 1,000 | 0.01 | - |
| (h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1) | 8,07,303 | - | 8,07,303 | 6.71 | 8,90,588 | - | 8,90,588 | 7.41 | 0.69 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % of Change during the Year | |
|--------------------------|--|--------------------|-----------------|--------------------|---|--------------------|-----------------|--------------------|-----------------------------|---------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| 2) | Non-Institutions | | | | | | | | | |
| (a) | Bodies Corp. | | | | | | | | | |
| i. | Indian | 7,96,804 | 39,066 | 8,35,870 | 6.94 | 7,88,492 | 39,066 | 8,27,558 | 6.88 | (0.06) |
| ii. | Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | | | |
| i. | Individual shareholders holding nominal share capital up to Rs. 1 lakh | 9,98,174 | 2,06,848 | 12,05,022 | 10.01 | 9,71,166 | 190,581 | 11,61,747 | 9.65 | (0.36) |
| ii. | Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 50,624 | 11,050 | 61,674 | 0.51 | 13,687 | 11,050 | 24,737 | 0.20 | (0.31) |
| (c) | Others (Specify) | | | | | | | | | |
| | Clearing member | 6,746 | - | 6,746 | 0.05 | 5,260 | - | 5,260 | 0.04 | (0.01) |
| | Directors and their relatives | 30,741 | - | 30,741 | 0.26 | 30,741 | - | 30,741 | 0.26 | - |
| | Escrow Account – Clause 5A of the Listing Agreement | 6,523 | - | 6,523 | 0.05 | 4,773 | - | 4,773 | 0.04 | (0.01) |
| | Hindu Undivided Families | 27,819 | - | 27,819 | 0.23 | 34,871 | - | 34,871 | 0.29 | 0.05 |
| | Non-resident Indians | 24,198 | 2,174 | 26,372 | 0.22 | 25,621 | 2,174 | 27,795 | 0.23 | 0.01 |
| | Sub-Total (B)(2) | 19,41,629 | 2,59,138 | 22,00,767 | 18.29 | 18,74,611 | 2,42,871 | 21,17,482 | 17.60 | (0.69) |
| | Total Public Shareholding = (B) (1) + (B) (2) | 27,48,932 | 2,59,138 | 30,08,070 | 25.00 | 27,65,199 | 2,42,871 | 30,08,070 | 25.00 | - |
| C. | Shares held by custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | Grand Total (A+B+C) | 1,17,73,141 | 2,59,138 | 1,20,32,279 | 100.00 | 1,17,89,408 | 2,42,871 | 1,20,32,279 | 100.00 | - |



(ii) Shareholding of Promoters:

| S. No. | Shareholders' Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % of Change during the Year |
|--------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|-----------------------------|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | TV Sundram Iyengar & Sons Private Limited | 24,55,514 | 20.41 | Nil | 24,55,514 | 20.41 | Nil | Nil |
| 2 | Sundaram Finance Limited | 13,33,741 | 11.08 | Nil | 13,33,741 | 11.08 | Nil | Nil |
| 3 | Southern Roadways Limited | 11,16,314 | 9.28 | Nil | 11,16,314 | 9.28 | Nil | Nil |
| 4 | Titan Europe Limited | 41,18,640 | 34.23 | Nil | 41,18,640 | 34.23 | Nil | Nil |
| | Total | 90,24,209 | 75.00 | Nil | 90,24,209 | 75.00 | Nil | Nil |

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

| S. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total Shares of the company |
| 1 | At the beginning of the year | 90,24,209 | 75.00 | 90,24,209 | 75.00 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | NIL | NIL | NIL | NIL |
| | At the End of the year | 90,24,209 | 75.00 | 90,24,209 | 75.00 |

There is no change in promoters' shareholding

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | Name of the Shareholder | No of shares | % of total shares of the company | Cumulative No. of shares | % of total shares of the company |
|------------------------------------|---|--------------|----------------------------------|--------------------------|----------------------------------|
| 1. | RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE TAX SAVER (ELSS) FUND | | | | |
| | At the beginning of the year 01-Apr-2015 | 4,97,522 | 4.13 | 4,97,522 | 4.13 |
| | Purchase 10-Apr-2015 | 15,478 | 0.13 | 5,13,000 | 4.26 |
| | Purchase 17-Apr-2015 | 198 | 0.00 | 5,13,198 | 4.27 |
| | Purchase 24-Apr-2015 | 10,599 | 0.09 | 5,23,797 | 4.35 |
| | Purchase 01-May-2015 | 6,110 | 0.05 | 5,29,907 | 4.40 |
| | Purchase 08-May-2015 | 2,310 | 0.02 | 5,32,217 | 4.42 |
| | Purchase 15-May-2015 | 5,232 | 0.04 | 5,37,449 | 4.47 |
| | Purchase 29-May-2015 | 2,551 | 0.02 | 5,40,000 | 4.49 |
| | Purchase 12-Jun-2015 | 2,061 | 0.02 | 5,42,061 | 4.51 |
| | Purchase 19-Jun-2015 | 2,578 | 0.02 | 5,44,639 | 4.53 |
| | Purchase 30-Jun-2015 | 3,580 | 0.03 | 5,48,219 | 4.56 |
| | Purchase 28-Aug-2015 | 10,818 | 0.09 | 5,59,037 | 4.65 |
| | Purchase 04-Sep-2015 | 2,770 | 0.02 | 5,61,807 | 4.67 |
| | Purchase 11-Sep-2015 | 5,915 | 0.05 | 5,67,722 | 4.72 |
| | Purchase 18-Sep-2015 | 1,321 | 0.01 | 5,69,043 | 4.73 |
| | Purchase 22-Jan-2016 | 1,913 | 0.02 | 5,70,956 | 4.75 |
| | Purchase 19-Feb-2016 | 2,847 | 0.02 | 5,73,803 | 4.77 |
| | Purchase 23-Feb-2016 | 349 | 0.00 | 5,74,152 | 4.77 |
| | Purchase 04-Mar-2016 | 260 | 0.00 | 5,74,412 | 4.77 |
| Purchase 11-Mar-2016 | 2,522 | 0.02 | 5,76,934 | 4.79 | |
| Purchase 25-Mar-2016 | 807 | 0.01 | 5,77,741 | 4.80 | |
| Purchase 31-Mar-2016 | 2,453 | 0.02 | 5,80,194 | 4.82 | |
| At the end of the Year 31-Mar-2016 | 5,80,194 | 4.82 | 5,80,194 | 4.82 | |
| 2. | RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE SMALL CAP FUND | | | | |
| | At the beginning of the year 01-Apr-2015 | 131417 | 1.09 | 131417 | 1.09 |
| | Sale 22-May-2015 | -700 | 0.01 | 130717 | 1.09 |
| | At the end of the Year 31-Mar-2016 | 130717 | 1.09 | 130717 | 1.09 |
| 3. | GENERAL INSURANCE CORPORATION OF INDIA | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,75,370 | 1.46 | 1,75,370 | 1.46 |
| | At the end of the Year 31-Mar-2016 | 1,75,370 | 1.46 | 1,75,370 | 1.46 |
| 4. | MAHAM HOLDINGS LIMITED | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,90,553 | 1.58 | 1,90,553 | 1.58 |
| | At the end of the Year 31-Mar-2016 | 1,90,553 | 1.58 | 1,90,553 | 1.58 |



| S. No. | Name of the Shareholder | No of shares | % of total shares of the company | Cumulative No. of shares | % of total shares of the company |
|----------------------|--|--------------|----------------------------------|--------------------------|----------------------------------|
| 5. | SUNDHARAMS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,58,808 | 1.32 | 1,58,808 | 1.32 |
| | At the end of the Year 31-Mar-2016 | 1,58,808 | 1.32 | 1,58,808 | 1.32 |
| 6. | ABI SHOWATECH (INDIA) LIMITED | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,44,929 | 1.20 | 1,44,929 | 1.20 |
| | At the end of the Year 31-Mar-2016 | 1,44,929 | 1.20 | 1,44,929 | 1.20 |
| 7. | PADMALAKSHMI HOLDINGS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,29,645 | 1.08 | 1,29,645 | 1.08 |
| | At the end of the Year 31-Mar-2016 | 1,29,645 | 1.08 | 1,29,645 | 1.08 |
| 8. | REVATHI HOLDINGS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2015 | 1,03,803 | 0.86 | 1,03,803 | 0.86 |
| | At the end of the Year 31-Mar-2016 | 1,03,803 | 0.86 | 1,03,803 | 0.86 |
| 9. | NEEPA K SHAH*JT1 : KAMLESH N SHAH | | | | |
| | At the beginning of the year 01-Apr-2015 | 50,624 | 0.42 | 50,624 | 0.42 |
| | Sale 31-Mar-2016 | -50,624 | -0.42 | 0 | 0.00 |
| | At the end of the Year 31-Mar-2016 | | | 0 | 0.00 |
| 10. | EDELWEISS SECURITIES LTD* | | | | |
| | At the beginning of the year 01-Apr-2015 | 32,764 | 0.27 | 32,764 | 0.27 |
| | Purchase 03-Apr-2015 | 95 | 0.00 | 32,859 | 0.27 |
| | Sale 10-Apr-2015 | -20,120 | 0.17 | 12,739 | 0.11 |
| | Sale 17-Apr-2015 | -12,260 | 0.10 | 479 | 0.00 |
| | Sale 24-Apr-2015 | -74 | 0.00 | 405 | 0.00 |
| | Purchase 01-May-2015 | 34 | 0.00 | 439 | 0.00 |
| | Sale 01-May-2015 | -34 | 0.00 | 405 | 0.00 |
| | Sale 08-May-2015 | -64 | 0.00 | 341 | 0.00 |
| | Sale 15-May-2015 | -2 | 0.00 | 339 | 0.00 |
| | Sale 22-May-2015 | -10 | 0.00 | 329 | 0.00 |
| | Purchase 29-May-2015 | 10 | 0.00 | 339 | 0.00 |
| | Sale 29-May-2015 | -99 | 0.00 | 240 | 0.00 |
| | Purchase 05-Jun-2015 | 5 | 0.00 | 245 | 0.00 |
| | Sale 12-Jun-2015 | -2 | 0.00 | 243 | 0.00 |
| | Purchase 19-Jun-2015 | 188 | 0.00 | 431 | 0.00 |
| | Sale 19-Jun-2015 | -189 | 0.00 | 242 | 0.00 |
| | Sale 26-Jun-2015 | -148 | 0.00 | 94 | 0.00 |
| | Sale 30-Jun-2015 | -10 | 0.00 | 84 | 0.00 |
| | Purchase 03-Jul-2015 | 151 | 0.00 | 235 | 0.00 |
| Purchase 10-Jul-2015 | 26 | 0.00 | 261 | 0.00 | |
| Sale 17-Jul-2015 | -5 | 0.00 | 256 | 0.00 | |

