

WIL CAR WHEELS LIMITED

Regd Office: MTH Road, Padi, Chennai - 600 050

CIN: U35999TN2017PLC116976

1ST ANNUAL REPORT

FACTORIES

- **TAMILNADU**
MTH Road, Padi,
Chennai - 600 050
Tamilnadu
- **HARYANA**
Plot No.11-18, Sector-7,
HSIDC Growth Centre,
Bawal - 123 501,
Rewari District,
Haryana

BANKERS

- HDFC Bank Ltd
- Standard Chartered Bank Ltd
- Axis Bank Ltd
- IDBI Bank Ltd

STATUTORY AUDITORS

- M/s. Sundaram & Srinivasan
Chartered Accountants
Chennai

CONTENTS

PAGE

Notice of Annual General Meeting	3
Director's Report	6
Independent Auditor's Report	22
Balance Sheet	28
Statement of Profit and Loss	29
Significant Accounting Policies	30
Notes to Financial Statements	34
Cash Flow Statement	48

7 Month Period Ended March 31, 2018

Board of Directors

Srivats Ram Chairman

Sanjay Pande

T A B Barathi
(up to 20 September 2017)

Ichiro Takeuchi
(from 6 September 2017)

R Narasimhan
(from 20 September 2017)

S Prasad
(from 13 December 2017)

Badri Vijayaraghavan
(from 13 December 2017)

Audit Committee

S Prasad Chairman
Badri Vijayaraghavan
Ichiro Takeuchi

Nomination and Remuneration Committee

Badri Vijayaraghavan Chairman
S Prasad
Ichiro Takeuchi

Company Secretary & Head-Finance

M Gokulakrishnan (from 14 February 2018)

Notice to the Annual General Meeting

Notice is hereby given that the 1st Annual General Meeting of the Members of the Company will be held on Friday, 17th August 2018 at 01.00 PM at the Registered Office of the Company situated at MTH Road, Padi, Chennai – 600050 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 of the Company for the year ended 31 March 2018 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 pursuant to the provisions of Sections 139, 142 and applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force), M/s. Sundaram & Srinivasan, Chartered Accountants (ICAI Registration No. 004207S) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of this meeting until the conclusion of the 5th Annual General Meeting, subject to ratification of their appointment by the Members at every Annual General Meeting.

“RESOLVED FURTHER THAT the said Statutory Auditors be paid an audit fee of Rs. 7 Lakhs (excluding GST and reimbursement of out of pocket expenses) for the first year and thereafter at such remuneration as may be approved by the Board or the Audit Committee on this behalf”

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

“RESOLVED THAT Mr. Ichiro Takeuchi (DIN 07906857), 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.”

SPECIAL BUSINESS

4. To appoint Mr. Srivats Ram as Director and to consider and pass with or without modification(s), the following resolution, as an ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Srivats Ram (DIN No. 00063415), be and is hereby appointed as Director of the Company liable for retirement by rotation”

5. To appoint Mr. Sanjay Pande as Director and to consider and pass with or without modification(s), the following resolution, as an ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sanjay Pande (DIN No. 07639645), be and is hereby appointed as Director of the Company liable for retirement by rotation”

6. To appoint Mr. S Prasad as Independent Director and to consider and pass with or without modification(s), the following resolution, as an ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Mr. S Prasad, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th December 2017 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013,

and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. S Prasad as a candidate for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 2022-23, not liable to retire by rotation.”

7. To appoint Mr. Badri Vijayaraghavan as Independent Director and to consider and pass with or without modification(s), the following resolution, as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Mr. Badri Vijayaraghavan, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th December 2017 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Badri Vijayaraghavan as a candidate for the office of director, be and is

hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 2022-23, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. R Narasimhan (DIN 07639628) as an Executive Director of the Company with effect from 01.07.2018 to 31.03.2019 on same terms and conditions of his original appointment”.

By Order of the Board of Directors

Date: 11 May 2018
Place: Chennai

M Gokulakrishnan
Company Secretary

Regd Office:
WIL Car Wheels Limited
MTH Road, Padi, Chennai - 600 050
CIN U35999TN2017PLC116976

NOTES:

1. A member of the company, who is entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the registered office of the Company, a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business is attached.
5. Members are requested to produce the Attendance Slip, sent along with the Annual Report, duly signed as per the specimen signature recorded with the Company for admission to the Meeting.

By Order of the Board of Directors

Date: 11 May 2018
Place: Chennai

M Gokulakrishnan
Company Secretary

Annexure to the Notice

Explanatory Statement as per Section 102 of the Companies Act 2013

Item no 4, 5,6,7 and 8

The Board of Directors of the Company had appointed Mr. Srivats Ram and Mr.Sanjay Pande as first directors of the Company who shall hold the office of Directors up to the date of the ensuing Annual General Meeting. The Company had received intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed, Mr S Prasad and Mr Badri Vijayaraghavan as Independent Directors of the Company to hold office for a term of 5 years consecutive years within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013. The incumbent Directors have submitted a declaration that they meet the criteria for independence as provided in Section 149(6) of the Act.

The Company had received from Mr. S Prasad and Mr. Badri Vijayaraghavan the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014

to the effect that they are not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

The Company has received a notice in writing from shareholders along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidature for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, both the directors who are proposed to be appointed as Independent Directors, fulfil the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Mr. Narasimhan (DIN 07639628) was appointed as Executive Director for the Company from 20.09.2017 to 30.06.2018. Since his term got over, the Board of Directors has re-appointed him from 01.07.2018 to 31.03.2019 based on the recommendation of Nomination and Remuneration Committee on the same terms and conditions of his original appointment subject to approval of Shareholders in the AGM.

Except the appointees, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The resolutions as set out in Item no. 4,5,6,7 and 8 of this Notice are accordingly recommended for your approval.

