

WHEELS INDIA LIMITED



52nd ANNUAL REPORT 2010-2011



WHEELS INDIA LIMITED

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

Website Address : www.wheelsindia.com

52ND ANNUAL REPORT

FACTORIES

- PADI, CHENNAI - 600 050
TAMILNADU
- 22KM RAMPUR, TANDA ROAD
RAMPUR-244 925, UTTAR PRADESH
- PLOT NO. C - 1
RANJANGAON GROWTH CENTRE
KAREGAON VILLAGE, SHIRUR TALUK
PUNE DISTRICT - 412 220
MAHARASHTRA
- PLOT NO. 11-18, SECTOR 7
HSIDC GROWTH CENTER, BAWAL
REWARI DISTRICT - 123 501, HARYANA
- SRIPERUMBUDUR
KANCHIPURAM DISTRICT - 602 105
TAMILNADU
- PLOT NO. 56, SECTOR 11
INTEGRATED INDUSTRIAL ESTATE IIE
PANTNAGAR, UDHAM SINGH NAGAR - 263 153
UTTARAKHAND
- PLOT NO. D - 3, DEOLI GROWTH CENTRE
DEOLI MIDC, TALUKA DEOLI
WARDHA DISTRICT - 442 101
MAHARASHTRA
- B-54, SIPCOT INDUSTRIAL PARK
IRUNGATTUKOTTAI, SRIPERUMBUDUR
KANCHIPURAM - 602 105, TAMILNADU

BANKERS

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

AUDITORS

- M/S SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
CHENNAI

STOCK EXCHANGE LISTING

- NATIONAL STOCK EXCHANGE OF INDIA LIMITED
MUMBAI

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
T K SESHADRI	
AROON RAMAN	

SHARE TRANSFER & INVESTOR RELATIONS COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

REMUNERATION COMMITTEE

S PRASAD	Chairman
T K SESHADRI	
T S VIJAYARAGHAVAN	

PRESIDENT (FINANCE) & SECRETARY

S SRIVATHSAN

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Notice to the Shareholders

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Shareholders of the Company will be held on Wednesday, **10th day of August, 2011**, at 11.00 a.m. at **“The Music Academy”**, 168 (Old No.306), T T K Road, Chennai 600 014, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March, 2011, and the reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2011.

3. To elect a Director in the place of Mr. J M A Akers, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Mr. T K Seshadri, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration. M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

Regd. Office:
21, Patullos Road
Chennai - 600 002.
30th May, 2011

By Order of the Board
S Srivathsan
President (Finance)
& Secretary

NOTES:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself and such a proxy need not be a member. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 01.08.2011 to 10.08.2011 (both days inclusive) for payment of dividend on equity shares.
3. Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 10.08.2011. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, second interim dividend declared on 23.06.2004 for the financial year ended 31st March, 2004 and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor

Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2004, or any subsequent financial year are requested to make their claim to the Share Department of the Company at Padi, Chennai - 600 050. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.

5. **As part of “green initiative” in Corporate Governance, Ministry of Corporate Affairs (MCA) vide Circular No.18/2011 dated 29.04.2011, has permitted paperless compliances by recognizing communication through electronic mode to shareholders under the Companies Act, 1956.**

Accordingly, it has been decided to send all future communication from the Company including notices, annual reports, attendance slip, proxy form etc., to the shareholders in electronic form to their registered email address. Investors are requested to update their e-mail IDs with depository participants (DP) for shares held in electronic form or with the Registrar and Transfer Agent or to the Company in case the shares are held in physical form.

Encl : Proxy Form



Directors' Report to the Shareholders

Your Directors present their Fifty Second Annual Report and the Audited Accounts of your Company for the year ended March 31, 2011.

Financial Results

Sales for the year under review were Rs. 1676 crores compared to Rs. 1241 crores in the last year. The financial results of your Company for the year under review are as below:

(Rs. in Lakhs)

	2010-2011	2009-2010
Gross profit before interest and depreciation	12,844	9,116
Interest	4,978	3,777
Depreciation	4,608	3,316
Profit before tax for the year	3,258	2,023
Profit after tax for the year	2,464	1,295
Transfer to General Reserve	1,600	2,100

Dividend

Your Directors are pleased to recommend, out of the profits of the current year, a dividend of Rs. 6.50 per share on the paid-up capital of the Company as at 31st March, 2011. The dividend will be paid to all the shareholders whose names appear in the Register of Members as on the Book closure date. If the dividend recommended is approved at the Fifty Second Annual General Meeting, a sum of Rs. 6,41,51,386/- will become payable. A dividend tax of 16.2225% (including surcharge) will be paid on the dividend declared.

Management Discussion and Analysis

After two years of slowdown, in the last year, global GDP is estimated to have grown at 3.9%, with growth

in all geographies. The Indian economy grew at 8.6% over the year, as against 7.1% in the previous year, with strong recovery in the agricultural sector. Inflation remains a concern with the consumer price index at a double digit level for the second year in a row.

The growth in the economy resulted in a high growth in all segments of the automotive industry. The passenger car and light vehicle segment grew at 25% to come close to 3 million vehicles in the last year. While, the exports of cars marginally slowed down with the removal of the "scrappage" scheme in Europe, the growth was driven by strong demand in the domestic market. There was a strong growth of almost 30% in the commercial vehicle market in the last year, mainly in the goods carriage segments, as the government did not extend the inclusion of city buses under the JNNURM scheme. With a growth of over 5% in the agricultural sector, high food grain prices, the NREG scheme and good rural credit availability, the tractor segment grew at 24% in the year under review.