| S. No. | Name of the Shareholder | No of shares | % of total shares of the company | Cumulative No. of shares | % of total shares of the company |
|--------|------------------------------------|--------------|----------------------------------|--------------------------|----------------------------------|
| | Sale 24-Jul-2015 | -73 | 0.00 | 183 | 0.00 |
| | Sale 31-Jul-2015 | -10 | 0.00 | 173 | 0.00 |
| | Purchase 06-Aug-2015 | 16 | 0.00 | 189 | 0.00 |
| | Purchase 14-Aug-2015 | 25 | 0.00 | 214 | 0.00 |
| | Sale 21-Aug-2015 | -2 | 0.00 | 212 | 0.00 |
| | Purchase 28-Aug-2015 | 30 | 0.00 | 242 | 0.00 |
| | Purchase 04-Sep-2015 | 23 | 0.00 | 265 | 0.00 |
| | Purchase 11-Sep-2015 | 20 | 0.00 | 285 | 0.00 |
| | Sale 18-Sep-2015 | -185 | 0.00 | 100 | 0.00 |
| | Sale 09-Oct-2015 | -50 | 0.00 | 50 | 0.00 |
| | Purchase 16-Oct-2015 | 50 | 0.00 | 100 | 0.00 |
| | Purchase 23-Oct-2015 | 50 | 0.00 | 150 | 0.00 |
| | Purchase 30-Oct-2015 | 38 | 0.00 | 188 | 0.00 |
| | Sale 06-Nov-2015 | -33 | 0.00 | 155 | 0.00 |
| | Purchase 13-Nov-2015 | 30 | 0.00 | 185 | 0.00 |
| | Purchase 20-Nov-2015 | 172 | 0.00 | 357 | 0.00 |
| | Sale 20-Nov-2015 | -144 | 0.00 | 213 | 0.00 |
| | Sale 27-Nov-2015 | -50 | 0.00 | 163 | 0.00 |
| | Purchase 04-Dec-2015 | 41 | 0.00 | 204 | 0.00 |
| | Sale 18-Dec-2015 | -65 | 0.00 | 139 | 0.00 |
| | Sale 31-Dec-2015 | -26 | 0.00 | 113 | 0.00 |
| | Purchase 08-Jan-2016 | 6 | 0.00 | 119 | 0.00 |
| | Purchase 15-Jan-2016 | 521 | 0.00 | 640 | 0.00 |
| | Sale 15-Jan-2016 | -21 | 0.00 | 619 | 0.00 |
| | Purchase 29-Jan-2016 | 81 | 0.00 | 700 | 0.006 |
| | Purchase 05-Feb-2016 | 23 | 0.00 | 723 | 0.01 |
| | Purchase 12-Feb-2016 | 189 | 0.00 | 912 | 0.01 |
| | Sale 12-Feb-2016 | -94 | 0.00 | 818 | 0.01 |
| | Purchase 19-Feb-2016 | 89 | 0.00 | 907 | 0.01 |
| | Sale 19-Feb-2016 | -24 | 0.00 | 883 | 0.01 |
| | Purchase 23-Feb-2016 | 20 | 0.00 | 903 | 0.01 |
| | Purchase 26-Feb-2016 | 36 | 0.00 | 939 | 0.01 |
| | Purchase 04-Mar-2016 | 149 | 0.00 | 1,088 | 0.01 |
| | Sale 04-Mar-2016 | -125 | 0.00 | 963 | 0.01 |
| | Sale 11-Mar-2016 | -89 | 0.00 | 874 | 0.01 |
| | Sale 18-Mar-2016 | -102 | 0.00 | 772 | 0.01 |
| | Sale 25-Mar-2016 | -15 | 0.00 | 757 | 0.01 |
| | Sale 31-Mar-2016 | -55 | 0.00 | 702 | 0.01 |
| | At the end of the Year 31-Mar-2016 | | - | 702 | 0.01 |



| S. No. | Name of the Shareholder | No of shares | % of total shares of the company | Cumulative No. of shares | % of total shares of the company |
|----------------------|--|--------------|----------------------------------|--------------------------|----------------------------------|
| 11 | KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED** | | | | |
| | At the beginning of the year 01-Apr-2015 | 23,046 | 0.19 | 23,046 | 0.19 |
| | At the end of the Year 31-Mar-2016 | 23,046 | 0.19 | 23,046 | 0.19 |
| 12 | INDIA INFOLINE LIMITED** | | | | |
| | At the beginning of the year 01-Apr-2015 | 262 | 0.00 | 262 | 0.00 |
| | Purchase 10-Apr-2015 | 1,107 | 0.01 | 1,369 | 0.01 |
| | Sale 17-Apr-2015 | -1,318 | -0.01 | 51 | 0.00 |
| | Sale 24-Apr-2015 | -29 | 0.00 | 22 | 0.00 |
| | Sale 01-May-2015 | -22 | 0.00 | 0 | - |
| | Purchase 08-May-2015 | 1,528 | 0.01 | 1,528 | 0.01 |
| | Sale 15-May-2015 | -1,528 | -0.01 | 0 | - |
| | Purchase 05-Jun-2015 | 4 | 0.00 | 4 | 0.00 |
| | Purchase 12-Jun-2015 | 442 | 0.00 | 446 | 0.00 |
| | Sale 19-Jun-2015 | -446 | 0.00 | 0 | - |
| | Purchase 26-Jun-2015 | 990 | 0.01 | 990 | 0.01 |
| | Purchase 30-Jun-2015 | 425 | 0.00 | 1,415 | 0.01 |
| | Sale 30-Jun-2015 | -528 | 0.00 | 887 | 0.01 |
| | Sale 03-Jul-2015 | -887 | -0.01 | 0 | - |
| | Purchase 10-Jul-2015 | 17 | 0.00 | 17 | 0.00 |
| | Sale 17-Jul-2015 | -17 | 0.00 | 0 | - |
| | Purchase 06-Aug-2015 | 310 | 0.00 | 310 | 0.00 |
| | Sale 07-Aug-2015 | -300 | 0.00 | 10 | 0.00 |
| | Purchase 14-Aug-2015 | 20 | 0.00 | 30 | 0.00 |
| | Sale 14-Aug-2015 | -10 | 0.00 | 20 | 0.00 |
| | Sale 21-Aug-2015 | -20 | 0.00 | 0 | - |
| | Purchase 28-Aug-2015 | 100 | 0.00 | 100 | 0.00 |
| | Purchase 04-Sep-2015 | 8 | 0.00 | 108 | 0.00 |
| | Sale 11-Sep-2015 | -108 | 0.00 | 0 | - |
| | Purchase 25-Sep-2015 | 36 | 0.00 | 36 | 0.00 |
| | Sale 30-Sep-2015 | -1 | 0.00 | 35 | 0.00 |
| | Sale 09-Oct-2015 | -35 | 0.00 | 0 | - |
| | Purchase 30-Oct-2015 | 30 | 0.00 | 30 | 0.00 |
| | Sale 06-Nov-2015 | -30 | 0.00 | 0 | - |
| | Purchase 13-Nov-2015 | 30 | 0.00 | 30 | 0.00 |
| Sale 20-Nov-2015 | -30 | 0.00 | 0 | - | |
| Purchase 11-Dec-2015 | 31 | 0.00 | 31 | 0.00 | |
| Sale 18-Dec-2015 | -31 | 0.00 | 0 | - | |
| Purchase 25-Dec-2015 | 1,369 | 0.01 | 1369 | 0.01 | |
| Sale 31-Dec-2015 | -1,363 | -0.01 | 6 | 0.00 | |
| Purchase 01-Jan-2016 | 57 | 0.00 | 63 | 0.00 | |

| S. No. | Name of the Shareholder | No of shares | % of total shares of the company | Cumulative No. of shares | % of total shares of the company |
|--------|------------------------------------|--------------|----------------------------------|--------------------------|----------------------------------|
| | Sale 08-Jan-2016 | -63 | 0.00 | 0 | - |
| | Purchase 05-Feb-2016 | 4 | 0.00 | 4 | 0.00 |
| | Sale 12-Feb-2016 | -4 | 0.00 | 0 | - |
| | Purchase 26-Feb-2016 | 50 | 0.00 | 50 | 0.00 |
| | Sale 04-Mar-2016 | -39 | 0.00 | 11 | 0.00 |
| | Sale 11-Mar-2016 | -5 | 0.00 | 6 | 0.00 |
| | Sale 18-Mar-2016 | -6 | 0.00 | 0 | - |
| | Purchase 25-Mar-2016 | 3 | 0.00 | 3 | 0.00 |
| | Purchase 31-Mar-2016 | 52,627 | 0.44 | 52,630 | 0.44 |
| | At the end of the Year 31-Mar-2016 | | | 52,630 | 0.44 |

* Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2015

** Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 31-03-2016.

(v) Shareholding of Directors and Key Managerial Personnel

| S. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|-----------------------------------|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| At the beginning of the year | | | | | |
| 1 | Mr S Ram | Nil | Nil | Nil | Nil |
| 2 | Mr Srivats Ram | 26,536 | 0.220 | 26,536 | 0.220 |
| 3 | Mr S Viji | Nil | Nil | Nil | Nil |
| 4 | Mr Christopher M B Akers | Nil | Nil | Nil | Nil |
| 5 | Mr T S Vijayaraghavan | Nil | Nil | Nil | Nil |
| 6 | Mr S Prasad | 1,600 | 0.013 | 1,600 | 0.013 |
| 7 | Mr Aroon Raman | Nil | Nil | Nil | Nil |
| 8 | Mr B Santhanam | Nil | Nil | Nil | Nil |
| 9 | Ms Bharati Rao | Nil | Nil | Nil | Nil |
| 10 | Mr Paul G Reitz | Nil | Nil | Nil | Nil |
| 11 | Mr S Srivathsan CFO & Secretary | Nil | Nil | Nil | Nil |
| Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc): | | There is no Increase / Decrease in Shareholding of Directors and KMP during the year for the above Directors and KMP mentioned. | | | |
| At the End of the year | | As there is no Increase / Decrease in Shareholding during the year, the shareholding of the above Directors and KMP which stood during the beginning of the year remains same as at the end of the year also. | | | |



V. INDEBTEDNESS

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

Rs in lakhs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits Unsecured | Total Indebtedness |
|---|-------------------------------------|--------------------|-----------------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 23,855.00 | 5,754.47 | 9,313.93 | 38,923.40 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 102.66 | 0.40 | 605.79 | 708.85 |
| Total (i+ii+iii) | 23,957.66 | 5,754.87 | 9,919.72 | 39,632.25 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 4,500.00 | - | 552.07 | 5,052.07 |
| Reduction | 4,330.40 | 1,016.02 | - | 5,346.42 |
| Net Change | 170.00 | (1,016.02) | 552.07 | (294.35) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 24,006.00 | 4,659.44 | 9,948.03 | 38,613.47 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 121.26 | 79.41 | 523.76 | 724.43 |
| Total (i+ii+iii) | 24,127.26 | 4,738.85 | 10,471.79 | 39,337.90 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Rs in lakhs

| S. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---|---|------------------------|--------------------------------------|--------------|
| | | Mr S Ram, Chairman | Mr Srivats Ram, Managing Director | |
| 1 | Gross salary | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 22.00 | 86.40 | 108.40 |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | 3.38 | 1.33 | 4.71 |
| (c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | 65.00 1.11% - | 65.00 |
| 5 | Others-Retirement Benefits | 1.65 | 14.58 | 16.23 |
| Total (A) | | 27.03 | 167.31 | 194.34 |
| Ceiling as per the Act (10% of the net profits) | | | | 587.35 |

B. Remuneration to other Directors:

Rs in lakhs

| S. No. | Name of Directors | Particulars of Remuneration | | | Total Amount |
|--------|---|--|------------|------------------------|--------------|
| | | Fee for attending Board / committee meetings | Commission | Others, please specify | |
| | Independent Directors | | | | |
| 1 | Mr T S Vijayaraghavan | 2.55 | - | - | 2.55 |
| 2 | Mr S Prasad | 2.65 | - | - | 2.65 |
| 3 | Mr Aroon Raman | 1.80 | - | - | 1.80 |
| 4 | Mr B Santhanam | 1.05 | - | - | 1.05 |
| 5 | Ms Bharati Rao | 1.05 | - | - | 1.05 |
| | Total (1) | 9.10 | - | - | 9.10 |
| | Other Non-Executive Directors | | | | |
| 1 | Mr S Ram (from 1.9.2015) | 0.45 | 34.26** | - | 34.71 |
| 2 | Mr S Viji | 2.50 | - | - | 2.50 |
| 3 | Mr Christopher M B Akers | 0.40 | - | - | 0.40 |
| 4 | Mr Paul G Reitz | 0.40 | - | - | 0.40 |
| | Total (2) | 3.75 | 34.26 | - | 38.01 |
| | Total (B) = (1)+(2) | 12.85 | 34.26 | - | 47.11 |
| | Total Managerial Remuneration | | | - | 241.45 |
| | Overall Ceiling as per the Act (11% of the net profits) | | | | 646.08 |

**Commission payable to Non-Executive Chairman.

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:

Rs in lakhs

| S. No. | Particulars of Remuneration | Key Managerial Personnel | |
|--------|---|--|--------------|
| | | Mr S Srivathsan, Chief Financial Officer & Company Secretary | Total Amount |
| 1 | Gross Salary | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 56.32 | 56.32 |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | 3.13 | 3.13 |
| (c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | | |
| | - as % of profit | | |
| | - others, specify | - | - |
| 5 | Others-Retirement Benefits | 3.63 | 3.63 |
| | Total (A) | 63.08 | 63.08 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|------------------------------|-------------------|---|------------------------------|------------------------------------|
| (A) Copany; (B) Directors; (C) Other Officers In Default | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |



Annexure to the Directors' Report

Conservation of Energy

Your Company is implementing energy conservation activities in all of its plant locations. Energy saving projects have been successfully implemented on following themes:

Reduction of compressed air leakage, Use of Variable Speed drive for motor, Replacement of inefficient motor with energy efficient motor, Optimisation of motor capacity, Use of energy efficient lamp like induction lamp, LED lamp, Use of better efficient welding power sources, and Power factor improvement to reduce energy billing in northern plants.