Directors' Report to the Shareholders

Directors Report to the Shareholders

Your Directors present the First Annual Report of the Company along with the audited accounts for the year ended 31 March 2018.

Performance

The turnover during the year is Rs. 179.42 Crores and the Profit before Tax is Rs. 2.34 Crores.

Financial Results

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

	Rs. Lakhs
Performance	2017-18
Gross Profit before finance cost and depreciation	606.95
Finance Cost	32.99
Depreciation	339.38
Profit before tax for the year	234.58
Profit after tax for the year	156.22

Prospects

Your Company is in the business of manufacture and distribution of Passenger Car Steel Wheels which is one of product segments of Wheels India Limited that was hived off to WIL Car Wheels Limited pursuant to a Business Slump Sale agreement dated 16 June 2017 entered in to with Wheels India Limited. For the current financial year under review, the financial results represent seven months period from 01.09.2017 to 31.03.2018.

Your Company plant at Bawal is running at high capacity utilization and a new manufacturing facility is being put up Vanod, Gujarat to cater to Suzuki Motor Gujarat requirements. The new facility shall commence the manufacturing operations in the first half of the coming year. All future growth at Maruti Suzuki in the next few years will be through expansion of their capacities in Gujarat and your Company expects to participate in that growth through its Vanod plant.

Associate and Subsidiary Companies

There are no Associate/ Subsidiary Companies as per the Companies Act, 2013. So relevant Form AOC 1 is not applicable.

Directors:

The details of directors and key managerial personnel as on 31.03.2018 are as under:

S. No	Name of Directors	Designation	Date of appointment	Date of cessation
1	Mr. Srivats Ram	Chairman	12 June 2017	
2	Mr. Sanjay Pande	Director	12 June 2017	
3	Mr. T A B Barathi	Director	12 June 2017	19 September 2017
4	Mr. Ichiro Takeuchi	Director	6 September 2017	
5	Mr. R Narasimhan	Executive Director	20 September 2017	
6	Mr. S Prasad	Independent Director	13 December 2017	
7	Mr. Badri Vijayaraghavan	Independent Director	13 December 2017	

At the ensuing Annual General Meeting the appointment of Mr. Srivats Ram, Mr. Sanjay Pande, Mr. S. Prasad and Mr. Badri Vijayaraghavan as additional directors will be taken up for confirmation by Shareholders.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 11 May 2018 had re-appointed Mr. R Narasimhan, Executive Director of the Company for the period from 01.07.2018 to 31.03.2019 (whose term expired on 30 June 2018). At the ensuing Annual General Meeting, the re-appointment of Mr. R. Narasimhan as Executive Director will be taken up for confirmation by shareholders.

Key Managerial Personnel

During the year, the Board of Directors appointed Mr. M. Gokulakrishnan as Company Secretary with effect from 14 February 2018.

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for determining qualifications, positive attributes and independence of a Director. It has recommended to the Board a policy relating to the remuneration and is provided as **Annexure I** forming part of this report

Independent Directors Meeting

Since the year 2017-18 being the first year of incorporation, the requirement for evaluation does not arise.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

Fixed Deposits:

During the year under review, your Company did not raise funds by way of fixed deposits from the public.

Dividend:

Your Directors have not recommended payment of Dividend for the year 2017-18.

Transfer to General Reserve

The Company did not transfer any amount to General Reserve during the year under review.

Risk Management, Internal Financial Control Systems and Audit

Your Company has formulated a Risk Management Policy. The Policy provides for identification of risk and mitigation measures.

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 authorizations 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 no reportable material weakness was observed.

Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134(3)(c) of the Companies Act, 2013. 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 Companies Act, 2013:

- A. that in the preparation of the annual financial statements the applicable Indian Accounting Standards (Ind AS) 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 judgments and estimates have been made that reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 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 Companies Act, 2013, 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 systems are in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

Related Party Transactions

All Related party transactions that were entered in to by the Company during the financial year 2017-18 were in compliance with Sec 188 of Companies Act, 2013 Act and rules framed thereunder. Related Party Transactions were at an arm's length basis and were in the ordinary course of business. Material contracts or arrangement or transactions are at arm's length basis and were in the ordinary course of business. Material contracts or arrangements or transactions are at arm's length basis and disclosed in Form AOC-2 which is provided in **Annexure II** forming part of this report. All related party transactions were placed before the Audit Committee. There were no materially significant related party transactions made by the Company with Promoters, Directors and Key Managerial Personnel which may have 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 board business. The Board/Committee meetings are pre-scheduled and a tentative annual calendar of the Board Meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure full participation in the meetings. The Board had met 8 times during the year under review on 12th June 2017, 16th June 2017, 7th August 2017, 28th August 2017, 6th September 2017, 20th September 2017, 13th December 2017 and 14th February 2018.

Directors	Attendance in Board Meetings	
	Held	Attended
Mr. Srivats Ram	8	8
Mr. Sanjay Pande	8	8
Mr. T A B Barathi (up to 20 September 2017)	6	4
Mr. Ichiro Takeuchi (from 6 September 2017)	4	4
Mr. R Narasimhan (from 20 September 2017)	3	3
Mr. S Prasad (from 13 December 2017)	2	2
Mr. Badri Vijayaraghavan (from 13 December 2017)	2	2

Audit Committee

The Audit Committee was constituted on 13th December 2017 and comprises of Mr. S Prasad, Mr. Badri Vijayaraghavan and Mr. Ichiro Takeuchi as members.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 13th December 2017 and comprises of Mr. Badri Vijayaraghavan, Mr. S Prasad and Mr. Ichiro Takeuchi as members. The Committee had met on 14th February 2018 which was attended by all the members of the Committee.

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 the report.

Employees and details of remuneration

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under the Companies Act, 2013 and the rules farmed there under.