Your Company grew along with domestic industry in all segments. In the last two months of the year, for the first time in our history, we produced more than a million wheels a month, supported by robust demand in the domestic industry. The earthmoving and mining equipment market that was worst hit by the recession showed an impressive recovery in the last year. With the recovery of global markets, your Company's exports more than doubled from the last year. In Air Suspension business, with the JNNURM bus scheme being discontinued, volumes dropped to less than half of last year's volumes. In the coming year, with introduction of new models, your Company is seeing growth in the Air Suspension business. The raw material costs increased significantly last year and

are likely to increase in the coming year as well, in line with global commodity trends. Last year saw a steep increase in energy costs and continues to be an issue in the coming year. The biggest challenge for your Company remains cost control in these two areas.

The Pantnagar plant that was started two years ago has reached peak production levels servicing the customer base at Uttarakhand. The Deoli plant that makes components for the power equipment sector completed its first full year of operations and is expected to break even in the coming year.

In the coming year, the Indian economy is expected to grow at the same level as last year. The automotive and tractor markets are expected to grow at 15%. However, the continuing hikes in interest rates and fuel prices are likely to result in a slightly muted growth in the commercial vehicle segment. The exports of your Company are expected to grow in the coming year, although not at the same levels as last year.

Your Company's main plant at Padi was awarded the TPM Excellence Award by the Japanese Institute of Plant Maintenance in the last year. While your Company faced high inflation in the year under review with material, energy and manpower costs increasing, more efficient management of operations by implementing TPM yielded benefits to the Company.

Your Company continues to receive awards for performance from its customers and has received awards from Caterpillar, Maruti Suzuki and Toyota Kirloskar in this respect. Your Company continues to engage, educate and motivate its employees through quality circles, self directed work teams and suggestions schemes.

Your Company remains committed to ensuring an effective internal control system that provides assurance on the effectiveness of operations, reliability in financial reporting and security of its assets. Towards this, the internal audit department of the Company, along with external audit firms frequently review internal control procedures and make suggestions for improvement. Their reports are placed before the Audit Committee at periodic intervals for review and assessment of the status of compliance with operating systems, internal policies and regulatory requirements.

Your Company would like to place on record its appreciation for the efforts of its employees in controlling the costs of the Company, in the current environment.

Directors

Mr. T T Rangaswamy who was appointed as a Director on the Board of the Company on 28th June, 1990 resigned from the Board on April 15, 2011. Your Directors place on record the significant contribution made by him to the deliberations of the Board and various committees of the Board.

At its meeting held on April 15, 2011, the Board appointed Mr. Aroon Raman as a Director of your Company under Section 262 of the Companies Act, 1956, in the casual vacancy caused by the resignation of Mr. T T Rangaswamy.

Consequent to the above changes, your Company reconstituted Audit Committee, Share Transfer & Investor Relations Committee and Remuneration Committee of the Board.



Under Article 94(3) of the Company, Mr. J M A Akers and Mr. T K Seshadri retire from office by rotation, and being eligible, offer themselves for re-appointment.

Corporate Governance

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

Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis and

5. proper systems are in place to ensure compliance with all laws applicable to the Company.

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Fifty Second Annual General Meeting and are eligible for re-appointment. The Directors recommend their re-appointment.

Particulars of Employees

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

General

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

The Directors wish to thank United Bank of India, State Bank of India, Standard Chartered Bank and HDFC Bank Limited for their continued support.

Your Company continues to enjoy the full cooperation of all its employees. The Directors wish to place on record their appreciation of the good work done by them.

On behalf of the Board of Directors

Chennai
30th May, 2011

S Ram
Chairman

Report of the Auditors to the Shareholders

We have audited the attached Balance Sheet of Wheels India Limited as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we enclose in the annexure a statement on the matters specified in the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. As per information furnished to us, no Director of the Company is disqualified as on 31st March, 2011 from being appointed as Director under Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

K. Srinivasan

Chennai
30th May, 2011

Partner
Membership No. 5809



Annexure to the Report of Auditors

- I. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- c) The Company has not disposed of substantial part of fixed assets during the year.
- II. a) Physical verification of inventory has been conducted at reasonable intervals by the Management.
- b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- III. The Company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, the clauses (iii) (b) to (g) of the Order are not applicable.
- IV. There is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. There is no continuous failure to correct major weaknesses in internal control system.
- V. a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the Section.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- VII. The Company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. The Company has made and maintained the accounts and records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and we have broadly reviewed the same.
- IX. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.

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- b) There were no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Customs Duty, Value Added Tax and Cess. However disputed Income Tax, Service Tax and Property Tax aggregating to Rs. 328.38 lakhs has not been deposited on account of disputes which are contested in appeals and are pending before Commissioner of Income Tax (Appeals), Central Excise and Service Tax Appellate Tribunal and Madras High Court.
- X. The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI. The Company has not defaulted in repayment of dues to a financial institution or bank.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, clause 4 (xiii) of the Order is not applicable to the Company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. Based on the Balance Sheet and Fund Flow Statement of the Company in our opinion the funds raised on short term basis have not been used for long term investments.
- XVIII. The Company has not made any preferential allotment of shares during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issues during the year.
- XXI. No fraud on or by the Company has been noticed or reported during the year.
- For SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.: 004207S)
K. SRINIVASAN
Partner
Membership No. 5809
- Chennai
30th May, 2011