Usage of wind-electric energy is being continued in Tamil Nadu plants. Padi plant's 38% of electrical energy need was met through Renewable energy (wind & biomass). Sriperumbudur plant's one-third of electrical energy need was met through wind energy.

Wood fired gasifier for paint plant in Rampur avoids diesel consumption of thermic fluid heater. In a limited way, Solar thermal energy is utilised in Padi, to reduce consumption of fossil fuel oil.

Technology Absorption

A strong emphasis is given for indigenous development of products and technology by your company. In the year under review, 317 new products have been developed and 4 patents have been filed by your company. Focus on special defence products is one of the key developments taken in the year under review.

Your company have been constantly pursuing R&D efforts to achieve technological leadership in the industry. During the year 2012-13, your Company had entered into a Technology Agreement with Ege Endustri, Turkey towards process, design and development of trailing arm type lift axle system. This technology has been fully absorbed and products are in regular production.

Your company continues to focus on development of alternate manufacturing process and light weighted wheel designs with good yield benefits to improve the performance of your Company going forward.

Expenditure incurred on R & D development

| | (Rs in Crores) |
|-----------------------------------|----------------|
| Capital | 2.30 |
| Revenue | 12.57 |
| Total as a percentage of turnover | 0.75 |

Foreign Exchange Earnings and Outgo:

The foreign exchange outgo to the Company during the year under review was Rs 158.83 crores and the foreign exchange earned was Rs 390.45 crore.

On behalf of the Board of Directors

Chennai
May 25, 2016

S Ram
Chairman
DIN 00018309

Independent Auditors' Report on the Standalone Financial Statements

To the Members of Wheels India Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of WHEELS INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fairview in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of Section 143 (11) of the Act, we give in the Annexure "A" to this report, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of

Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate report in Annexure "B" to this report and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 23(i) (b) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

K. Srinivasan
Partner

Chennai
25th May, 2016

Membership No.5809

Annexure A 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 title deeds of immovable properties are held in the name of the Company.
- II. The Physical verification of inventory has been conducted at reasonable intervals by the Management and discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- III. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence, the clauses (iii) (a), (b) and (c) of this paragraph of the Order are not applicable.
- IV. The Company has not granted any loans, made any investment and provided any guarantee or security. Hence the provisions of Sections 185 and 186 of the Act are not applicable.
- V. The Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- VI. The Maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of the two of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- VII. a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
 - b. The disputed Income tax, Service tax, Value added tax and Property tax aggregating to Rs. 11.17 Crores has not been deposited on account of disputes which are contested in appeals and are pending before Commissioner of Income Tax (Appeals), Central Excise and Service Tax Appellate Tribunal, Joint Commissioner Commercial Tax-Appeal, Appellate Deputy Commissioner – Commercial Taxes and Madras High Court.
- VIII. The Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks.
- IX. The Company had not raised any moneys by way of Initial Public Offer or further public offer (Including Debt Instruments). The moneys raised by way of term loans were applied for the purpose for which the term loans were raised.
- X. No fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- XI. The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of the Section 197, read with Schedule V to the Act.
- XII. The Company is not a Nidhi company, hence this paragraph of the order is not applicable.
- XIII. The transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and details have been disclosed in



the financial statements etc., as required by the applicable Accounting Standards.

XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence this paragraph of the order is not applicable.

XV. The Company has not entered into any non-cash transaction with directors or persons connected with them. Hence this paragraph of the order is not applicable.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

K. Srinivasan
Partner

Chennai
25th May, 2016

Membership No.5809

Annexure B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Wheels India Limited ("the Company") as at 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting

records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the

Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

K. Srinivasan
Partner

Chennai
25th May, 2016

Membership No.5809



ACCOUNTS - 2015-2016

Balance Sheet as at 31st March 2016

| Particulars | Note No. | Rs. in Crores | |
|---|----------|---------------------|----------|
| | | As at 31.03.2015 | |
| I EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| a) Share Capital | 1 | 12.03 | 12.03 |
| b) Reserves and Surplus | 2 | 396.13 | 369.03 |
| | | 408.16 | 381.06 |
| 2. Non-current Liabilities | | | |
| a) Long-term Borrowings | 3 | 188.56 | 163.12 |
| b) Deferred tax liabilities (Net) | 4 | 66.56 | 62.82 |
| c) Other long term liabilities | 5 | 2.03 | 2.03 |
| d) Long-term provisions | 6 | 3.86 | 2.06 |
| | | 261.01 | 230.03 |
| 3. Current liabilities | | | |
| a) Short-term borrowings | 7 | 147.49 | 153.58 |
| b) Trade payables | | | |
| A) total outstanding dues of micro enterprises and small enterprises; and | 8 | 11.23 | 10.28 |
| B) total outstanding dues of creditors other than micro enterprises and small enterprises | 8 | 356.28 | 346.38 |
| c) Other current liabilities | 9 | 74.15 | 96.33 |
| d) Short-term provisions | 10 | 30.76 | 26.08 |
| | | 619.91 | 632.65 |
| TOTAL | | 1,289.08 | 1,243.74 |
| II ASSETS | | | |
| 1. Non-current assets | | | |
| a) Fixed assets | | | |
| i) Tangible assets | 11 | 516.82 | 507.34 |
| ii) Intangible assets | 12 | 1.59 | 2.20 |
| iii) Capital Work-in-progress | 13 | 16.74 | 12.50 |
| b) Non-current investments | 14 | 11.31 | 15.36 |
| c) Long-term loans and advances | 15 | 25.54 | 30.94 |
| d) Other non-current assets | 16 | 12.28 | 9.10 |
| | | 584.28 | 577.44 |
| 2. Current assets | | | |
| a) Current Investments | 17 | - | 0.32 |
| b) Inventories | 18 | 266.50 | 237.66 |
| c) Trade receivables | 19 | 377.81 | 368.12 |
| d) Cash and cash equivalents | 20 | 4.96 | 6.94 |
| e) Short-term loans and advances | 21 | 55.21 | 52.79 |
| f) Other current assets | 22 | 0.32 | 0.47 |
| | | 704.80 | 666.30 |
| TOTAL | | 1,289.08 | 1,243.74 |
| Significant Accounting Policies | A | | |

S RAM

Chairman

SRIVATS RAM

Managing Director

S PRASAD

Director

As per our report attached

For **SUNDARAM & SRINIVASAN**

Chartered Accountants

(Registration No.:004207S)

K SRINIVASAN

Partner

Membership No.5809

S SRIVATHSAN

Chief Financial Officer & Secretary

Chennai

25th May, 2016

Profit and Loss Statement for the Year Ended 31st March 2016



| | Note No. | Rs. in Crores | |
|--|----------|-----------------|-----------------|
| | | | 2014-15 |
| REVENUE FROM OPERATIONS | | | |
| Sale of Products | | 2,004.77 | 1,941.44 |
| Sale of Services | | 18.32 | 16.68 |
| Other operating revenues | | 154.20 | 183.12 |
| Revenue from Operations - Gross | | 2,177.29 | 2,141.24 |
| Less: Excise Duty {On sale of products Rs.147.98 crores (previous year Rs.145.68 crores); Others Rs. 13.04 Crores (previous year Rs.15.69 crores)} | | 161.02 | 161.37 |
| Revenue from Operations - Net | | 2,016.27 | 1,979.87 |
| Other income | 25 | 1.86 | 2.67 |
| TOTAL REVENUE | | 2,018.13 | 1,982.54 |
| EXPENSES | | | |
| Cost of materials consumed | 26 | 1,326.09 | 1,337.75 |
| Changes in inventories of finished goods, Work-in-progress | 27 | 2.51 | (10.32) |
| Employee benefit expense | 28 | 225.06 | 213.31 |
| Other Expenses | 29 | 290.11 | 289.05 |
| TOTAL EXPENSES | | 1,843.77 | 1,829.79 |
| Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses | | 174.36 | 152.75 |
| Finance Costs | 30 | 57.58 | 59.07 |
| Depreciation and amortisation expenses | 11&12 | 60.45 | 54.14 |
| Profit before exceptional and extraordinary items and tax | | 56.33 | 39.54 |
| Exceptional items | | - | - |
| Profit before extraordinary items and tax | | 56.33 | 39.54 |
| Extraordinary items | | - | - |
| Profit before tax | | 56.33 | 39.54 |
| Tax expense: | | | |
| Current tax | | 12.60 | - |
| Minimum Alternate Tax | | - | 8.29 |
| Minimum Alternate Tax Credit entitlement | | - | (4.44) |
| Net Current tax | | 12.60 | 3.85 |
| Deferred tax | | 3.74 | 5.95 |
| Profit (Loss) for the year | | 39.99 | 29.74 |
| Earnings per equity share: | 37 | | |
| 1. Basic | | 33.24 | 24.72 |
| 2. Diluted | | 33.24 | 24.72 |
| Significant Accounting Policies | A | | |

S RAM

Chairman

SRIVATS RAM

Managing Director

S PRASAD

Director

S SRIVATHSAN

Chief Financial Officer & Secretary

Chennai

25th May, 2016

As per our report attached

For **SUNDARAM & SRINIVASAN**

Chartered Accountants

(Registration No.:004207S)

K SRINIVASAN

Partner

Membership No.5809

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 under the straight Line Method , in accordance with Schedules II of Companies Act, 2013 .
- 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.
- f) Grants received from Government based on Investment in Fixed assets are reduced from the cost of Fixed assets.

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 recognised 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 recognised 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 recognised 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 Crores | | | |
|---|--|---|------------------|----------------------------------|------------------|
| | | As at 31.03.2016 | | As at 31.03.2015 | |
| 1 SHARE CAPITAL | | | | | |
| a) | Authorised 2,00,00,000 Equity Shares of Rs.10/- each | 20.00 | | 20.00 | |
| b) | Issued, Subscribed and Fully Paid-up 1,20,32,279 Equity Shares of Rs.10/- each | 12.03 | | 12.03 | |
| c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: | | | | | |
| | | 2015 - 16 | | 2014 - 15 | |
| | | No. of shares | Rs. in Crores | No. of shares | Rs. in Crores |
| Equity Shares of Rs.10/- each | | | | | |
| Outstanding at the beginning and end of the year | | 1,20,32,279 | 12.03 | 1,20,32,279 | 12.03 |
| 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. | | | |
| e) | Shareholding of shareholders holding more than 5% of shares as at | 31.03.2016 (Number of shares) | | 31.03.2015 (Number of shares) | |
| | T V Sundram Iyengar & Sons Private Limited | 24,55,514 | | 24,55,514 | |
| | Southern Roadways Limited | 11,16,314 | | 11,16,314 | |
| | Sundaram Finance Limited | 13,33,741 | | 13,33,741 | |
| | Titan Europe Limited, UK | 41,18,640 | | 41,18,640 | |

Notes on Accounts (Contd.)