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.

Auditors

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014,

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai has been appointed as Statutory Auditors of the Company for a period of 5 years from the conclusion of the ensuing Annual General Meeting of the Company.

Comments on Auditors' report

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

Corporate Social Responsibility (CSR)

Being the first year of incorporation of your company, the requirements with respect to framing the CSR policy and the related expenditure does not arise.

Extract of Annual Return

The details forming part of the extract of the Annual Return in **Annexure III** 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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure IV** and forms part of this report.

Your Directors wish to thank the Customers, Vendors and Bankers for their excellent support and we look forward to their continued support.

Your Directors wish to place on record their appreciation for the effort put in by all the employees of the Company.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 11, 2018

Srivats Ram
Chairman
DIN 00063415

Annexure I

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 organizational effectiveness. We commit ourselves to integrate human resources with Organizational 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 re-enactment thereof.

Objective

- a) To laydown criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.
- b) To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- c) 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 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. The Committee delegates its powers to Human Resources Department as regards the Senior Management personnels are concerned.

A. Appointment Executive Directors

The appointment, of 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 in its absolute discretion deem fit.

KMP, Senior Management and other Employees

The Company has an organizational 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 organizational chart of the Company.

B. Remuneration

1. Remuneration to Managing/ Whole-Time / Executive/Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non-Executive/Independent Director:

The Non-Executive /Independent Director may receive remuneration by way of sitting fees. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. It is the discretion of the Board to consider paying the sitting fees only to Independent Directors.

3. Remuneration to other Employees:

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience.

The power to decide structure of remuneration for KMP, 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 evaluation 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, (CFO /Company Secretary) 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.

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

Review And Amendment:

1. The NRC or the Board may review the Policy as and when it deems necessary.
2. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

Annexure II AOC 2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

a	b	c	d	e	f	g	h
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

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

a	b	c	d	e	f
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Wheels India Ltd, Holding Company	Purchase and Sale of Wheels/ Contract Manufacturing	As per PO terms	Supply of Wheels as per agreement	14 February 2018	Nil

For and on behalf of the Board of Directors

Srivats Ram
Chairman
DIN 00063415

Annexure III

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[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:

CIN	U35999TN2017PLC116976
Registration Date	06/07/2017
Name of the Company	WIL Car Wheels Limited
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	MTH Road, Padi, Chennai - 600 050
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

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:-

SI. 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	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Wheels India Limited 21, Patullos Road, Chennai - 600 002	L35921TN1960PLC004175	Holding Company	74%	2(37)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	37,00,000	37,00,000	74%	-	37,00,000	37,00,000	74%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	37,00,000	37,00,000	74%	-	37,00,000	37,00,000	74%	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	13,00,000	13,00,000	26%	-	13,00,000	13,00,000	26%	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	13,00,000	13,00,000	26%	-	13,00,000	13,00,000	26%	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	50,00,000	50,00,000	100%	-	50,00,000	50,00,000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-
i) Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
(C-i) Clearing member	-	-	-	-	-	-	-	-	-
(C-ii) Trust	-	-	-	-	-	-	-	-	-
(C-iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
(C-iv) HUF	-	-	-	-	-	-	-	-	-
(C-v) Non-Resident Indians	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,00,000	50,00,000	100%	-	50,00,000	50,00,000	100%	-

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares 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	
Equity Shares								
1	Wheels India Limited	37,00,000	100%	-	37,00,000	74%	-	(26%)
2	Topy Industries Limited, Japan	-	-	-	13,00,000	26%	-	26%
Preference Shares -NIL								

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

Type of share / Share holder	Equity Shares (Wheels India Limited)	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	37,00,000	100%	37,00,000	74%
	Changes during the year	Dilution to holding pursuant to fresh issue of 13,00,000 Equity Shares on 6 September 2017 to Topy Industries Limited, Japan at Face Value of Rs. 10 each			
	At the End of the year	37,00,000	74%	37,00,000	74%

Type of share / Share holder	Equity Shares (Topy Industries Limited, Japan)	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	-	-	13,00,000	24%
	Changes during the year	Fresh issue during the year to Topy Industries Limited, Japan 13,00,000 Equity Shares on 6 September 2017 at Face value of Rs. 10/- each			
	At the End of the year	13,00,000	24%	13,00,000	24%

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

(v) Shareholding of Directors and Key Managerial Personnel – Nil

V. INDEBTEDNESS

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

Rs. in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition		200.00		
• Reduction		200.00		
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Executive Director:

Sl. No.	Particulars of Remuneration	Name of Executive Director	Total Amount (Rs. in Lakhs)
		R Narasimhan	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.67	12.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.80	3.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit	–	–
	- others, specify...	–	–
5.	Others, please specify	–	–
	Total (A)	16.47	16.47
	Ceiling as per the Act	In accordance with Sec. 197 and Sec. 198 read with relevant rules of the Companies Act, 2013	

B. Remuneration to other directors:

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	S Prasad	Badri Vijayaraghavan	Total Amount
1.	Independent Directors			
	• Fee for attending board / committee meetings	0.35	0.35	0.70
	• Commission	–	–	–
	• Others, please specify	–	–	–
	Total (1)	0.35	0.35	0.70
2.	Other Non-Executive Directors			
	• Fee for attending board / committee meetings	–	–	–
	• Commission	–	–	–
	• Others, please specify	–	–	–
	Total (2)	–	–	–
	Total (B)=(1+2)	0.35	0.35	0.70

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Secretary	Total (Rs. In Lakhs)
		M Gokulakrishnan	
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.72	2.72
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.28	0.28
	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,	–	–
5.	Others, please specify	–	–
	Total	3.00	3.00

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)
Penalty	–	Not applicable		–	–
Punishment	–			–	–
Compounding	–			–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	Not applicable		–	–
Punishment	–			–	–
Compounding	–			–	–

Annexure IV

Conservation of Energy

Your Company is implementing Energy Conservation activities in all its plant locations. One of the major Energy saving actions that have got implemented is usage of LPG as alternate fuel instead of diesel. Also there are multi-fold activities being carried out for conserving energy. Each of the production line is metered for power consumption and improvements are being made through audits.