ACCOUNTS 2010-2011

Balance Sheet as at 31st March 2011

		Rs. in Lakhs	
		Schedule	As at 31.03.2010
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	I	986.94	986.94
b) Reserves and Surplus	II	20,767.73	19,049.60
		21,754.67	20,036.54
2. Loan Funds			
a) Secured Loans	III	22,247.29	26,584.08
b) Unsecured loans	IV	10,727.22	10,817.49
		32,974.51	37,401.57
3. Foreign Currency Monetary Items			
Translation Difference		78.54	36.19
4. Deferred Tax Liabilities (Net)	V	4,646.47	3,872.47
		59,454.19	61,346.77
II APPLICATION OF FUNDS			
1. Fixed Assets	VI		
a) Gross Block		74,251.91	68,873.57
b) Less: Depreciation		32,996.10	28,440.53
c) Net Block		41,255.81	40,433.04
d) Add: Capital Work in Progress	VII	1,694.73	2,190.25
		42,950.54	42,623.29
2. Investments	VIII	1,527.26	1,107.36
3. Current Assets, Loans and Advances			
a) Inventories	IX	22,272.86	17,141.73
b) Sundry Debtors	X	22,446.86	19,645.78
c) Cash and Bank Balances	XI	120.08	264.19
d) Other Current Assets	XII	6.28	4.61
e) Loans and Advances	XIII	6,155.23	5,483.08
		51,001.31	42,539.39
Less: Current Liabilities and Provisions			
a) Liabilities	XIV	34,869.30	24,405.39
b) Provisions	XV	1,155.62	517.88
		36,024.92	24,923.27
Net Current Assets		14,976.39	17,616.12
Notes on Accounts	XIX	59,454.19	61,346.77

S RAM
Chairman

S VIJI
Director

SRIVATS RAM
Managing Director

T K SESHADRI
Director

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

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

AROON RAMAN
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner
Membership No.5809

Chennai
30th May, 2011

Profit and Loss Account for the Year Ended 31st March 2011



		Rs. in Lakhs	
Schedule		2009-10	
Sales - Gross		1,80,832.08	1,33,320.18
Less: Excise Duty		13,224.80	9,182.63
Sales - Net		1,67,607.28	1,24,137.55
Other Income	XVI	2,753.87	1,162.61
		1,70,361.15	1,25,300.16
Raw Materials, Work-in-Process and Finished Goods	XVII	1,22,452.93	88,357.46
Salaries and Wages, Stores consumed and Other expenses	XVIII	35,064.47	27,826.45
Interest on			
Fixed Loans		2,575.75	2,269.43
Others		2,402.71	1,507.25
		4,978.46	3,776.68
Depreciation		4,607.58	3,316.27
		1,67,103.44	1,23,276.86
Net Profit for the year		3,257.71	2,023.30
Less:			
Provision for tax:			
Current tax		649.00	344.00
Minimum Alternate Tax Credit entitlement		(629.00)	(344.00)
Deferred Tax (Net)		774.00	728.00
Profit after tax for the year		2,463.71	1,295.30
Add: Balance transferred from previous year		528.49	1,851.07
Less:			
Dividend - Payable		641.51	444.12
Dividend Tax - Payable		104.07	73.76
Transfer to General Reserve		1,600.00	2,100.00
		2,345.58	2,617.88
Balance Transferred to Balance Sheet		646.62	528.49
Earnings per share	Refer Schedule XIX Note 29	24.96	13.12

S RAM
Chairman

S VIJI
Director

SRIVATS RAM
Managing Director

T K SESHADRI
Director

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

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

AROON RAMAN
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner
Membership No.5809

Chennai
30th May, 2011

Schedules

Rs. in Lakhs

	As at 31.03.2011	As at 31.03.2010
I CAPITAL		
Authorised		
2,00,00,000 Equity Shares of Rs.10/- each	<u>2,000.00</u>	<u>2,000.00</u>
Issued, Subscribed and Paid-up		
98,69,444 Equity Shares of Rs.10/- each	<u>986.94</u>	<u>986.94</u>
Includes		
a) 3,02,250 Equity Shares of Rs.10/-each issued and allotted for consideration other than cash		
b) 80,99,444 Bonus Equity Shares of Rs.10/- each allotted by capitalisation of General Reserve to the extent of Rs.8,07,39,028/- and Share Premium Account of Rs.2,55,412/-		
II RESERVES AND SURPLUS		
a) Capital Reserve		
As per last Balance Sheet	0.02	0.02
b) General Reserve		
As per last Balance Sheet	18,521.09	16,421.09
Transferred from Profit & Loss account	<u>1,600.00</u>	<u>2,100.00</u>
	20,121.09	18,521.09
c) Surplus		
Balance in Profit & Loss account	<u>646.62</u>	<u>528.49</u>
	<u>20,767.73</u>	<u>19,049.60</u>



Schedules (contd.)

Rs. in Lakhs

	As at 31.03.2011	As at 31.03.2010
III SECURED LOANS		
a) Term Loans from Banks	18,456.71	17,833.54
(Note 2 (a) of Schedule XIX)		
b) Cash Credit from Banks	3,790.58	8,750.54
(Note 2 (b) of Schedule XIX)	22,247.29	<u>26,584.08</u>
IV UNSECURED LOANS		
a) Fixed Deposits	6,968.67	6,942.69
b) From State Government under Interest free Sales tax Deferral Scheme	475.14	976.20
c) Term Loan from banks	1,500.01	2,898.60
d) Packing Credit	1,783.40	-
	10,727.22	<u>10,817.49</u>
V DEFERRED TAX LIABILITIES (NET)		
a) Deferred Tax Liability		
(i) Depreciation	5,017.11	4,752.69
b) Deferred Tax Asset		
(i) Unabsorbed depreciation	152.72	711.01
(ii) Exchange difference on LTFCMI	25.48	12.02
(iii) Expenses allowable for tax purposes on payment basis	192.44	157.19
	370.64	<u>880.22</u>
	4,646.47	<u>3,872.47</u>

Schedules (contd.)