| | Rs. in Crores | |
|---|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| 2 RESERVES AND SURPLUS | | |
| a) Capital Reserves | | |
| As per last Balance Sheet | — | — |
| b) Securities Premium Reserve | | |
| As per last Balance Sheet | 82.13 | 82.13 |
| c) General Reserves | | |
| As per last Balance Sheet | 277.28 | 262.21 |
| Additions | 25.00 | 18.00 |
| | <u>302.28</u> | <u>280.21</u> |
| Less: carrying cost of fixed assets as on 01.04.2014 where remaining useful life was NIL (Net of Deferred tax of Rs. 1.51 crores) | - | 2.93 |
| | <u>302.28</u> | 277.28 |
| d) Surplus | | |
| As per last Balance Sheet | 9.63 | 8.74 |
| Add: Profit for the year | 39.99 | 29.74 |
| | <u>49.62</u> | <u>38.48</u> |
| Less: | | |
| Interim Dividend @ Rs. 3.50 per Share (Previous year @ Rs.3.00 per share) | 4.21 | 3.61 |
| Dividend Tax on interim dividend | 0.86 | 0.72 |
| Proposed final equity dividend Rs. 5.50 per share (previous year @ Rs.4.50 per share) | 6.62 | 5.42 |
| Dividend Tax on proposed equity dividend | 1.35 | 1.10 |
| Transfer to General Reserves | 25.00 | 18.00 |
| | <u>38.04</u> | <u>28.85</u> |
| | 11.58 | 9.63 |
| e) Foreign Currency Monetary Items Translation Difference Account | 0.14 | (0.01) |
| | <u>396.13</u> | <u>369.03</u> |



| | | Rs. in Crores | |
|---|---|---------------------|---------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| NON CURRENT LIABILITIES | | | |
| 3 LONG TERM BORROWINGS | | | |
| A. SECURED BORROWINGS | | | |
| a. | Term Loans from Banks | | |
| | By first Charge by way of hypothecation of specific machinery | 87.35 | 64.00 |
| b. | Term Loans from others | | |
| | By first Charge by way of hypothecation of specific machinery | 27.50 | 38.75 |
| B. UNSECURED BORROWINGS | | | |
| a. | Deferred payment liabilities | 0.64 | 1.59 |
| | From State Government under Interest Free Sales tax Deferral Scheme | | |
| b. | Fixed Deposits | 73.07 | 58.78 |
| | | 188.56 | 163.12 |
| | Terms of Repayment | | Refer to Note no.24 |
| 4 DEFERRED TAX LIABILITIES (NET) | | | |
| a) Deferred Tax Liability | | | |
| i) | Depreciation | 65.67 | 64.55 |
| ii) | Exchange difference on Long Term Foreign Currency Monetary Item | (0.05) | 0.01 |
| iii) | Export Incentives | 3.57 | - |
| | | 69.19 | 64.56 |
| b) Deferred Tax Asset | | | |
| | Expenses allowable for tax purpose on payment basis | 2.63 | 1.74 |
| | | 66.56 | 62.82 |

Notes on Accounts (Contd.)

| | Rs. in Crores | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| 5 OTHER LONG TERM LIABILITIES | | |
| Security Deposits | 2.03 | 2.03 |
| | <u>2.03</u> | <u>2.03</u> |
| 6 LONG TERM PROVISIONS | | |
| Provision for employee benefits | 3.86 | 2.06 |
| | <u>3.86</u> | <u>2.06</u> |
| 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. | 92.10 | 92.89 |
| B. UNSECURED BORROWINGS | | |
| a) Loans repayable on demand from Banks | 45.00 | 55.00 |
| b) Fixed Deposits | 10.39 | 5.69 |
| | <u>147.49</u> | <u>153.58</u> |
| 8 TRADE PAYABLES | | |
| Dues to Micro and Small Enterprises | 11.23 | 10.28 |
| Dues to others | 356.28 | 346.38 |
| | <u>367.51</u> | <u>356.66</u> |

(Refer to Note No. 41 for details of dues to Micro and Small Enterprises)



Rs. in Crores

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| 9 OTHER CURRENT LIABILITIES | | |
| a) Current maturities of long-term debt (Refer note 24) | 50.08 | 72.53 |
| b) Interest accrued but not due on borrowings | 6.66 | 5.69 |
| c) Unclaimed dividends | 0.23 | 0.19 |
| d) Unclaimed matured deposits and interest accrued thereon | 0.58 | 1.40 |
| e) Other payables | | |
| Statutory dues | 3.55 | 4.18 |
| Trade Deposits | 0.84 | 0.71 |
| Recovery from Employees | 1.22 | 0.93 |
| Creditors for capital goods (includes due to MSME Rs. 0.62 crores (previous year Rs.0.83 crores) | 5.35 | 5.72 |
| Provision for expenses | 4.46 | 3.70 |
| Provision for Excise duty on Finished Goods Stock | 1.18 | 1.28 |
| | 16.60 | 16.52 |
| | 74.15 | 96.33 |
| 10 SHORT TERM PROVISIONS | | |
| a) Provision for employee benefits | 18.98 | 17.55 |
| b) Due to Directors | 0.99 | 0.64 |
| c) Others | | |
| Provision for Taxation less Advance Tax and Tax deducted at Source | 3.40 | 1.37 |
| Less: Minimum Alternate Tax credit entitlement set off | 0.58 | - |
| | 2.82 | 1.37 |
| Provision for Dividend | 6.62 | 5.42 |
| Provision for Dividend Tax | 1.35 | 1.10 |
| | 30.76 | 26.08 |

NON CURRENT ASSETS - FIXED ASSETS

Rs. in Crores

| Description | Gross Block At Cost | | | Depreciation/Amortisation | | | Net Block | | | | |
|-----------------------------|---------------------|-----------|--|---------------------------|--------------------|--------------------|-----------|--|-----------|--------------------|--------------------|
| | As At 31.3.2015 | Additions | Adjustments relating to Foreign Exchange Fluctuations and Borrowing Costs | Deletions | As At 31.3.2016 | As At 31.3.2015 | Additions | Adjustments in Retained Earnings | Deletions | As At 31.3.2016 | As At 31.3.2015 |
| 11 TANGIBLE ASSETS | | | | | | | | | | | |
| Land (Free hold) | 3.72 | - | - | - | 3.72 | - | - | - | - | 3.72 | 3.72 |
| Land (Lease hold) | 5.22 | - | - | - | 5.22 | 0.59 | 0.05 | - | - | 4.58 | 4.63 |
| Buildings | 115.03 | 3.01 | 0.01 | 0.01 | 118.04 | 32.01 | 4.79 | - | 0.01 | 81.25 | 83.02 |
| Plant & Equipment | 876.14 | 66.43* | 0.09 | 8.41 | 934.25 | 467.92 | 52.19 | - | 4.83 | 418.97 | 408.22 |
| Furniture and Fixtures | 5.12 | 0.30 | - | 0.04 | 5.38 | 3.21 | 0.46 | - | 0.03 | 1.74 | 1.91 |
| Vehicles | 0.16 | 0.01 | - | 0.01 | 0.16 | 0.13 | - | - | - | 0.03 | 0.03 |
| Office Equipment | 20.86 | 2.69 | - | 0.14 | 23.41 | 15.05 | 1.97 | - | 0.14 | 6.53 | 5.81 |
| | 1,026.25 | 72.44 | 0.10 | 8.61 | 1,090.18 | 518.91 | 59.46 | - | 5.01 | 573.36 | 507.34 |
| 12 INTANGIBLE ASSETS | | | | | | | | | | | |
| Computer Software | 14.09 | 0.34 | - | - | 14.43 | 12.05 | 0.90 | - | - | 12.95 | 1.48 |
| Technical Know-how | 1.83 | 0.04 | - | - | 1.87 | 1.67 | 0.09 | - | - | 1.76 | 0.16 |
| | 15.92 | 0.38 | - | - | 16.30 | 13.72 | 0.99 | - | - | 14.71 | 1.59 |
| Total | 1,042.17 | 72.82 | 0.10 | 8.61 | 1,106.48 | 532.63 | 60.45 | - | 5.01 | 588.07 | 518.41 |
| Previous year | 941.52 | 102.72 | 1.72 | 3.79 | 1,042.17 | 476.18 | 54.14 | 4.44 | 2.13 | 532.63 | 509.54 |

* Net of Rs. 0.13 Crores Grant received from Government of India, Ministry of New and Renewable Energy.

13 CAPITAL WORK-IN-PROGRESS

- a) Buildings
b) Plant and Machinery

| | 31.3.2016 | 31.3.2015 |
|------------------------|--------------|--------------|
| a) Buildings | 2.28 | 0.12 |
| b) Plant and Machinery | 14.46 | 12.38 |
| | <u>16.74</u> | <u>12.50</u> |



Notes on Accounts (Contd.)

Rs. in Crores

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| 14 NON CURRENT INVESTMENTS | | |
| A Trade Investments - At cost | | |
| Unquoted | | |
| Investment in Equity instruments | | |
| i) In Associates | | |
| Axles India Limited | 2.72 | 2.72 |
| 24,24,661 Equity Shares of Rs.10/- each fully paid-up | | |
| | 2.72 | 2.72 |
| ii) Others | | |
| Sundaram Hydraulics Limited * | 7.15 | 11.25 |
| 71,50,000 Equity Shares of Rs.10/- each fully paid up (Previous year 1,12,50,000 Equity Shares of Rs.10/- each fully paid up) | | |
| Less: Provision for Dimunition in the value of investments | 1.00 | 1.00 |
| | 6.15 | 10.25 |
| * Ceased to be an associate effective from 25.03.2016 | | |
| MEFCO Engineers Private Limited | 0.20 | 0.20 |
| 20,000 Equity Shares of Rs.100/- each fully paid up | | |
| Siva Electric Generation Private Limited | 0.16 | 0.16 |
| 1,62,172 Equity shares of Rs.10/- each fully paid up | | |
| Gamma Green Power Private Limited | | |
| 20,28,250 Equity shares of Rs.10/- each fully paid up | 2.03 | 2.03 |
| Saheli Exports Private Limited | | |
| 9,450 Equity Shares of Rs. 50/- each fully paid up | 0.05 | 2.39 |
| | 2.44 | 15.36 |
| | 11.31 | 15.36 |
| 15 LONG TERM LOANS AND ADVANCES | | |
| Unsecured - Considered good | | |
| a) Advances for Capital goods | 4.72 | 10.20 |
| b) Security Deposits | 6.07 | 6.05 |
| c) Loans and advances due by an officer of the company | 0.01 | 0.01 |
| d) Minimum Alternate Tax credit entitlement | 11.18 | 11.76 |
| e) Other loans and advances | | |
| Advances to employees | 1.36 | 1.32 |
| Export incentives receivable | 1.93 | 1.32 |
| Prepaid expenses | 0.27 | 0.28 |
| | 3.56 | 2.92 |
| | 25.54 | 30.94 |

Notes on Accounts (Contd.)

| | Rs. in Crores | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| 16 OTHER NON CURRENT ASSETS | | |
| Unsecured - Considered good | | |
| Trade Receivables | 12.28 | 9.10 |
| CURRENT ASSETS | | |
| 17 CURRENT INVESTMENTS | | |
| Unquoted | | |
| Investments in debentures or bonds (At cost) | | |
| National Highways Authority India Limited | | |
| Capital Gains Tax Exemption Bonds | - | 0.32 |
| 317 Numbers of 54EC Capital Bonds in the nature of debentures of Rs.10,000/- each | | |
| | <u>-</u> | <u>0.32</u> |
| 18 INVENTORIES - As certified by Managing Director | | |
| a) Raw Materials | 135.40 | 107.03 |
| (includes Goods in Transit Rs. 6.28 Crores (previous year Rs.0.43 crores)) | | |
| b) Work - in - Progress | 50.22 | 53.19 |
| c) Finished goods | 24.50 | 24.04 |
| d) Stores and Spares | 42.05 | 37.85 |
| (includes Goods in Transit Rs.0.26 Crores (previous year Rs.0.15 Crores)) | | |
| e) Loose tools | 14.33 | 15.55 |
| | <u>266.50</u> | <u>237.66</u> |
| Refer to note no. 32 | | |
| 19 TRADE RECEIVABLES | | |
| Unsecured - Considered good | | |
| a) Outstanding for a period exceeding six months from the date from which they are due for payment | 10.24 | 9.64 |
| b) Others | 367.57 | 358.48 |
| | <u>377.81</u> | <u>368.12</u> |



Notes on Accounts (Contd.)