Technology Absorption

Your Company continues to innovate and increase its technology deployment to meet the requirements of its customers in various industry segments and will continue its efforts towards yield improvement, resource optimisation and improved performance of its products. The knowledge exchange through technical collaboration with Topy Industries Ltd, Japan also enables the above purpose.

Foreign Exchange earnings and outgo

Foreign Exchange used	Rs. 152.66 Lakhs
Foreign Exchange earned	Rs. 0.57 Lakhs

For and on behalf of the Board of Directors

Srivats Ram
Chairman
DIN 00063415

ACCOUNTS - 2017-2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WIL CAR WHEELS LIMITED

Report on Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **WIL CAR WHEELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in Equity for the period from 7th June, 2017 to 31st March, 2018, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, and its profit and its cash flows for the period 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 the 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 no pending litigations which will have an impact on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The amounts to be transferred to the Investor Education and Protection Fund by the company is not applicable to the company.

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration Number : 004207S

Place : Chennai
Date : 11.05.2018

K.Srinivasan
Partner
Membership Number : 005809

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 section 185 and 186 of the Act are not applicable.
- V. The Company has not accepted any deposits from the public and hence this paragraph of the Order is not applicable.
- VI. The Maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Act in respect of the products manufactured by the Company.
- VII.
 - a. The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other statutory dues with the appropriate authorities.
 - b. There are no disputed Income tax, Goods and Service Tax which have not been deposited by the company.
- VIII. The Company has not availed any loans or borrowings from 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 Company has not raised any term loans.
- 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, as required by the applicable accounting standards.

-
- XIV. The company has made preferential allotment of shares during the period under review and the requirement of Section 42 of the Companies Act, 2013 have been complied with. The Company has not issued any convertible debentures during the year.
- 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
Firm Registration Number : 004207S

Place : Chennai
Date :11.05.2018

K.Srinivasan
Partner
Membership Number : 005809

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S 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 WIL Car Wheels Limited, Chennai (“the Company”) as at 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls with reference to Financial Statements

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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 with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to financial statements 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements were 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 with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, 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 with reference to financial statements over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control with reference to financial statements 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 with reference to financial statements over financial reporting includes those policies and procedures that;

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- III. 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration Number : 004207S

Place : Chennai
Date :11.05.2018

K.Srinivasan
Partner
Membership Number : 005809

Balance Sheet as at 31st March 2018

Rs. In Lakhs

PARTICULARS		Note No.	As at 31.03.2018
I ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment		1	6,640.23
(b) Capital work-in-progress		2	2,808.87
(c) Other Intangible Assets		3	12.14
(d) Financial Assets			
Loans		4	87.30
e) Other Non Current Assets		5	417.33
			9,965.87
2. Current assets			
a) Inventories		6	2,447.66
b) Financial Assets			
i) Trade receivables		7	4,360.83
ii) Cash and cash equivalents		8	247.20
iii) Others		9	128.36
c) Other current assets		10	99.79
			7,283.84
TOTAL			17,249.71
II EQUITY AND LIABILITIES			
EQUITY			
a) Share Capital		11	500.00
b) Other Equity		12	8,456.22
			8,956.22
LIABILITIES			
1. Non-current liabilities			
a) Financial Liabilities			-
b) Provisions		13	114.77
c) Deferred tax liabilities (Net)		14	30.52
			145.29
2. Current liabilities			
a) Financial Liabilities			
i) Trade payables			
(A) Dues to Micro & Small Enterprises		15	8.79
(B) Dues to Others			5,745.98
b) Other current liabilities		16	2,369.24
c) Short-term provisions		17	23.83
d) Current Tax Liabilities (Net)		18	0.36
			8,148.20
TOTAL			17,249.71
Significant Accounting Policies		A	

SRIVATS RAM
Chairman

ICHIRO TAKEUCHI
Director

S PRASAD
Director

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

BADRI VIJAYARAGHAVAN
Director

R NARASIMHAN
Executive Director

SANJAY PANDE
Director

K SRINIVASAN

11th May, 2018
Chennai

M GOKULAKRISHNAN
Company Secretary

Partner
Membership No.5809

Profit and Loss statement for the period from 7 June 2017 to 31 March 2018

		Rs. In Lakhs
		2017-18
REVENUE FROM OPERATIONS	Note No.	
Sale of Products		17,245.36
Sale of Services		29.39
Other operating revenues		<u>634.07</u>
Revenue from Operations - Gross		17,908.82
Other income	19	33.63
TOTAL REVENUE		<u>17,942.45</u>
EXPENSES		
Cost of materials consumed	20	14,300.48
Changes in inventories of finished goods, Work-in-progress	21	(321.43)
Employee benefit expense	22	1,542.04
Other Expenses	23	1,814.41
TOTAL EXPENSES		<u>17,335.50</u>
Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses		606.95
Finance Costs	24	32.99
Depreciation and amortisation expenses	1&3	339.38
Profit before exceptional items and tax		<u>234.58</u>
Exceptional items		-
Profit before tax		<u>234.58</u>
Tax expense:		
Current tax		47.83
Minimum Alternate Tax Credit entitlement		(47.83) -
Deferred tax		<u>78.36</u>
Profit for the year		<u>156.22</u>
Other Comprehensive Income		
A. Items that will not be reclassified into profit or loss		
- Remeasurements of post employment benefit obligations		-
- Income tax relating to the remeasurements		-
Total Comprehensive Income for the year		<u>156.22</u>
Earnings per equity share:	26	
1. Basic		3.14
2. Diluted		3.14
Significant Accounting Policies	A	