VI FIXED ASSETS

Rs. in Lakhs

Description	Land		Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Total	
	(Free hold)	(Lease hold)					As at 31.03.2011	As at 31.03.2010
COST OF ASSETS								
At the beginning of the year	267.42	522.08	7,561.67	57,833.40	2,650.40	38.60	68,873.57	57,772.82
Additions	0.14	–	770.50	4,529.86	167.59	0.07	5,468.16	11,763.02
Sales / Transfers	0.08	–	8.03	62.16	15.43	4.12	89.82	662.27
Total	267.48	522.08	8,324.14	62,301.10	2,802.56	34.55	74,251.91	68,873.57
DEPRECIATION								
At the beginning of the year	–	30.36	1,526.68	25,238.63	1,610.27	34.59	28,440.53	25,302.66
For the year	–	7.44	243.38	4,011.71	344.13	0.92	4,607.58	3,316.27
Deduction on Sales / Transfers	–	–	3.81	33.24	12.29	2.67	52.01	178.40
Total	–	37.80	1,766.25	29,217.10	1,942.11	32.84	32,996.10	28,440.53
WRITTEN DOWN VALUE								
As at 31.03.2011	267.48	484.28	6,557.89	33,084.00	860.45	1.71	41,255.81	
As at 31.03.2010	267.42	491.72	6,034.99	32,594.77	1,040.13	4.01		40,433.04

VII CAPITAL WORK IN PROGRESS - At cost

- a) Buildings
- b) Plant and Machinery

	95.36	197.89
	1,599.37	1,992.36
	1,694.73	<u>2,190.25</u>



Schedules (contd.)

		Rs. in Lakhs	
		As at 31.03.2011	As at 31.03.2010
VIII INVESTMENTS			
Trade - Long term	Face Value		
Un-quoted			
Shares of Companies			
Axles India Limited			
24,24,661 Equity Shares of Rs.10/- each fully paid-up	242.47	272.36	272.36
Sundaram Hydraulics Limited			
73,50,000 Equity Shares of Rs.10/- each fully paid-up	735.00	735.00	735.00
* MEFCO Engineers Private Limited			
20,000 Equity Shares of Rs.100/- each fully paid-up	20.00	20.00	-
* Siva Electric Generation Private Limited			
2,17,672 Equity shares of Rs.10/- each fully paid-up	21.77	21.77	-
* Gamma Green Power Private Limited			
32,81,250 Equity shares of Rs.10/- each fully paid-up	328.13	328.13	-
* (Acquired during the year)			
Bonds			
Rural Electrification Corporation Ltd			
Capital Gains Tax Exemption Bonds			
1,500 Numbers (previous year 1,000 numbers) of Non Convertible Redeemable Taxable Bonds in the nature of debentures of Rs.10,000/- each (Acquired during the year 500 numbers)		150.00	100.00
		1,527.26	1,107.36

Schedules (contd.)

	Rs. in Lakhs	
	As at 31.03.2011	As at 31.03.2010
IX INVENTORIES - As certified by Managing Director		
a) Stores and Spares	2,241.74	1,775.18
b) Loose Tools	997.30	977.57
c) Raw Materials	13,321.17	8,640.90
d) Work-in-process	4,389.94	4,408.53
e) Stock-in-Trade (Finished Goods)	1,315.00	1,337.23
f) Goods-in-Transit	7.71	2.32
	<u>22,272.86</u>	<u>17,141.73</u>
X SUNDRY DEBTORS - Unsecured - Considered Good		
a) Outstanding for a period exceeding six months	269.65	936.91
b) Others	22,177.21	18,708.87
	<u>22,446.86</u>	<u>19,645.78</u>
XI CASH AND BANK BALANCES		
a) Cash and Cheques on hand	44.62	7.25
b) With Scheduled Banks in:		
i) Current Accounts	45.07	233.83
ii) Fixed Deposits	14.05	6.18
iii) Unclaimed Dividend Accounts Balance with Banks - In current accounts	16.34	16.93
	<u>120.08</u>	<u>264.19</u>
XII OTHER CURRENT ASSETS		
Interest accrued on deposits and investments	6.28	4.61
XIII LOANS AND ADVANCES - Unsecured - Considered good		
a) Advances recoverable in cash or in kind or for value to be received * @ includes Advance for purchase of capital goods Rs.485.41 lakhs (Last year Rs.147.96 lakhs)	3,655.25 @	2,999.77 @
b) Advance tax and Tax deducted at source less provision for taxation	-	117.44
c) Minimum Alternate Tax Credit Entitlement	973.00	344.00
d) Balance with Central Excise Authorities	1,526.98	2,021.87
	<u>6,155.23</u>	<u>5,483.08</u>
* Includes Rs.1.00 lakh due from an officer of the Company (Last year Rs. 1.02 lakhs) (Maximum balance due at any time during the year Rs.1.02 lakhs - Last year Rs.1.05 lakhs)		



Schedules (contd.)