Rs. in Crores

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|--------------|---------------------|--------------|
| 20 CASH AND CASH EQUIVALENTS | | | | |
| a) Balances with Banks | | | | |
| i) Current Accounts | 0.80 | | 1.30 | |
| ii) Fixed Deposits - as Guarantee to Sales Tax Dept. | 1.21 | | 0.52 | |
| iii) Fixed Deposits - Others | - | | - | |
| iv) Deposit with Banks for the Public Deposit Repayment Reserve {includes Bank deposits with more than twelve months maturity Rs.0.13 crores (previous year Rs.0.08Crores)} | 2.60 | | 4.84 | |
| v) Unclaimed Dividend Accounts | 0.23 | 4.84 | 0.19 | 6.85 |
| b) Cash on hand | | 0.12 | | 0.09 |
| | | 4.96 | | 6.94 |
| 21 SHORT TERM LOANS AND ADVANCES | | | | |
| Unsecured - Considered good | | | | |
| a) Balance with Central Excise authorities | | 25.18 | | 19.33 |
| b) Others | | | | |
| VAT receivable | 1.39 | | 0.62 | |
| Advances to employees | 2.83 | | 2.46 | |
| Export incentives receivable | 9.40 | | 10.85 | |
| Advances to Vendors | 7.61 | | 6.04 | |
| Prepaid expenses | 7.81 | | 7.73 | |
| Sales tax refund receivable | - | | 5.54 | |
| Other Advances | 0.99 | 30.03 | 0.22 | 33.46 |
| | | 55.21 | | 52.79 |
| 22 OTHER CURRENT ASSETS | | | | |
| Interest accrued on deposits and investments | | 0.32 | | 0.47 |

Notes on Accounts (Contd.)

| | Rs. in Crores | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| 23 CONTINGENT LIABILITIES AND COMMITMENTS | | |
| i) Contingent Liabilities | | |
| a) Bills discounted with Banks | 82.08 | 90.50 |
| b) Disputed amounts in respect of sales tax, service tax, customs duty, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. 0.34 crores (previous year Rs. 0.04 crores) paid under protest appears under Long term Loans and Advances in the Balance Sheet) | 9.08 | 8.03 |
| c) Contingent Liability towards demand for enhanced compensation for Land at Bawal, Haryana not provided for | 1.11 | 0.96 |
| ii) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 19.00 | 19.39 |

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 Crores | |
|---|---------------|----------|
| | 2015-16 | 2014-15 |
| 25 OTHER INCOME | | |
| a) Interest on deposits and advances | 1.20 | 1.96 |
| b) Profit on sale of fixed assets (Net) | 0.47 | - |
| c) Dividend Received | - | 0.36 |
| d) Other non-operating income | 0.19 | 0.35 |
| | 1.86 | 2.67 |
| 26 RAW MATERIAL CONSUMPTION | | |
| Raw Material | 1,056.43 | 1,095.87 |
| Components | 269.66 | 241.88 |
| | 1,326.09 | 1,337.75 |
| 27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS | | |
| a) Opening inventory of Finished Goods | 24.04 | 18.31 |
| Less: Closing inventory of Finished Goods | 24.50 | 24.04 |
| Net change in stock of Finished Goods | (0.46) | (5.73) |
| b) Opening inventory of Work-in-Progress | 53.19 | 48.60 |
| Less: Closing inventory of Work-in-Progress | 50.22 | 53.19 |
| Net change in stock of Work-in-Progress | 2.97 | (4.59) |
| Net change in Finished Goods and Work in Progress | 2.51 | (10.32) |
| Refer to Note 32 | | |

Notes on Accounts (Contd.)

| | Rs. in Crores | |
|---|---------------|---------|
| | 2015-16 | 2014-15 |
| 28 EMPLOYEE BENEFIT EXPENSES | | |
| a) Salaries, Wages, Bonus and Commission | 191.64 | 185.60 |
| b) Contribution to Provident and Other Funds | 11.40 | 8.17 |
| c) Staff Welfare expenses | 22.02 | 19.54 |
| | 225.06 | 213.31 |
| 29 OTHER EXPENSES | | |
| Consumption of Stores, tools and spare parts (Refer to Note 31) | 75.70 | 71.65 |
| Power and fuel | 93.73 | 95.99 |
| Rent including Lease Rent | 7.20 | 6.52 |
| Repairs to | | |
| Buildings | 6.84 | 7.15 |
| Machinery | 11.75 | 10.24 |
| Insurance | 3.06 | 3.01 |
| Rates and taxes, excluding taxes on income | 2.51 | 2.25 |
| Directors sitting fees | 0.13 | 0.12 |
| Auditors' remuneration | | |
| Statutory Audit | 0.26 | 0.26 |
| Taxation matters (includes Rs.0.04 Crores for Tax Audit - Last year Rs.0.04 crores) | 0.11 | 0.11 |
| VAT Audit fees | 0.02 | 0.01 |
| Certification fees | 0.05 | 0.05 |
| Reimbursement of expenses | 0.07 | 0.06 |
| Expenditure on Corporate Social Responsibilities | 0.84 | 1.04 |
| Freight | 36.90 | 35.01 |
| Net Loss on foreign currency transactions and translation (other than exchange loss considered as finance cost) | 0.13 | 2.08 |
| Loss on Sale of fixed assets (Net) | - | 0.13 |
| Provision for Diminution in the value of investments in equity shares | - | 1.00 |
| Miscellaneous expenses | 50.81 | 52.37 |
| | 290.11 | 289.05 |
| 30 FINANCE COSTS | | |
| a) Interest expense | 51.72 | 49.91 |
| b) Interest on shortfall and other interests under Income Tax Act | - | (0.17) |
| c) Other borrowing costs | 0.51 | 1.19 |
| d) Net (gain)/Loss on foreign currency transactions and translation | 5.35 | 8.14 |
| | 57.58 | 59.07 |



31 Imported and Indigenous Materials consumed

| | 2015-16 | | 2014-15 | |
|-----------------------------|------------------------|-----------------|------------------------|-----------------|
| | % to total Consumption | Value | % to total Consumption | Value |
| a) Raw Materials | | | | |
| i) Imported | 16.76 | 177.01 | 11.66 | 127.75 |
| ii) Indigenous | 83.24 | 879.42 | 88.34 | 968.12 |
| | 100.00 | 1,056.43 | 100.00 | 1,095.87 |
| Refer to note no. 26 | | | | |
| b) Components | | | | |
| i) Imported | 4.03 | 10.88 | 3.61 | 8.74 |
| ii) Indigenous | 95.97 | 258.78 | 96.39 | 233.14 |
| | 100.00 | 269.66 | 100.00 | 241.88 |
| Refer to note no.26 | | | | |
| c) Stores and spares | | | | |
| i) Imported | 3.57 | 2.70 | 4.44 | 3.18 |
| ii) Indigenous | 96.43 | 73.00 | 95.56 | 68.47 |
| | 100.00 | 75.70 | 100.00 | 71.65 |
| Refer to note no. 29 | | | | |

32 Details of Sales, Raw Material Consumption and Inventories

| Raw Material & Components | 2015-16 | | | 2014-15 | | |
|---------------------------|-----------------|---------------|---------------|-----------------|---------------|---------------|
| | Consumption | Closing Stock | Opening Stock | Consumption | Closing Stock | Opening Stock |
| Steel | 1,008.93 | 104.67 | 80.33 | 1,050.00 | 80.33 | 93.54 |
| Aluminium | 47.50 | 3.98 | 3.36 | 45.85 | 3.36 | 3.65 |
| Bought-out components | 236.27 | 24.01 | 21.04 | 212.92 | 21.04 | 20.24 |
| Others | 33.39 | 2.74 | 2.30 | 28.98 | 2.3 | 1.52 |
| | 1,326.09 | 135.40 | 107.03 | 1,337.75 | 107.03 | 118.95 |

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

| CLASS OF GOODS | 2015-16 | | | | | 2014-15 | | | | |
|---|-----------------|------------------------------|------------------------------|--------------------------------|--------------------------------|----------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| | 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 | 1,585.74 | 22.10 | 21.96 | 35.18 | 41.20 | 1,576.06 | 21.96 | 17.07 | 41.20 | 42.28 |
| Air Suspension | 113.16 | 1.48 | 1.28 | 0.43 | 0.56 | 97.74 | 1.28 | 0.08 | 0.56 | 1.63 |
| Others | 157.89 | 0.92 | 0.80 | 14.61 | 11.43 | 121.96 | 0.80 | 1.16 | 11.43 | 4.69 |
| | 1,856.79 | 24.50 | 24.04 | 50.22 | 53.19 | 1,795.76 | 24.04 | 18.31 | 53.19 | 48.60 |

Refer to note no.18, 26 and 27



Notes on Accounts (Contd.)

| | Rs. in Crores | |
|---|--------------------|-------------|
| | 2015-16 | 2014-15 |
| 33 Imports (CIF Value) | | |
| i) Raw Materials | 160.08 | 111.70 |
| ii) Spare Parts | 2.94 | 4.03 |
| iii) Capital Goods | 20.50 | 3.37 |
| 34 Expenditure in Foreign Currency | | |
| i) Royalty and Know-how fees (Net of Tax) | 2.97 | 2.80 |
| ii) Commission | 2.12 | 3.30 |
| iii) Interest | 1.16 | 1.70 |
| iv) Others | 5.06 | 6.37 |
| 35 Amount remitted in Foreign Currency towards Dividend | | |
| i) Number of Non-Resident Shareholders | 1 | 1 |
| ii) Number of Shares held | 41,18,640 | 41,18,640 |
| iii) Dividend and years to which it relates | | |
| - Interim Dividend 2014-15 | | 1.24 |
| - Final Dividend 2014-15 | 1.85 | |
| - Interim Dividend 2015-16 | 1.44 | |
| - Final Dividend 2013-14 | | 1.73 |
| 36 Earnings in Foreign Exchange | | |
| Exports (on FOB basis) | 375.82 | 402.01 |
| 37 Earnings Per Share | | |
| Net profit as per P&L account | 39.99 | 29.74 |
| Number of Shares | 1,20,32,279 | 1,20,32,279 |
| Nominal value per share - Rupees | 10.00 | 10.00 |
| Basic & Diluted earnings per share - Rupees | 33.24 | 24.72 |
| 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 | 1.18 | 1.28 |
| 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.0.14 Crores gain {net of amortization Rs. 0.25 Crores} [Previous year Rs. 0.01 Crores loss {net of amortization Rs.0.16 Crores}] are adjusted to Foreign currency Monetary Item Translation Difference Account. | | |
| 40 In the opinion of the management the Long term Investment in Equity shares of Sundaram Hydraulics Limited is considered as strategic in nature and the diminution in the value of the said investment is considered as temporary in nature in view of the long term business outlook and future growth plans. Hence no provision is considered necessary. However the provision made in the previous year amounting to Rs. 1.00 crore is retained. | | |

| | Rs. in Crores | |
|--|---------------|---------|
| | 2015-16 | 2014-15 |
| 41 Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006” | | |
| Particulars | | |
| a. The Principal amount and the interest due there-on (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due to micro and small enterprises | - | - |
| - Interest due on above | - | - |
| b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | 0.01 |
| c. The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | 0.01 | - |
| e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | 0.01 | 0.01 |

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 Crores | | |
|------------------------|--------------|---------|---------|
| | 2015-16 | 2014-15 | 2013-14 |
| a) Revenue Expenditure | 12.57 | 11.93 | 10.88 |
| b) Capital Expenditure | 2.30 | 4.60 | 4.72 |

43 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 recognised 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.



Notes on Accounts (Contd.)

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.