SRIVATS RAM
Chairman

ICHIRO TAKEUCHI
Director

S PRASAD
Director

BADRI VIJAYARAGHAVAN
Director

R NARASIMHAN
Executive Director

SANJAY PANDE
Director

11th May, 2018
Chennai

M GOKULAKRISHNAN
Company Secretary

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

K SRINIVASAN
Partner
Membership No.5809

Notes on Accounts

COMPANY OVERVIEW

WIL Car Wheels Limited (“Company”) was incorporated on June 7, 2017 as a Public Limited Company domiciled in India and as a Subsidiary of Wheels India Limited. The Company is primarily in to the business of manufacture and distribution of Passenger Car Steel Wheels

As part of Business Strategy, on June 16, 2017, a tripartite Share Holders Agreement has been entered in to between the Company, Wheels India Limited and Topy Industries Limited, Japan and accordingly the Light Passenger Car Wheel Segment (PCW) of Wheels India Limited has been divested to the Company. A Business Slump Sale agreement has also been entered in to on June 16, 2017 for the transfer of its business at Padi and Bawal which has PCW operations.

Wheels India Limited holds 74% and Topy Industries Limited, Japan hold 26% of the share capital of the Company. The Registered office of the Company is at MTH Road, Padi, Chennai – 600 050.

The accounts are prepared for the first time for the period from 07th June 2017 to 31st March 2018. Hence previous year’s figures have not been furnished.

As per Business Slump Sale Agreement entered by and among the Company, Wheels India Limited (Chennai) and TOPY Industries Limited (Japan), the passenger car wheel business at Padi (Chennai) and Bawal (Haryana) has been transferred to the Company by Wheels India Limited on Slump Sale basis with effect from 01 September 2017. The effect has been given in the annexed accounts.

A SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as ‘Ind AS’) notified under Companies (Indian Accounting Standards) Rules 2015.

“The financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently for all the periods presented in the financial statements. The Assets and Liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company’s normal operating cycle has been ascertained as 12 months based on the nature of products and the time between acquisition of assets for processing and their realisation in cash or cash equivalents.”

b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

c) Property, Plant and Equipment

- a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) In accordance with Ind AS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.
- d) Grants received for Investment in Property Plant & Equipment are recognized in profit or loss on a

systematic basis over the useful life of the asset.

- e) 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.

d) Inventories

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

e) Financial instruments

a) Financial assets:

“Financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss, its transaction cost are recognised in the statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial assets.

Financial assets are subsequently classified as measured at:

- i) Amortised cost
- ii) Fair Value through profit and loss
- iii) Fair Value through other comprehensive income”

b) Trade receivables and loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using Effective Interest Rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

c) Investments:

“All investments in equity instruments (other than in Subsidiaries and Associates) covered under point no (e) above, classified under financial assets, are initially measured at fair value. Fair Value changes on an equity instruments is recognised in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as ‘other income’ in the Statement of Profit and Loss.”

f) Financial liabilities:

Financial liabilities are initially measured at amortised cost. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost using effective interest rate method.

g) Provisions and Contingent liabilities:

Provisions are recognised when the Company has a present obligation as a result of an event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events,

the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that a outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

h) 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. Export incentives are recognised as revenue as and when exports are made.”

i) Employee Benefits:

i) Defined benefit plans:

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.

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.

Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation and it is not funded

ii) Defined contribution plans:

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 equal to specified percentage of eligible covered employees salary.

Others:

Contributions to defined contribution schemes such as employees state insurance, labour welfare fund etc., are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond what has been recognised as expense in the Statement of profit and loss.

j) Research & Development expenses:

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

k) 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.

l) Foreign Currency Transactions

“Transactions in Foreign currencies are accounted in the books of accounts at the rates prevailing at the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange prevailing on the Balance Sheet date.”

m) 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

n) Income taxes

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 using the Balance Sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred liability is settled.

Notes on Accounts (Contd.)

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2018

		No. of Shares
A) EQUITY SHARE CAPITAL		As at 31.03.2018
Balance as on the date of incorporation		3700000
Changes in Equity share capital during the period (Additions)		1300000
Balance at the end of the reporting period		5000000

		Rs. In Lakhs				
B) OTHER EQUITY		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 7th June 2017 (A)		-	-	-	-	-
Additions during the period :		-	8,300.00	-	-	8,300.00
Profit for the year		-	-	-	156.22	156.22
Remeasurement benefit of defined benefit plans		-	-	-	-	-
Total Comprehensive Income for the year 2017-18 (B)		-	-	-	-	-
Reductions during the period (C)		-	-	-	-	-
Balance as at 31st March, 2018 D = (A+B-C)		-	8,300.00	-	156.22	8,456.22

NON CURRENT ASSETS - FIXED ASSETS

Description	Gross Block at cost			As At 31.3.2018	Depreciation / Amortisation			As At 31.3.2018	Net Block
	As At 31.3.2017	Additions	Deletions		As At 31.3.2017	Additions	Deletions		As At 31.3.2018
1. TANGIBLE ASSETS									
Land (Free hold)	-	922.05	-	922.05	-	-	-	-	922.05
Buildings	-	845.43	-	845.43	-	15.50	-	15.50	829.93
Plant & Equipment	-	5,210.30	37.47	5,172.83	-	311.62	2.11	309.51	4863.32
Furniture and Fixtures	-	5.73	-	5.73	-	1.32	-	1.32	4.41
Vehicles	-	0.02	-	0.02	-	0.02	-	0.02	0.00
Office Equipment	-	28.84	0.41	28.43	-	7.94	0.03	7.91	20.52
Total	-	7,012.37	37.88	6,974.49	-	336.40	2.14	334.26	6,640.23

2. CAPITAL WORK IN PROGRESS	31.03.2018
a) Buildings	765.69
b) Plant and Machinery	2,043.18
Total	2,808.87

NON CURRENT ASSETS - FIXED ASSETS

Description	Gross Block at cost			As At 31.3.2018	Depreciation / Amortisation			As At 31.3.2018	Net Block
	As At 31.3.2017	Additions	Deletions		As At 31.3.2017	Additions	Deletions		As At 31.3.2018
3. INTANGIBLE ASSETS									
Computer Software	-	15.12	-	15.12	-	2.98	-	2.98	12.14
Total	-	15.12	-	15.12	-	2.98	-	2.98	12.14

Notes on Accounts (Contd.)