Rs. in Lakhs

	As at 31.03.2011	As at 31.03.2010
XIV CURRENT LIABILITIES		
a) Sundry Creditors	34,100.81	23,729.26
b) Due to Directors	53.13	65.86
c) Interest accrued but not due on loans	715.36	610.27
	<u>34,869.30</u>	<u>24,405.39</u>
XV PROVISIONS		
a) For taxation less advance tax and tax deducted at source	410.04	-
b) Proposed Dividend	641.51	444.12
c) Dividend Tax	104.07	73.76
	<u>1,155.62</u>	<u>517.88</u>
XVI OTHER INCOME		
Miscellaneous Income**	932.80 @	521.21
@ includes Rs.232 lakhs due to part prepayment of liability under Sales tax Deferral Scheme		
Export Incentives	1,610.09	575.82
Interest on Deposits and Advances**	76.67	60.00
**Tax deducted at source - Rs. 30.75 lakhs (Last year Rs.12.75 lakhs)		
Profit on Sale of Fixed Assets (Net)	134.31@@	5.58
@@ includes Rs.144.91 lakhs being income on account of sale of land	<u>2,753.87</u>	<u>1,162.61</u>
XVII RAW MATERIALS, WORK - IN - PROCESS AND FINISHED GOODS		
Opening Balances		
Raw Materials	8,640.90	8,009.75
Work-in-Process	4,408.53	3,184.38
Finished Goods	1,337.23	614.94
	<u>14,386.66</u>	11,809.07
Add: Purchase of Raw Materials	1,27,092.38	90,935.05
	<u>1,41,479.04</u>	1,02,744.12
Less: Closing Balances		
Raw Materials	13,321.17	8,640.90
Work-in-Process	4,389.94	4,408.53
Finished Goods	1,315.00	1,337.23
	<u>19,026.11</u>	14,386.66
	<u>1,22,452.93</u>	<u>88,357.46</u>

Schedules (contd.)

	Rs. in Lakhs	
	As at 31.03.2011	As at 31.03.2010
XVIII SALARIES AND WAGES, STORES CONSUMED AND OTHER EXPENSES		
Salaries, Wages, Bonus and Commission	12,287.25	9,859.30
Contribution to Provident Fund and Other Funds	545.03	561.24
Staff and Workmen Welfare Expenses	1,172.52	928.59
Cost of Stores and Tools consumed	4,646.78	3,781.19
Power and Fuel	7,041.69	4,962.62
Rent including lease rent	229.84	227.09
Insurance	279.33	181.87
Rates and taxes	134.05	110.06
Repairs*		
Buildings	580.91	365.27
Plant and Machinery	2,345.43	1,940.34
Other Assets	380.94	281.62
*(Includes stores consumed Rs.1,558.94 lakhs - Last year Rs.1,306.75 lakhs)		
Auditors' remuneration		
For Audit	16.00	12.50
Certification Fees	3.00	2.75
Taxation Matters	6.00	4.00
(Includes Rs.3.00 lakhs for Tax Audit - Last year Rs.2.00 lakhs)		
Expenses	2.34	3.11
Directors' Sitting Fees	3.95	4.35
Discounts	55.92	154.22
Commission	218.85	111.19
Freight	2,132.88	1,873.30
Other expenses	2,981.76	2,461.84
	35,064.47	27,826.45



Schedules (Contd.)

XIX NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES:

i) General:

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

ii) Fixed Assets & Depreciation:

- a) Fixed assets are stated at historical cost net of cenvat and vat credits as reduced by accumulated depreciation.
- b) Depreciation on fixed assets has been provided -
 - i) at the rates specified in Schedule XIV of the Companies Act, 1956
 - on straight line method for plant and machinery and buildings and
 - on written down value method for electronic data processing machines and other fixed assets.
 - ii) on the basis of estimated life of the capital tools.
- c) Leasehold land:

Premium paid on leasehold land is amortised over the lease period.
- d) The cost of intangible assets being computer software (other than software relating to ERP) is amortised over the estimated useful life viz. 3 years. The cost of software relating to ERP is amortised over the estimated useful life viz. 5 years.
- e)
 - i) The expenditure during construction period relating to the new projects till the commencement of commercial production is capitalised and allocated to fixed assets.
 - ii) In accordance with AS 16 - Borrowing costs issued by the ICAI, the borrowing costs attributable to the new projects are capitalised till the commencement of commercial production and included in expenditure during construction period and allocated to fixed assets and other borrowing costs are recognised in the year in which it is incurred.

iii) Investments:

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

iv) Inventories:

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

v) Staff terminal benefits:

a) Provident Fund:

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

Schedules (Contd.)

b) Gratuity:

The gratuity plan provides for a lump sum payment to vested employees 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 are the trustees / administrator of the plan.

c) Superannuation:

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

d) Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation.

vi) Research & Development expenses:

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

vii) Foreign Currency Transactions:

The exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the financial year, in so far as they relate to depreciable capital assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset and in other cases are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset / liability but not beyond 31st March, 2012.

Foreign currency transactions other than the above items outstanding at the year end are accounted for at year end rates and the profit / loss so determined and also the realised exchange gains / losses are recognized in the Profit and Loss Account. In respect of Forward Exchange contracts, the difference between the forward rate and the exchange rate at the date of inception of the contract is recognized as income or expense over the period of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognized as income or expense for the year.

viii) Export Incentives:

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

ix) Derivative Contracts:

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

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



Schedules (Contd.)