Disclosures for the Defined Benefit Plans based on Actuarial Reports as on 31/03/2016 are as under:

Rs. in Crores

| | Gratuity (funded) | | Leave Salary (Partly funded) | |
|---|----------------------|---------|---------------------------------|---------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Change in defined benefit obligation | | | | |
| Opening defined benefit obligation | 17.55 | 17.00 | 4.39 | 3.74 |
| Current service cost | 1.24 | 1.17 | 0.09 | 1.00 |
| Interest cost | 1.41 | 1.36 | 0.28 | 0.27 |
| Actuarial loss / (gain) | 2.61 | (0.07) | 3.32 | 0.87 |
| Benefits paid | (2.38) | (1.91) | (1.69) | (1.49) |
| Closing defined benefit obligation | 20.43 | 17.55 | 6.39 | 4.39 |
| Change in fair value of assets | | | | |
| Opening fair value of plan assets | 16.52 | 15.92 | 2.33 | 1.79 |
| Expected return on plan assets | 1.43 | 1.43 | 0.19 | 0.15 |
| Actuarial gain / (Loss) | - | - | 0.01 | (0.01) |
| Contribution by employer | 1.03 | 1.08 | - | 0.40 |
| Benefits paid | (2.38) | (1.91) | - | - |
| Closing fair value of plan assets | 16.60 | 16.52 | 2.53 | 2.33 |
| Amount recognised in the Balance Sheet | | | | |
| Present value of obligations at year end | 20.43 | 17.55 | 6.39 | 4.39 |
| Fair value of plan assets at year end | 16.60 | 16.52 | 2.53 | 2.33 |
| Amount now recognised as liability | (3.83) | (1.03) | (3.86) | (2.06) |
| Net (liability) / asset recognised as on 31st March | (3.83) | (1.03) | (3.86) | (2.06) |
| Expenses recognised in the Profit & Loss Statement | | | | |
| Current Service cost | 1.24 | 1.17 | 0.09 | 1.00 |
| Interest on defined benefit obligation | 1.41 | 1.36 | 0.28 | 0.27 |
| Expected return on plan assets | (1.43) | (1.43) | (0.19) | (0.15) |
| Net actuarial loss / (gain) recognised in the current year | 2.61 | (0.07) | 3.31 | 0.88 |
| Expenses recognised in the Profit & Loss Statement | 3.83 | 1.03 | 3.49 | 2.00 |
| 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% |

Notes on Accounts (Contd.)

Rs. in Crores

Amount for the current and previous four years is as follows:

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--|---------|---------|---------|---------|---------|
| Gratuity (Fully Funded) | | | | | |
| Defined Benefit Obligation | 20.43 | 17.55 | 17.00 | 16.52 | 14.41 |
| Plan Assets | 16.60 | 16.52 | 15.92 | 14.58 | 12.02 |
| Surplus / (Deficit) | (3.83) | (1.03) | (1.08) | (1.94) | (2.39) |
| Experience adjustments on plan liabilities | 2.61 | (0.07) | (0.06) | 1.06 | 1.70 |
| Experience adjustments on plan assets | - | - | - | - | - |

Rs. in Crores

44 Borrowing costs in accordance with AS16 issued by ICAI

Borrowing costs capitalised during the year

| 2015-16 | 2014-15 |
|---------|---------|
| 0.44 | 1.85 |

45 Segment information for the year ended 31st March, 2016 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 Crores

| | 2015-16 | | | 2014-15 | | |
|-----------------------------------|-----------------|---------------|-----------------|----------|---------------|----------|
| | India | Outside India | Total | India | Outside India | Total |
| External | 1,640.45 | 375.82 | 2,016.27 | 1,577.86 | 402.01 | 1,979.87 |
| Inter-Segment | - | - | - | - | - | - |
| Total | 1,640.45 | 375.82 | 2,016.27 | 1,577.86 | 402.01 | 1,979.87 |
| Carrying amount of segment assets | 1,276.16 | 12.92 | 1,289.08 | 1,234.17 | 9.57 | 1,243.74 |
| Additions to fixed assets | 72.92 | - | 72.92 | 104.44 | - | 104.44 |

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.)

46 Related Party disclosures in accordance with AS18 issued by ICAI

Associates:

T.V.Sundram Iyengar & Sons Private Ltd.

Axles India Ltd.

Titan Europe Limited, UK

Sundaram Hydraulics Ltd.*

* Ceased to be an associate effective from 25.03.2016

Key Managerial Personnel:

Mr S Ram

Mr Srivats Ram

| Nature of transactions | Rs. in Crores | | | |
|---|---------------|-------|---------|-------|
| | 2015-16 | | 2014-15 | |
| Purchase of goods | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 0.01 | | 0.00 | |
| Axles India Limited | 0.17 | | 0.04 | |
| Sundaram Hydraulics Limited | 1.28 | 1.46 | 1.28 | 1.32 |
| Sale of goods | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 27.71 | | 23.64 | |
| Axles India Limited | - | | 0.52 | |
| Sundaram Hydraulics Limited | 5.83 | 33.54 | 10.72 | 34.88 |
| Rendering of Services | | | | |
| Axles India Limited | 0.10 | | 0.11 | |
| Sundaram Hydraulics Limited | 0.65 | 0.75 | 1.05 | 1.16 |
| Receiving of Services | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 0.24 | | 0.15 | |
| Axles India Limited | 0.19 | | 0.07 | |
| Sundaram Hydraulics Limited | 1.35 | 1.78 | 1.48 | 1.70 |
| Dividend paid during the year | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 1.96 | | 1.77 | |
| Titan Europe Limited, UK | 3.29 | 5.25 | 2.97 | 4.74 |
| Dividend received during the year | | | | |
| Axles India Limited | | - | | 0.36 |
| | | 42.78 | | 44.16 |
| Balance due to us | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 2.58 | | 2.21 | |
| Sundaram Hydraulics Limited | 18.04 | 20.62 | 22.11 | 24.32 |
| Balance due from us | | | | |
| T.V.Sundram Iyengar & Sons Private Ltd. | 0.02 | | 0.04 | |
| Sundaram Hydraulics Limited | 0.06 | 0.08 | 2.73 | 2.77 |

Notes on Accounts (Contd.)

| Key Managerial Personnel | Rs. in Crores | | | |
|---|---------------|----------------|----------|----------------|
| | 2015-16 | | 2014-15 | |
| | Mr S Ram | Mr Srivats Ram | Mr S Ram | Mr Srivats Ram |
| Remuneration, Perquisites and Commission | 0.61 | 1.67 | 0.60 | 1.55 |
| Interest on fixed deposits | - | 0.23 | 0.07 | 0.41 |
| Dividend paid during the year | - | 0.02 | - | 0.02 |
| Sale of investment in the Shares of Sundaram Hydraulics Limited : | | | | |
| 10,50,000 equity shares of Rs. 10/- each fully paid up | 1.05 | | | |
| 10,00,000 equity shares of Rs. 10/- each fully paid up | | 1.00 | | |
| Deposits balance outstanding | - | 2.38 | - | 2.18 |
| Commission outstanding | 0.34 | 0.65 | - | 0.64 |

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

| Operating Lease | Rs. in Crores | |
|--|--------------------------------|--------------------------------|
| | 2015-16 Total Minimum Lease | 2014-15 Total Minimum Lease |
| As at Balance Sheet date | 2.02 | 2.10 |
| Not later than 1 year | 0.81 | 0.94 |
| Later than 1 year and not later than 5 years | 1.21 | 1.17 |
| Later than 5 years | - | - |
| Lease rentals paid during the year | 0.98 | 1.11 |

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

| Computer software & Technical know how Refer to note no.12 | 2015-16 | 2014-15 |
|---|--|---------|
| | Gross carrying amount at the beginning of the year | 15.92 |
| Acquired during the year | 0.38 | 1.32 |
| Gross carrying amount at the end of the year | 16.30 | 15.92 |
| Gross amortisation at the beginning of the year | 13.72 | 12.35 |
| Amortised during the year | 0.99 | 1.37 |
| Gross amortisation at the end of the year | 14.71 | 13.72 |
| Net carrying amount at the beginning of the year | 2.20 | 2.25 |
| Net carrying amount at the end of the year | 1.59 | 2.20 |

49 Derivative instruments

Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs.101.45 crores (Previous year - Rs.8.43 crores)

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

Signatories to Notes to Financial Statements

| | | | |
|--|---|-----------------------------|---|
| S RAM Chairman | SRIVATS RAM Managing Director | S PRASAD Director | As per our report attached For SUNDARAM & SRINIVASAN Chartered Accountants (Registration No.:004207S) K SRINIVASAN Partner Membership No.5809 |
| S SRIVATHSAN Chief Financial Officer & Secretary | | | |
| Chennai 25th May, 2016 | | | |

**Cash Flow Statement in accordance with AS3 issued by ICAI
Annexed to the Balance Sheet for the year ended 31st March, 2016**



| Rs. in Crores | | |
|--|---------|---------|
| | 2015-16 | 2014-15 |
| A Cash Flow from Operating Activities: | | |
| Net Profit before Tax and extraordinary items | 56.33 | 39.54 |
| Adjustment for: | | |
| Depreciation | 60.45 | 54.14 |
| Adjustments to the carrying amount of Investments | - | 1.00 |
| (Profit) / Loss on sale of assets (net) | (0.47) | 0.13 |
| Loss on obsolescence | 1.20 | - |
| Effect of Exchange Rate Change | 1.29 | (2.69) |
| Interest income | (1.20) | (1.96) |
| Lease Liabilities | 1.36 | 1.44 |
| Dividend Received | - | (0.36) |
| Finance costs | 57.58 | 59.07 |
| | 120.21 | 110.77 |
| Operating profit before working capital changes | 176.54 | 150.31 |
| Adjustments for: | | |
| Receivables and advances | (2.19) | (95.74) |
| Foreign Currency Monetary Items Translation Difference account | 0.15 | 1.52 |
| Inventories | (28.84) | (3.74) |
| Payables | 13.20 | 43.23 |
| | (17.68) | (54.73) |
| Cash generated from operations | 158.86 | 95.58 |
| Taxes paid | (10.57) | (11.68) |
| Cash flow before extraordinary items | 148.29 | 83.90 |
| Net Cash from operating activities (A) | 148.29 | 83.90 |
| Cash Flow from Investing Activities | | |
| Purchase of fixed assets | (77.16) | (69.38) |
| Sale of Investments | 4.37 | 0.50 |
| Sale of fixed assets | 2.87 | 1.52 |
| Interest received | 1.35 | 1.57 |
| Net cash used in investing activities (B) | (68.57) | (65.79) |
| Cash Flow from Financing Activities | | |
| Proceeds from Long Term Borrowings | 51.34 | 75.72 |
| Repayment of Long Term Borrowings | (43.65) | (39.77) |
| Repayment of Lease liabilities | (1.36) | (1.44) |
| Increase in working capital | (20.47) | 22.08 |
| Dividend received | - | 0.36 |
| Finance costs | (55.97) | (60.67) |
| Dividend paid | (9.63) | (8.66) |
| Dividend tax paid | (1.96) | (1.58) |
| Net cash used in Financing activities (C) | (81.70) | (13.96) |
| Net increase in cash and cash equivalents (A+B+C) | (1.98) | 4.15 |
| Cash and cash equivalents at the beginning of the year | 6.94 | 2.79 |
| Cash and cash equivalents at the end of the year | 4.96 | 6.94 |

S RAM
Chairman

SRIVATS RAM
Managing Director

S PRASAD
Director

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

S SRIVATHSAN
Chief Financial Officer & Secretary
Chennai
25th May, 2016

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**CONSOLIDATED
FINANCIAL STATEMENTS
2015-2016**

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of Wheels India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of WHEELS INDIA LIMITED and its Associate (Collectively referred to "the Company"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matters

The Consolidated financial statements include the Company's share of net profit of Rs.1.14 Crores for the year ended 31st March 2016, in respect of its associate, whose financial statements are unaudited. These financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company, and the operating effectiveness of such controls, refer to our separate report in Annexure "A" to this report and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position. – Refer Note No. 23(i)(b) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

K. Srinivasan
Partner

Chennai
25th May, 2016

Membership No.5809

Annexure A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial Controls over financial reporting of Wheels India Limited("the Company")and its associate as at 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and



the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its associate has, in all material respects, an adequate internal financial

controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate company has been certified by the Management of the associate company.