(Rs. in Lakhs)

CURRENT ASSETS		As at 31 Mar 2018
4 LOANS		
Unsecured - Considered good		
Security Deposits		87.30
		87.30
5 OTHER NON CURRENT ASSETS		
a) Advances for Capital goods		415.78
b) Prepaid expenses		1.55
		417.33
CURRENT ASSETS		
6 INVENTORIES		
a) Raw Materials (includes Goods in Transit Rs. Nil)		1,522.14
b) Work - in Progress		101.37
c) Finished goods		220.06
d) Stores and Spares		287.58
e) Loose tools		316.51
		2,447.66
7 TRADE RECEIVABLES		
Unsecured - Considered good *		4,360.83
* Includes receivable from Holding Company of Rs.1,688.32 Lakhs		4,360.83
8 CASH AND CASH EQUIVALENTS		
a) Balances with Banks		
Current Accounts		246.12
b) Cash on hand		1.08
		247.20
9 OTHER FINANCIAL ASSETS		
Advances to employees		44.48
Others		83.88
		128.36
10 OTHER CURRENT ASSETS		
Unsecured - Considered good		
a) Advances other than Capital Advances		
Advances to Vendors		10.22
b) Balance with GST authorities		31.43
c) Prepaid expenses		58.14
		99.79

Notes on Accounts (Contd.)

(Rs. in Lakhs)

11 SHARE CAPITAL

a) Authorised

50,00,000 Equity Shares of Rs.10/- each

b) Issued, Subscribed and Fully Paid-up

50,00,000 Equity Shares of Rs.10/- each

As at 31 Mar 2018

500.00

500.00

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

Equity Shares of Rs.10/- each

As on the date of incorporation

Add: Issued during the year

Outstanding at the end of the year

31.03.2018	
No. of shares	Rs. in Lakhs
37,00,000	370.00
13,00,000	130.00
50,00,000	500.00

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 at 31.03.2018

(Number of Shares)

Wheels India Limited

37,00,000

Topy Industries Limited

13,00,000

(Rs. in Lakhs)

12 OTHER EQUITY

a) Securities Premium Reserve

b) Retained Earnings

As at 31 Mar 2018

8,300.00

156.22

8,456.22

NON CURRENT FINANCIAL LIABILITIES

13 PROVISIONS

Provision for employee benefits

114.77

114.77

14 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability

Plant, Property and Equipment

182.12

Less:

Deferred Tax Asset

i) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years

102.42

ii) Preliminary expenses to be claimed in subsequent years

1.35

iii) Minimum Alternate Tax credit entitlement

47.83

30.52

Notes on Accounts (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (33.063%) as follows:

	Rs. in lakhs
Accounting Profit before income tax	234.58
Enacted tax rate in India (%)	33.063%
Profit before income tax multiplied by enacted tax rate	77.56
Effect on account of change in tax rate in the year of reversal	0.76
Permanent differences	0.04
Net effective income tax	<u>78.36</u>

CURRENT FINANCIAL LIABILITIES

Rs. in lakhs

15 TRADE PAYABLES

Dues to Micro Enterprises and Small Enterprises
Dues to others*

* Includes payable to Holding Company of Rs.731.75 Lakhs

(Refer to note no. 27 for details of dues to Micro Enterprises and Small Enterprises)

16 OTHER CURRENT LIABILITIES

	As at 31 Mar 2018
Statutory dues	8.79
Creditors for capital goods*	5,745.98
Security deposit from customers	28.00
Provision for expenses	536.32
	<u>2,369.24</u>

* Includes Machinery in transit of Rs. 1,467.22 Lakhs payable to Holding Company

17 PROVISIONS

Provision for employee benefits	23.83
	<u>23.83</u>

18 CURRENT TAX LIABILITIES

Provision for Taxation less Advance Tax and Tax deducted at Source	0.36
	<u>0.36</u>

		For the year ended 31 Mar 2018
19	OTHER INCOME	
a)	Interest on deposits and advances	16.85
b)	Profit on sale of fixed assets (Net)	14.64
c)	Other non-operating income	2.14
		33.63
20	RAW MATERIAL CONSUMPTION	
	Raw Material	13,852.85
	Components	447.63
		14,300.48
21	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	
a)	Opening inventory of Finished Goods	-
	Less: Closing inventory of Finished Goods	220.06
	Net change in stock of Finished Goods	(220.06)
b)	Opening inventory of Work in Progress	-
	Less: Closing inventory of Work in Progress	101.37
	Net change in stock of Work in Progress	(101.37)
	Net change in Finished Goods and Work in Progress	(321.43)
22	EMPLOYEE BENEFIT EXPENSES	
a)	Salaries, Wages and Bonus	1,354.43
b)	Contribution to Provident and Other Funds	51.46
c)	Staff Welfare expenses	136.15
		1,542.04
23	OTHER EXPENSES	
	Consumption of Stores, tools and spare parts	327.51
	Power and fuel	648.95
	Rent including Lease Rent	41.05
	Repairs to	
	Buildings	3.22
	Machinery	5.62
	Insurance	11.75
	Rates and taxes, excluding taxes on income	4.20
	Directors sitting fees	0.70
	Auditors' remuneration	
	Statutory Audit	7.00
	Tax Audit	2.00
	Other Services	1.00
	Expenses	0.21
	Freight	237.14
	Preliminary expenses written off	5.07
	Miscellaneous expenses	518.99
		1,814.41
24	FINANCE COSTS	
a)	Interest expense	29.49
b)	Other borrowing costs	3.50
		32.99

Notes on Accounts (Contd.)