Rs. in Lakhs

	As at 31.03.2011		As at 31.03.2010	
2 SECURED LOANS				
a) Term Loans from Banks				
Secured by equitable mortgage of land and buildings at Padi	5,501.00		6,000.00	
By first Charge by way of hypothecation of specific machinery	12,955.71	18,456.71	11,833.54	17,833.54
b) Cash Credit from Banks		3,790.58		8,750.54
Secured by hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.				
3 a) Directors' Remuneration (Chairman and Managing Director)	2010-11		2009-10	
	(Chairman)	(MD)	(Chairman)	(MD)
Salaries & allowances	30.00	52.80	43.20	43.20
Commission	4.09	49.04	32.93	32.93
Contribution to Provident and Superannuation Funds	2.25	8.91	3.24	7.29
Other benefits	4.71	0.85	4.58	0.75
b) Sitting Fees to other Directors		3.95		4.35
4 Computation of Net Profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956 and calculation of Commission payable to Chairman and Managing Director				
Profit after Taxation		2463.71		
Add: Provision for Taxation	794.00			
Less: Profit on Sale of land	144.92			
Add: Managerial remuneration within the meaning of Sec 198 of the Companies Act, 1956 (including Commission of Rs. 53.13 lakhs to Chairman and Managing Director) (Last year Rs.65.86 lakhs)	156.60			
Profit under Section 198 of the Companies Act, 1956		805.68		
		3,269.39		
	(Chairman)	(MD)		
Commission payable on Net Profit at 1.5% for 1 month for Chairman 1.5% for MD	4.09			49.04

Schedules (Contd.)

	Rs. in Lakhs			
	2010-11		2009-10	
	Quantity (M.T)	Value	Quantity (M.T)	Value
5 Raw Materials Consumed				
i) Basic Raw Materials - Steel Sections, Sheets, Coils and Plates	2,65,393	1,06,131.71	2,15,394	75,864.96
ii) Intermediates and Components		16,280.40		14,438.94
		<u>1,22,412.11</u>		<u>90,303.90</u>
6 Consumption of Raw Materials and Components				
	% to total Consumption	Value	% to total Consumption	Value
a) Raw Materials				
i) Imported	29.28	31,078.95	14.52	11,014.48
ii) Indigenous	70.72	75,052.76	85.48	64,850.48
	<u>100.00</u>	<u>1,06,131.71</u>	<u>100.00</u>	<u>75,864.96</u>
b) Components				
i) Imported	4.48	729.43	3.64	524.89
ii) Indigenous	95.52	15,550.97	96.36	13,914.05
	<u>100.00</u>	<u>16,280.40</u>	<u>100.00</u>	<u>14,438.94</u>
7 Imports (CIF Value)				
i) Raw Materials		13,769.66		4,131.55
ii) Spare Parts		125.43		58.44
iii) Capital Goods		217.51		725.98
8 Expenditure in Foreign Currency				
i) Royalty and Know-how fees (Net of Tax)		18.72		21.22
ii) Commission		164.50		71.19
iii) Interest		477.81		625.47
iv) Others		249.61		258.11
9 Amount remitted in Foreign Currency towards Dividend				
i) Number of Non-Resident Shareholders		1		1
ii) Number of Shares held		35,44,470		35,44,470
iii) Dividend and years to which it relates				
- 2009-10		159.50		
- 2008-09				194.95
10 Earnings in Foreign Exchange				
Exports (on FOB basis)		23,991.06		11,216.40
Others		-		22.10



Schedules (Contd.)

	2010-11		2009-10	
	Quantity Numbers	Value	Quantity Numbers	Value
11 Sales by class of goods				
i) Wheels for Commercial Vehicles, Passenger Cars, Jeeps, Tractors, Earthmoving and Construction Equipments	1,10,76,941	1,45,422.42	96,89,749	98,544.39
ii) Air Suspension kits	5,804	6,610.80	15,071	14,534.38
iii) Others		15,574.06		11,058.78
		<u>1,67,607.28</u>		<u>1,24,137.55</u>
12 Licensed, Installed Capacity (per annum) and actual production				
a) Wheels (Nos)				
Wheels for Commercial Vehicles, Passenger Cars, Jeeps, Tractors, Defence requirements, Earthmoving and Construction Equipments				
i. Licensed / Registered capacity		Delicensed		Delicensed
ii. Installed capacity as certified by Managing Director		1,33,21,250		1,21,10,300
iii. Actual Production		1,10,62,503		97,27,231
b) Air Suspension System (sets)				
i. Licensed / Registered capacity		Delicensed		Delicensed
ii. Installed capacity as certified by Managing Director		23,500		23,500
iii. Actual Production		5,804		15,052
c) Auto Weld Beams (Tons)				
i. Licensed / Registered capacity		Delicensed		Delicensed
ii. Installed capacity as certified by Managing Director		12,000		12,000
iii. Actual Production		2,725		101
d) Parts & accessories for Industrial Machinery (Nos)				
i. Licensed / Registered capacity		Delicensed		—
ii. Installed capacity as certified by Managing Director		9,600		—
iii. Actual Production		3,414		—

Schedules (Contd.)