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

K. Srinivasan
Partner
Membership No.5809

Chennai
25th May, 2016

Consolidated Balance Sheet As At 31st March 2016

| Particulars | Note No. | Rs. in Crores | |
|--|----------|---------------|-----------------|
| I EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| a) Share Capital | 1 | 12.03 | |
| b) Reserves and Surplus | 2 | 401.18 | |
| | | | 413.21 |
| 2. Non-current liabilities | | | |
| a) Long-term Borrowings | 3 | 188.56 | |
| b) Deferred tax liabilities (Net) | 4 | 66.56 | |
| c) Other long term liabilities | 5 | 2.03 | |
| d) Long-term provisions | 6 | 3.86 | |
| | | | 261.01 |
| 3. Current liabilities | | | |
| a) Short-term borrowings | 7 | 147.49 | |
| b) Trade payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | 8 | 11.23 | |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 8 | 356.28 | |
| c) Other current liabilities | 9 | 74.15 | |
| d) Short-term provisions | 10 | 30.76 | |
| | | | 619.91 |
| TOTAL | | | 1,294.13 |
| II ASSETS | | | |
| 1. Non-current assets | | | |
| a) Fixed assets | | | |
| i) Tangible assets | 11 | 516.82 | |
| ii) Intangible assets | 12 | 1.59 | |
| iii) Capital Work-in-progress | 13 | 16.74 | |
| b) Non-current investments | 14 | 16.36 | |
| c) Long-term loans and advances | 15 | 25.54 | |
| d) Other non-current assets | 16 | 12.28 | |
| | | | 589.33 |
| 2. Current assets | | | |
| a) Current Investments | 17 | - | |
| b) Inventories | 18 | 266.50 | |
| c) Trade receivables | 19 | 377.81 | |
| d) Cash and cash equivalents | 20 | 4.96 | |
| e) Short-term loans and advances | 21 | 55.21 | |
| f) Other current assets | 22 | 0.32 | |
| | | | 704.80 |
| TOTAL | | | 1,294.13 |
| Significant Accounting Policies | B | | |

S RAM
Chairman

SRIVATS RAM
Managing Director

S PRASAD
Director

S SRIVATHSAN
Chief Financial Officer & Secretary

Chennai
25th May, 2016

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

Consolidated Profit and Loss Statement for the Year Ended 31st March 2016



| Particulars | Note No. | Rs. in Crores |
|---|----------|-----------------|
| REVENUE FROM OPERATIONS | | |
| Sale of Products | | 2,004.77 |
| Sale of Services | | 18.32 |
| Other operating revenues | | 154.20 |
| Revenue from Operations - Gross | | 2,177.29 |
| Less: Excise Duty {On sale of products Rs.147.98 crores; Others Rs. 13.04 Crores} | | 161.02 |
| Revenue from Operations - Net | | 2,016.27 |
| Other income | 23 | 1.86 |
| TOTAL REVENUE | | 2,018.13 |
| EXPENSES | | |
| Cost of materials consumed | 24 | 1,326.09 |
| Changes in inventories of finished goods, Work-in-progress | 25 | 2.51 |
| Employee benefit expense | 26 | 225.06 |
| Other Expenses | 27 | 290.11 |
| TOTAL EXPENSES | | 1,843.77 |
| Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses | | 174.36 |
| Finance Costs | 28 | 57.58 |
| Depreciation and amortisation expenses | 11&12 | 60.45 |
| Profit before exceptional and extraordinary items and tax | | 56.33 |
| Exceptional items | | - |
| Profit before extraordinary items and tax | | 56.33 |
| Extraordinary items | | - |
| Profit before tax | | 56.33 |
| Tax expense: | | |
| Current tax | | 12.60 |
| Minimum Alternate Tax | | - |
| Minimum Alternate Tax Credit entitlement | | - |
| Net Current tax | | 12.60 |
| Deferred tax | | 3.74 |
| Net Profit (before adjustment) | | 39.99 |
| Add: Share of Profit in Associate | | 1.14 |
| Profit (Loss) for the year | | 41.13 |
| Earnings per equity share: | 29 | |
| 1. Basic | | 34.18 |
| 2. Diluted | | 34.18 |
| Significant Accounting Policies | B | |

S RAM

Chairman

SRIVATS RAM

Managing Director

S PRASAD

Director

S SRIVATHSAN

Chief Financial Officer & Secretary

Chennai

25th May, 2016

As per our report attached

For **SUNDARAM & SRINIVASAN**

Chartered Accountants

(Registration No.:004207S)

K SRINIVASAN

Partner

Membership No.5809

Consolidated - Notes on Accounts

A Principles of Consolidation:

The Consolidated Financial Statements relate to Wheels India Limited ('the Company) and the Company's share of profit in its Associate. The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of an Associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2016
- b) The Consolidated Financial Statements include the share of profit of an Associate company which have been accounted for using equity method as per Accounting Standard (AS) 23 accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit of the Associate company has been added to the cost of investments.
- c) The difference between the cost of investments in the Associate and the share of net assets at the time of acquisition of shares in the Associate is identified in the Consolidated Financial statements as Goodwill or Capital Reserve as the case may be.
- d) Following Associate has been considered in the preparation of the Consolidated Financial Statements:

| Name of the Entity | Relationship | Country of Incorporation | % of Holding and Voting Powers |
|---------------------|--------------|--------------------------|--------------------------------|
| Axles India Limited | Associate | India | 9.51% |

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

B 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 under the straight line method , in accordance with Schedules II of Companies Act, 2013 .
- 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.



Consolidated - Notes on Accounts (Contd.)

- f) Grants received from Government based on Investment in Fixed assets are reduced from the cost of fixed assets.

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

Consolidated - Notes on Accounts (Contd.)

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 recognised 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 recognised 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 recognised 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.



Consolidated - Notes on Accounts (Contd.)

| | | Rs. in Crores | |
|---|---|--------------------|------------------|
| | | As at 31.3.2016 | |
| 1 SHARE CAPITAL | | | 20.00 |
| a) Authorised | | | |
| | 2,00,00,000 Equity Shares of Rs.10/- each | | |
| b) Issued, Subscribed and Fully Paid-up | | | 12.03 |
| | 1,20,32,279 Equity Shares of Rs.10/- each | | |
| c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: | | | |
| | Equity Shares of Rs.10/- each | | |
| | Outstanding at the beginning and end of the year | 2015-16 | |
| | | No. of shares | Rs. in Crores |
| | | 1,20,32,279 | 12.03 |
| c) 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. | | |
| d) Shareholding of shareholders holding more than 5% of shares as on | | 31.3.2016 | |
| | | (Number of shares) | |
| | T V Sundram Iyengar & Sons Private Limited | | 24,55,514 |
| | Southern Roadways Limited | | 11,16,314 |
| | Sundaram Finance Limited | | 13,33,741 |
| | Titan Europe Limited, UK | | 41,18,640 |
| 2 RESERVES AND SURPLUS | | | |
| a) Capital Reserves | | | |
| | As per last Balance Sheet | | - |
| b) Securities Premium Reserve | | | |
| | As per last Balance Sheet | | 82.13 |
| c) General Reserves | | | |
| | As per last Balance Sheet | 277.28 | |
| | Additions | 25.00 | |
| | | 302.28 | |
| | Share in networth of Associate as on 31.03.2015 | 3.91 | 306.19 |
| d) Surplus | | | |
| | As per last Balance Sheet | 9.63 | |
| | Add: Profit for the year | 41.13 | |
| | | 50.76 | |
| | Less: | | |
| | Interim Dividend @ Rs. 3.50 per Share | 4.21 | |
| | Dividend Tax on Interim Dividend | 0.86 | |
| | Proposed final equity dividend Rs. 5.50 Per share | 6.62 | |
| | Dividend Tax on proposed equity dividend | 1.35 | |
| | Transfer to General Reserves | 25.00 | |
| | | 38.04 | 12.72 |
| e) Foreign Currency Monetary Items Translation Difference Account | | | 0.14 |
| | | | 401.18 |

Consolidated - Notes on Accounts (Contd.)

| | | Rs. in Crores |
|----------|---|--------------------|
| | | As at 31.3.2016 |
| 3 | LONG TERM BORROWINGS | |
| | A. SECURED BORROWINGS | |
| | a. Term Loans from Banks | |
| | By first Charge by way of hypothecation of specific machinery | 87.35 |
| | b. Term Loans from others | |
| | By first Charge by way of hypothecation of specific machinery | 27.50 |
| | B. UNSECURED BORROWINGS | |
| | a. Deferred payment liabilities | 0.64 |
| | From State Government under Interest Free Sales tax Deferral Scheme | |
| | b. Fixed Deposits | 73.07 |
| | | 188.56 |
| | Terms of Repayment (Refer to Note no.24 of standalone financial statements) | |
| 4 | DEFERRED TAX LIABILITIES (NET) | |
| | a) Deferred Tax Liability | |
| | i) Depreciation | 65.67 |
| | ii) Exchange difference on Long Term Foreign Currency Monetary Item | (0.05) |
| | iii) Export Incentives | 3.57 |
| | | 69.19 |
| | b) Deferred Tax Asset | |
| | Expenses allowable for tax purpose on payment basis | 2.63 |
| | | 66.56 |
| 5 | OTHER LONG TERM LIABILITIES | |
| | Security Deposits | 2.03 |
| | | 2.03 |
| 6 | LONG TERM PROVISIONS | |
| | Provision for employee benefits | 3.86 |
| | | 3.86 |
| 7 | SHORT TERM BORROWINGS | |
| | A. SECURED BORROWINGS | |
| | a) Loans repayable on demand from Banks | 92.10 |
| | 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. | |
| | B. UNSECURED BORROWINGS | |
| | a) Loans repayable on demand from Banks | 45.00 |
| | b) Fixed Deposits | 10.39 |
| | | 147.49 |



| | | Rs. in Crores |
|-----------|---|--------------------|
| | | As at 31.3.2016 |
| 8 | TRADE PAYABLES | |
| | Dues to Micro and Small Enterprises | 11.23 |
| | Dues to others | 356.28 |
| | | <u>367.51</u> |
| | (Refer to note no. 41 of Standalone Financial statement for details of dues to Micro and Small Enterprises) | |
| 9 | OTHER CURRENT LIABILITIES | |
| a) | Current maturities of long-term debt (Refer note 24 of standalone financial statements) | 50.08 |
| b) | Interest accrued but not due on borrowings | 6.66 |
| c) | Unclaimed dividends | 0.23 |
| d) | Unclaimed matured deposits and interest accrued thereon | 0.58 |
| e) | Other payables | |
| | Statutory dues | 3.55 |
| | Trade Deposits | 0.84 |
| | Recovery from Employees | 1.22 |
| | Creditors for capital goods (includes due to MSME Rs. 0.62 crores) | 5.35 |
| | Provision for expenses | 4.46 |
| | Provision for Excise duty on Finished Goods Stock | 1.18 |
| | | <u>16.60</u> |
| | | <u>74.15</u> |
| 10 | SHORT TERM PROVISIONS | |
| a) | Provision for employee benefits | 18.98 |
| b) | Due to Directors | 0.99 |
| c) | Others | |
| | Provision for Taxation less Advance Tax and Tax deducted at Source | 3.40 |
| | Less: Minimum Alternate Tax credit entitlement set off | 0.58 |
| | | <u>2.82</u> |
| | Provision for Dividend | 6.62 |
| | Provision for Dividend Tax | 1.35 |
| | | <u>30.76</u> |

Consolidated - Notes on Accounts (Contd.)