25 Financial Instruments

A. Accounting classifications and fair values

The carrying amounts and fair value of financial instruments by class are as follows:

	Rs. in Lakhs As at 31.03.2018
Financial assets:	
Financial assets measured at fair value:	Nil
Financial assets measured at amortised cost:	
Trade receivables	4,360.83
Cash and cash equivalents	1.08
Bank balances other than cash and cash equivalents	246.12
Other financial assets	128.36
Financial liabilities:	
Financial liabilities measured at fair value:	Nil
Financial liabilities measured at amortised cost:	
Trade payables	5,754.77
26 Earnings Per Share	
Net profit as per P& L account	156.22
Weighted Average Number of Shares	4969340
Nominal value per share - Rupees	10.00
Basic & Diluted earnings per share - Rupees	3.14

27 Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”

Particulars		Rs. in Lakhs 2017-18
a.	The Principal amount and the interest due thereon (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	8.79
	– 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	–
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	–
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.	–
	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.	–

28 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 administered through trustees / Life Insurance Corporation of India. The Company’s defined contribution plans are Provident Fund and Employees Pension Scheme (under the provisions of the Employee’s Provident Funds and Miscellaneous Provisions Act, 1952) and Superannuation Fund. The Company has no further obligation beyond making the contributions.

In respect of the Employees Provident Fund Scheme, the fund is being maintained with Regional Provident Fund Commissioner and hence the company has no obligations towards this interest contribution.

The liability in respect of Gratuity and leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for in the Statement of Profit and Loss as on 31/03/2018 are disclosed as below:

	Gratuity (funded) 2017-18	Leave Salary (Unfunded) 2017-18
Change in defined benefit obligation		
Opening defined benefit obligation	203.80	138.60
Current service cost	-	-
Interest cost	-	-
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	-	-
Actuarial loss / (gain) arising from Experience adjustments	-	-
Benefits paid	-	-
Closing defined benefit obligation	203.80	138.60
Change in fair value of assets		
Opening fair value of plan assets	273.31	-
Expected return on plan assets	10.30	-
Actuarial gain / (Loss) arising from Return on plan assets	-	-
Contribution by employer	20.33	-
Benefits paid	-	-
Closing fair value of plan assets	303.94	-
Amount recognised in the Balance Sheet		
Present value of obligations at year end	203.80	138.60
Fair value of plan assets at year end	303.94	-
Amount now recognised as (liability)/ asset	100.14	(138.60)
Net (liability) / asset recognised as on 31st March 2018	100.14	(138.60)

Expenses recognised in the Profit & Loss Statement

	Gratuity (funded) 2017-18	Leave Salary (Unfunded) 2017-18
Current Service cost	-	-
Interest on defined benefit obligation	-	-
Expected return on plan assets	-	-
Benefits transferred	-	-
Actuarial Gain/Loss	-	-
Net actuarial loss / (gain) recognised in the current year	-	-
Expenses recognised in the Profit & Loss A/c	-	-
Remeasurement on the net defined benefit liability	-	-
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	-	-
Actuarial loss / (gain) arising from Experience adjustments	-	-
Actuarial gain / (Loss) arising from Return on plan assets	-	-
Expenses recognised in Other Comprehensive Income	-	-
Principal actuarial assumptions used		
Discount rate (p.a)	7.71%	7.71%
Attrition rate	1-3%	1-3%
Salary escalation	5.00%	5.00%
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans		

Risk Exposure :

Through its defined benefit plans, the Company is exposed to some of the general risks such as Interest rate risk, Longevity risk and Salary escalation risk, which are insignificant and not specific to the Company.

The Sensitivity Analysis of the Impact of Changes in the above assumption is given in the below tables:

a) Gratuity

Rs. in Lakhs

Change in Assumption

		Increase in Assumption 2017-18	Decrease in Assumption 2017-18
Discount	0.50%	193.30	215.18
Salary escalation	0.50%	215.43	192.99
Mortality	0.50%	203.89	203.70
Attrition	0.50%	204.18	203.41

b) Leave Salary

Rs. in Lakhs

Change in Assumption

		Increase in Assumption 2017-18	Decrease in Assumption 2017-18
Discount	0.50%	133.25	144.36
Salary escalation	0.50%	144.49	133.09
Mortality	0.50%	138.63	138.56
Attrition	0.50%	138.75	138.45

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

29. Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments."

Interest rate risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates."

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

"The Majority of the Company's revenue and expenses are in Indian Rupees. The risk with respect to exposure in Foreign Currency if any will be mitigated through hedging transactions.

As the exposure to foreign currency is very insignificant during the current financial year, the risk, if any, is not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented. "

Unhedged foreign currency

As at the balance sheet date, the Company's net foreign currency exposure that is not hedged is as follows:

Particulars	Rs. in lakhs
Trade Payables	–
Trade Receivables	0.57
Advance to suppliers	–

Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Management reviews the receivables outstanding frequently and hence there is a very minimal risk

Notes on Accounts (Contd.)

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements.