NON CURRENT ASSETS - FIXED ASSETS

Rs. in Crores

| Description | Gross Block At Cost | | | Depreciation/Amortisation | | | Net Block | | | |
|-----------------------------|---------------------|-----------|--|---------------------------|--------------------|-----------|--|-----------|--------------------|--------------------|
| | As At 31.3.2015 | Additions | Adjustments relating to Foreign Exchange Fluctuations and Borrowing Costs | Deletions | As At 31.3.2016 | Additions | Adjustments in Retained Earnings | Deletions | As At 31.3.2016 | As At 31.3.2016 |
| 11 TANGIBLE ASSETS | | | | | | | | | | |
| Land (Free hold) | 3.72 | - | - | - | 3.72 | - | - | - | - | 3.72 |
| Land (Lease hold) | 5.22 | - | - | - | 5.22 | 0.05 | - | - | 0.64 | 4.58 |
| Buildings | 115.03 | 3.01 | 0.01 | 0.01 | 118.04 | 4.79 | - | 0.01 | 36.79 | 81.25 |
| Plant & Equipment | 876.14 | 66.43* | 0.09 | 8.41 | 934.25 | 52.19 | - | 4.83 | 515.28 | 418.97 |
| Furniture and Fixtures | 5.12 | 0.30 | - | 0.04 | 5.38 | 0.46 | - | 0.03 | 3.64 | 1.74 |
| Vehicles | 0.16 | 0.01 | - | 0.01 | 0.16 | - | - | - | 0.13 | 0.03 |
| Office Equipment | 20.86 | 2.69 | - | 0.14 | 23.41 | 1.97 | - | 0.14 | 16.88 | 6.53 |
| | 1,026.25 | 72.44 | 0.10 | 8.61 | 1,090.18 | 59.46 | - | 5.01 | 573.36 | 516.82 |
| 12 INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Software | 14.09 | 0.34 | - | - | 14.43 | 0.90 | - | - | 12.95 | 1.48 |
| Technical Know-how | 1.83 | 0.04 | - | - | 1.87 | 0.09 | - | - | 1.76 | 0.11 |
| | 15.92 | 0.38 | - | - | 16.30 | 0.99 | - | - | 14.71 | 1.59 |
| Total | 1,042.17 | 72.82 | 0.10 | 8.61 | 1,106.48 | 60.45 | - | 5.01 | 588.07 | 518.41 |

* Net of Rs. 0.13 Crores Grant received from Government of India, Ministry of New and Renewable Energy.

13 CAPITAL WORK-IN-PROGRESS

| |
|--------------|
| 31.3.2016 |
| 2.28 |
| 14.46 |
| <u>16.74</u> |

- a) Buildings
b) Plant and Machinery



NON CURRENT ASSETS

| | Rs. in Crores | |
|--|--------------------|-------|
| | As at 31.3.2016 | |
| 14 NON CURRENT INVESTMENTS | | |
| Trade Investments - At cost | | |
| Unquoted | | |
| Investment in Equity instruments | | |
| i) In Associates | | |
| Axles India Limited | 2.72 | |
| 24,24,661 Equity Shares of Rs.10/- each fully paid-up | | |
| (Includes Goodwill on acquisition of shares of Rs.0.97 Crores) | | |
| Add: Share of profit | 5.05 | 7.77 |
| | | 7.77 |
| ii) Others | | |
| Sundaram Hydraulics Limited* | 7.15 | |
| 71,50,000 Equity Shares of Rs.10/- each fully paid up | | |
| Less: Provision for Diminution in the value of investments | 1.00 | 6.15 |
| * Ceased to be an Associate effective from 25.03.2016 | | |
| MEFCO Engineers Private Limited | 0.20 | |
| 20,000 Equity Shares of Rs.100/- each fully paid up | | |
| Siva Electric Generation Private Limited | 0.16 | |
| 1,62,172 Equity shares of Rs.10/- each fully paid up | | |
| Gamma Green Power Private Limited | 2.03 | |
| 20,28,250 Equity shares of Rs.10/- each fully paid up | | |
| Saheli Exports Private Limited | 0.05 | 2.44 |
| 9,450 Equity Shares of Rs. 50/- each fully paid up | | 16.36 |
| | | 16.36 |
| 15 LONG TERM LOANS AND ADVANCES | | |
| Unsecured - Considered good | | |
| a) Advances for Capital goods | | 4.72 |
| b) Security Deposits | | 6.07 |
| c) Loans and advances due by an officer of the company | | 0.01 |
| d) Minimum Alternate Tax credit entitlement | | 11.18 |
| e) Other loans and advances | | |
| Advances to employees | 1.36 | |
| Export incentives receivable | 1.93 | |
| Prepaid expenses | 0.27 | 3.56 |
| | | 25.54 |
| 16 OTHER NON CURRENT ASSETS | | |
| Unsecured - Considered good | | |
| Trade Receivables | | 12.28 |
| 17 CURRENT INVESTMENTS | | - |

Consolidated - Notes on Accounts (Contd.)

CURRENT ASSETS

| | Rs. in Crores | |
|---|--------------------|---------------|
| | As at 31.3.2016 | |
| 18 INVENTORIES - As certified by Managing Director | | |
| a) Raw Materials (includes Goods in Transit Rs.6.28 Crores) | | 135.40 |
| b) Work-in-Progress | | 50.22 |
| c) Finished goods | | 24.50 |
| d) Stores and Spares (includes Goods in Transit Rs.0.26 Crores) | | 42.05 |
| e) Loose tools | | 14.33 |
| | | 266.50 |
| Refer to note no.32 of standalone financial statements | | |
| 19 TRADE RECEIVABLES | | |
| Unsecured - Considered good | | |
| a) Outstanding for a period exceeding six months from the date from which they are due for payment | | 10.24 |
| b) Others | | 367.57 |
| | | 377.81 |
| 20 CASH AND CASH EQUIVALENTS | | |
| a) Balances with Banks | | |
| i) Current Accounts | 0.80 | |
| ii) Fixed Deposits - as Guarantee to Sales Tax Dept. | 1.21 | |
| iii) Fixed Deposits - Others | - | |
| iv) Deposit with Banks for the Public Deposit Repayment Reserve {includes Bank deposits with more than twelve months maturity Rs.0.13 crores} | 2.60 | |
| v) Unclaimed Dividend Accounts | 0.23 | 4.84 |
| b) Cash on hand | | 0.12 |
| | | 4.96 |
| 21 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured - Considered good | | |
| a) Balance with Central Excise authorities | | 25.18 |
| b) Others | | |
| VAT receivable | 1.39 | |
| Advances to employees | 2.83 | |
| Export incentives receivable | 9.40 | |
| Advances to Vendors | 7.61 | |
| Prepaid expenses | 7.81 | |
| Other Advances | 0.99 | 30.03 |
| | | 55.21 |
| 22 OTHER CURRENT ASSETS | | |
| Interest accrued on deposits and investments | | 0.32 |
| 23 OTHER INCOME | | |
| a) Interest on deposits and advances | | 1.20 |
| b) Profit on sale of fixed assets (Net) | | 0.47 |
| c) Other non-operating income | | 0.19 |
| | | 1.86 |



| | Rs. in Crores |
|--|--------------------|
| | As at 31.3.2016 |
| 24 RAW MATERIAL CONSUMPTION | |
| Raw Material | 1,056.43 |
| Components | 269.66 |
| | <u>1,326.09</u> |
| 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS | |
| a) Opening inventory of Finished Goods | 24.04 |
| Less: Closing inventory of Finished Goods | 24.50 |
| Net change in stock of Finished Goods | <u>(0.46)</u> |
| b) Opening inventory of Work-in-Progress | 53.19 |
| Less: Closing inventory of Work-in-Progress | 50.22 |
| Net change in stock of Work-in-Progress | <u>2.97</u> |
| Net change in Finished Goods and Work-in-Progress | <u>2.51</u> |
| Refer to Note 32 of standalone financial statements | |
| 26 EMPLOYEE BENEFIT EXPENSES | |
| a) Salaries, Wages, Bonus and Commission | 191.64 |
| b) Contribution to Provident and Other Funds | 11.40 |
| c) Staff Welfare expenses | 22.02 |
| | <u>225.06</u> |
| 27 OTHER EXPENSES | |
| Consumption of Stores, tools and spare parts (Refer to Note 31 of standalone financial statements) | 75.70 |
| Power and fuel | 93.73 |
| Rent including Lease Rent | 7.20 |
| Repairs to | |
| Buildings | 6.84 |
| Machinery | 11.75 |
| Insurance | 3.06 |
| Rates and taxes, excluding taxes on income | 2.51 |
| Directors sitting fees | 0.13 |
| Auditors' remuneration | |
| Statutory Audit | 0.26 |
| Taxation matters (includes Rs.0.04 Crores for Tax Audit) | 0.11 |
| VAT Audit fees | 0.02 |
| Certification fees | 0.05 |
| Reimbursement of expenses | 0.07 |
| Expenditure on Corporate Social Responsibilities | <u>0.84</u> |
| Freight | 36.90 |
| Net Loss on foreign currency transactions and translation (other than exchange loss considered as finance cost) | 0.13 |
| Miscellaneous expenses | 50.81 |
| | <u>290.11</u> |

Consolidated - Notes on Accounts (Contd.)

| | | Rs. in Crores |
|---|--|--------------------|
| | | As at 31.3.2016 |
| 28 Finance Costs | | |
| a) Interest expense | | 51.72 |
| b) Other borrowing costs | | 0.51 |
| c) Net (Gain)/Loss on foreign currency transactions and translation | | 5.35 |
| | | 57.58 |
| 29 Earnings Per Share | | |
| Net profit as per P& L account | | 41.13 |
| Number of Shares | | 1,20,32,279 |
| Nominal value per share - Rupees | | 10.00 |
| Basic & Diluted earnings per share - Rupees | | 34.18 |

30 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint ventures

Rs. In Crores

| Particulars | Net Assets, i.e., total assets minus total liabilities | | Share in Profit or loss | |
|---|--|---------------|---------------------------------|--------------|
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| Parent: Wheels India Limited | | 408.16 | | 39.99 |
| Less: Investment made in Associates | | 2.72 | | |
| | 1.00 | 405.44 | 0.97 | 39.99 |
| Associates: (Investments as per Equity method) | | | | |
| Indian: | | | | |
| Axles India Limited | - | - | 0.03 | 1.14 |
| Total | | 405.44 | | 41.13 |

31 Figures for the previous year has not been furnished as the Provisions of Consolidation were not applicable

S RAM
Chairman

SRIVATS RAM
Managing Director

S PRASAD
Director

S SRIVATHSAN
Chief Financial Officer & Secretary

Chennai
25th May, 2016

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



Consolidated Cash Flow Statement in accordance with AS3 issued by ICAI

Annexed to the Balance Sheet for the year ended 31st March, 2016

Rs. in Crores

A Cash Flow from Operating Activities

| | | |
|--|---------|---------|
| Net Profit before Tax and extraordinary items | | 56.33 |
| Adjustment for: | | |
| Depreciation | 60.45 | |
| (Profit) / Loss on sale of assets (net) | (0.47) | |
| Loss on obsolescence | 1.20 | |
| Effect of Exchange Rate Change | 1.29 | |
| Interest income | (1.20) | |
| Lease Liabilities | 1.36 | |
| Finance costs | 57.58 | |
| | | 120.21 |
| Operating profit before working capital changes | | 176.54 |
| Adjustments for: | | |
| Receivables and advances | (2.19) | |
| Foreign Currency Monetary Items Translation Difference account | 0.15 | |
| Inventories | (28.84) | |
| Payables | 13.20 | |
| | | (17.68) |
| Cash generated from operations | | 158.86 |
| Taxes paid | | (10.57) |
| Cash flow before extraordinary items | | 148.29 |
| Net Cash from operating activities (A) | | 148.29 |

B Cash Flow from Investing Activities

| | | |
|---|--|---------|
| Purchase of fixed assets | | (77.16) |
| Sale of Investments | | 4.37 |
| Sale of fixed assets | | 2.87 |
| Interest received | | 1.35 |
| Net cash used in investing activities (B) | | (68.57) |

C Cash Flow from Financing Activities

| | | |
|--|--|---------|
| Proceeds from Long Term Borrowings | | 51.34 |
| Repayment of Long Term Borrowings | | (43.65) |
| Repayment of Lease liabilities | | (1.36) |
| Increase in working capital | | (20.47) |
| Finance costs | | (55.97) |
| Dividend paid | | (9.63) |
| Dividend tax paid | | (1.96) |
| Net cash used in Financing activities (C) | | (81.70) |
| Net increase in cash and cash equivalents (A+B+C) | | (1.98) |
| Cash and cash equivalents at the beginning of the year | | 6.94 |
| Cash and cash equivalents at the end of the year | | 4.96 |

S RAM
Chairman

SRIVATS RAM
Managing Director

S PRASAD
Director

S SRIVATHSAN
Chief Financial Officer & Secretary

Chennai
25th May, 2016

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