The Company's prime source of liquidity is cash and cash equivalents and the cash generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Rs. In lakhs

As at March 31, 2018	Less than 1 year	> 1 year	Total
Trade and other payables	5,754.77	–	5,754.77
Other financial liabilities	2,369.24	–	2,369.24
	8,124.01	–	8,124.01

30. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

31 Segment information for the year ended 31st March, 2018 in accordance with Ind AS 108:

(i) Primary segments:

Automotive components is the only reportable segment of the company

(ii) Revenue by Geographical Segment:

Rs. in Lakhs

	2017-18		
	India	Outside India	Total
External	17,908.25	0.57	17,908.82
Inter-Segment	-	-	-
Total	17,908.25	0.57	17,908.82
Carrying amount of segment assets	17,249.71	-	17,249.71
Additions to fixed assets	7,027.49	-	7,027.49

The geographical segments considered for disclosure are as follows:

Sales within India include Sales to customers located within India

Sales outside India include Sales to customers located outside India.

(iii) Information about major customers

Revenues from three customers of the Company exceeding 10% of the Company's total revenue is Rs. 3,097.02 Lakhs, Rs.5,596.81 Lakhs and Rs. 5,754.48 Lakhs.

Notes on Accounts (Contd.)

32 Related Party disclosures in accordance with Ind AS 24 issued by ICAI

Holding Company:

Wheels India Limited

Associate Company

Topy Industries Limited, Japan

Key Managerial Personnel:

Mr R Narasimhan, Executive Director

Rs. in Lakhs

Nature of transactions		2017-18
Transaction during the year		
A. Wheels India Limited		
	Purchase of goods	1,460.17
	Contract Manufacturing Charges paid	876.65
	Rent paid	12.68
	Receiving of Common Services	169.18
	Purchase of Land	381.19
	Purchase of Plant and Machinery	1,467.22
	Repayment of Loan	200.00
	Interest on loan obtained	0.47
	Payment of Business Slump sale consideration	6,000.00
	Sale of goods	7,275.48
	Rent received	2.38
	Receipt of Loan	200.00
	Receipt of Share Capital	370.00
B. Topy Industries Limited, Japan		
	Receipt of Share Premium	8,300.00
	Payment of Royalty	147.31
	Receipt of Share Capital	130.00
Closing balances		
Balance due (receivable from)		
	Wheels India Limited	1,688.32
Balance due (payable to)		
	Wheels India Limited	2,198.97
	Topy Industries Limited	147.31

Rs. in Lakhs

Nature of transactions	2017-18
Key Managerial Personnel	Mr. R Narasimhan Executive Director
Remuneration and Perquisites	16.47

Notes on Accounts (Contd.)

33 Disclosures relating to leases

Rs. in Lakhs

	2017-18
	Total Minimum Lease
Operating Lease	
As at Balance Sheet date	0.24
Not later than 1 year	16.26
Later than 1 year and not later than 5 years	50.62
Later than 5 years	-
Lease rentals paid during the year	14.95

34 Disclosure on Accounting for intangible assets in accordance with Ind AS 38

Rs. In Lakhs

		2017-18
Computer software & Technical know how	Refer to note no.3	
Gross carrying amount at the beginning of the year		-
Acquired during the year		15.12
Gross carrying amount at the end of the year		15.12
Gross amortisation at the beginning of the year		-
Amortised during the year		2.98
Gross amortisation at the end of the year		2.98
Net carrying amount at the beginning of the year		-
Net carrying amount at the end of the year		12.14
35 Commitment and Contingencies		
A) Contingent Liabilities		
There are no contingent liabilities existing as at 31 March 2018		
B) Commitments		
Capital commitments not provided for		1,942.58

Signatories to Notes to Financial Statements

SRIVATS RAM Chairman	ICHIRO TAKEUCHI Director	S PRASAD Director	As per our report attached For SUNDARAM & SRINIVASAN Chartered Accountants (Registration No.:004207S)
BADRI VIJAYARAGHAVAN Director	R NARASIMHAN Executive Director	SANJAY PANDE Director	
11th May, 2018 Chennai	M GOKULAKRISHNAN Company Secretary	K SRINIVASAN Partner Membership No.5809	

Cash Flow Statement in accordance with AS3 issued by ICAI Annexed to the Balance Sheet for the period ended 31st March, 2018

Rs. in Lakhs

	2017-18
A Cash Flow from Operating Activities	
Net Profit before Tax and extraordinary items	234.58
Adjustment for:	
Depreciation	339.38
(Profit) / Loss on sale of assets (net)	14.64
Loss on obsolescence	0.41
Interest income	(16.85)
Lease Liabilities	14.95
Finance costs	32.99
	385.52
Operating profit before working capital changes	620.10
Adjustments for:	
Receivables and advances	(4,981.46)
Inventories	(2,447.66)
Payables	8,262.60
	833.48
Cash generated from operations	1,453.58
Taxes paid	(47.47)
Cash flow before extraordinary items	1,406.11
Net Cash from operating activities (A)	1,406.11
B Cash Flow from Investing Activities	
Purchase of fixed assets	(9,836.36)
Sale of fixed assets	20.69
Interest received	(67.03)
Net cash used in investing activities (B)	(9,882.70)
C Cash Flow from Financing Activities	
Repayment of Lease liabilities	(14.95)
Proceeds from Share Capital Issue including premium	8,800.00
Finance costs	(61.26)
Net cash used in Financing activities (C)	8,723.79
Net increase in cash and cash equivalents (A+B+C)	247.20
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	247.20

SRIVATS RAM
Chairman

ICHIRO TAKEUCHI
Director

S PRASAD
Director

As per our report attached
For **SUNDARAM & SRINIVASAN**

BADRI VIJAYARAGHAVAN
Director

R NARASIMHAN
Executive Director

SANJAY PANDE
Director

Chartered Accountants
(Registration No.:004207S)

11th May, 2018
Chennai

M GOKULAKRISHNAN
Company Secretary

K SRINIVASAN
Partner
Membership No.5809