Rs. in Lakhs

13 Opening and Closing Stock of goods produced

Class of goods	2010-11				2009-10			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty. (Nos)	Value	Qty. (Nos)	Value	Qty. (Nos)	Value	Qty. (Nos)	Value
Wheels for Commercial Vehicles, Passenger Cars, Jeeps, Tractors, Earthmoving and construction Equipments	1,11,562	1,329.51	96,631	1,302.72	75,815	590.12	1,11,562	1,329.51
Air Suspension	2	2.50	2	2.02	21	19.00	2	2.50
Others		5.22		10.26		5.82		5.22
		1,337.23		1,315.00		614.94		1,337.23

14 Liability to Banks on Guarantees

15 Contingent Liability towards bills discounted with banks

16 Estimated amount of contracts remaining to be executed on capital accounts and not provided for

17 i) Disputed amounts in respect of Sales Tax, Service Tax, Customs Duty and Property Tax which are contested in appeal and not provided for (of which a sum of Rs.7.17 lakhs - previous year Rs.4.78 lakhs paid under protest appears under Advance recoverable in cash or in kind or for value to be received in the Balance Sheet).

ii) Contingent Liability towards demand for enhanced compensation for Land along with interest is not provided for since the quantum has not yet been determined. Further the eligible rebate on land cost as per conditions of allotment amounting to Rs.32.40 lakhs from the HSIDC has not been taken into consideration and the same will be accounted on cash basis.

As at 31.03.2011	As at 31.03.2010
359.10	228.83
13,014.98	14,330.33
720.06	1,009.44
114.17	92.69



Schedules (Contd.)

		Rs. in Lakhs	
		As at 31.03.2011	As at 31.03.2010
18	Sundry creditors under Current liabilities include:		
i)	Micro, Small and Medium Enterprises Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"		
	Particulars		
	a. Principal amount due to Suppliers under the Act	20.78	3.24
	b. Interest accrued and due to Suppliers under the Act, on the above amount	0.49	0.02
	c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	1,173.21	109.23
	d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
	e. Interest paid to Suppliers under the Act (Section 16)	-	-
	f. Interest due and payable to suppliers under the Act, for payments already made	10.45	0.86
	g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	10.94	0.88
	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.		
ii)	Unpaid dividend	16.34	16.93
iii)	Unclaimed matured fixed deposits	67.60	29.26
iv)	Cheques issued for interest warrants and matured deposits but not encashed Amount due and outstanding to be credited to Investor Education and Protection Fund - Nil. (Previous year - Nil)	15.80	14.00

19 Expenditure incurred on Scientific Research and Development

	2010-11	2009-10	2008-09
a) Revenue Expenditure	548.65	499.81	470.39
b) Capital Expenditure	209.98	92.08	571.75
20 Interest on fixed deposits to:			
Chairman	9.58	9.40	
Managing Director	33.72	31.21	

Schedules (Contd.)

- 21 The Company has not provided for excise duty on closing stock of finished goods at the factory and customs duty on raw materials in bonded warehouse amounting to Rs.55.25 lakhs (previous year Rs.55.31 lakhs) and accordingly not included the same in the value of said inventories. However, this has no impact on the net profit for the year.
- 22 The Company opted for accounting the exchange differences arising on reporting Foreign Currency Monetary Items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on AS11 notification dated 31st March, 2009 read with Notification dated 11th May, 2011 issued by the Ministry of Corporate Affairs.

Consequently,

- i. Exchange differences relating to Long Term Foreign Currency Monetary Items, in so far related to acquisition of depreciable capital assets arising during the year amounting to Rs.15.41 lakhs (loss) {net of depreciation Rs. 3.15 lakhs} (Previous year Rs. 441.43 lakhs (gain) {net of depreciation Rs.17.88 lakhs}) are (deducted) / added respectively to the cost of assets and depreciated over the balance life of the assets.
- ii. Exchange differences relating to Other Long Term Foreign Currency Monetary Items amounting to Rs. 78.54 lakhs (gain) {net of amortization Rs (113.86 lakhs)} (Previous year Rs. 36.19 lakhs (gain) {net of amortization Rs. (225.75 lakhs)}) are adjusted to Foreign Currency Monetary Item Translation Difference Account.

		Rs. in Lakhs	
		2010-11	2009-10
23	Disclosure on Foreign currency transactions (other than Long Term Foreign Currency Monetary Items) in accordance with AS11 issued by Institute of Chartered Accountants of India (ICAI) exchange loss / (gain) {net}debited / credited to Profit and Loss account (of which Rs. 468.88 lakhs (loss) - (previous year Rs. 627.98 lakhs (loss) relating to derivative instruments settled during the year).	280.93	957.10

24 Employee Benefits:

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

Brief Description of the plans:

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

In respect of the Employees Provident Fund Scheme, the interest payable by the trust to the beneficiaries as per the rate notified by the Government is met by the trust with contribution from the Company towards short fall in interest Rs. 12.83 lakhs (last year - Nil). The liability in respect of leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for accordingly.



Schedules (Contd.)

Disclosures for the Defined Benefit Plans based on Actuarial Reports as on 31.03.2011 are as under:

Rs. in Lakhs

	Gratuity (funded)		Leave Salary (unfunded)	
	2010-11	2009-10	2010-11	2009-10
Change in defined benefit obligation				
Opening defined benefit obligation	1,157.03	1,001.95	257.33	215.38
Current service cost	77.94	63.93	16.65	85.12
Interest cost	92.69	80.16	54.28	13.76
Actuarial loss / (gain)	4.42	110.30	123.02	31.53
Benefits paid	(99.15)	(99.31)	(98.53)	(88.46)
Closing defined benefit obligation	1,232.93	1,157.03	352.75	257.33
Change in fair value of assets				
Opening fair value of plan assets	990.26	940.33		
Expected return on plan assets	98.75	87.62		
Actuarial gain / (Loss)	-	-		
Contribution by employer	169.96	61.62		
Benefits paid	(99.15)	(99.31)		
Closing fair value of plan assets	1,159.82	990.26		
Amount recognised in the Balance Sheet				
Present value of obligations at year end	1,232.93	1,157.03	352.75	257.33
Fair value of plan assets at year end	1,159.82	990.26	-	-
Amount now recognised as liability	(73.11)	(166.77)	(352.75)	(257.33)
Net (liability) / asset recognised as on 31st March	(73.11)	(166.77)	(352.75)	(257.33)
Expenses recognised in the Profit & Loss A/c				
Current Service cost	77.94	63.93	16.65	85.12
Interest on defined benefit obligation	92.69	80.16	54.28	13.76
Expected return on plan assets	(98.75)	(87.62)	-	-
Net actuarial loss / (gain) recognised in the current year	4.42	110.30	123.02	31.53
Expenses recognised in the Profit & Loss A/c	76.30	166.77	193.95	130.41
Principal actuarial assumptions used				
Discount rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (p.a)	8.00%	8.00%	-	-
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	4.50%	4.50%	4.50%	4.50%

Schedules (Contd.)

25. Borrowing costs in accordance with AS16 issued by ICAI

Rs. in Lakhs

	2010-11	2009-10
Borrowing costs capitalised during the year relating to new projects	41.62	406.19

26 Segment information for the year ended 31st March, 2011 in accordance with AS 17 issued by ICAI:

i) Primary segments:

Automotive components is the only reportable segment of the Company.

ii) Revenue by Geographical Segment:

	2010-11			2009-10		
	India	Outside India	Total	India	Outside India	Total
External	1,43,611.73	23,995.55	1,67,607.28	1,12,899.05	11,238.50	1,24,137.55
Inter-Segment	-	-	-	-	-	-
Total	1,43,611.73	23,995.55	1,67,607.28	1,12,899.05	11,238.50	1,24,137.55
Carrying amount of segment assets	95,203.71	275.40	95,479.11	85,843.35	426.69	86,270.04
Additions to fixed assets	5,468.16	-	5,468.16	11,763.02	-	11,763.02

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.



Schedules (Contd.)

		Rs. in Lakhs	
		2010-11	2009-10
27 Related Party disclosures in accordance with AS18 issued by ICAI			
Associates:-			
T.V.Sundram Iyengar & Sons Ltd.			
Axles India Ltd.			
Titan Europe Plc.			
Sundaram Hydraulics Ltd.			
Nature of transactions		Total amount	Total amount
Purchase of goods		25.17	127.97
Sale of goods*		1,807.40	1,549.04
Rendering of Services		44.53	96.65
Receiving of Services		16.08	119.12
Trade advance paid		90.00	-
Management contract including deputation of employees		-	53.80
Dividend paid during the year		270.00	330.00
Total		2,253.18	2,276.58
* includes Rs. 1,759.63 lakhs to T.V. Sundram Iyengar & Sons Ltd (last year Rs. 880.81 lakhs)			
Balance outstanding		373.85	223.59

Key Managerial Personnel:

Mr S Ram

Mr Srivats Ram

Nature of transactions	2010-11		2009-10	
	Volume of transactions	Balance outstanding	Volume of transactions	Balance outstanding
Remuneration, Perquisites and Commission	Details are furnished in Note No.3 of Schedule XIX	53.13	Details are furnished in Note No.3 of Schedule XIX	65.86
Fixed Deposits accepted		435.10		396.18
Interest thereon	43.30		40.61	
Dividend paid during the year	0.34		0.41	

28 Disclosures relating to leases in accordance with AS19 issued by ICAI:

	2010-11	2009-10
	Total Minimum Lease	Total Minimum Lease
Operating Lease		
As at Balance Sheet date	236.64	185.65
Not later than 1 year	75.02	67.29
Later than 1 year and not later than 5 years	161.62	118.36
Later than 5 years	-	-
Lease rentals paid during the year	79.48	75.54

Schedules (Contd.)

		Rs. in Lakhs	
		2010-11	2009-10
29	Earnings per share in accordance with AS20 issued by ICAI		
	Net profit as per P& L account	2,463.71	1,295.30
	Number of Shares	98,69,444	98,69,444
	Basic earnings per share - Rupees	24.96	13.12
30	Disclosure on Accounting for intangible assets in accordance with AS26 issued by ICAI:		
	Computer software:		
	Gross carrying amount at the beginning of the year	919.94	825.84
	Acquired during the year	18.88	94.10
	Gross carrying amount at the end of the year	938.82	919.94
	Gross amortisation at the beginning of the year	397.59	212.93
	Amortised during the year	178.14	184.66
	Gross amortisation at the end of the year	575.73	397.59
	Net carrying amount at the beginning of the year	522.35	612.91
	Net carrying amount at the end of the year	363.09	522.35
31	Derivative instruments:		
a.	Category-wise quantitative data about derivative instruments that are outstanding at the Balance Sheet date		
	Option to sell USD/INR at Rs. 42.50 or Rs. 42.40 per USD over a period upto July 2012	USD 35.25 MILLIONS	USD 49.85 MILLIONS
	The purpose for which such derivative instruments were acquired, was to hedge export receivables and interest cash flows.		
b.	Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs. 7,869.18 lakhs (Previous year - Rs. 5,256.15 lakhs)		
32	Previous Year's figures have been regrouped wherever necessary to conform to this year's classification.		

S RAM
Chairman

S VIJI
Director

SRIVATS RAM
Managing Director

T K SESHADRI
Director

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

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

AROON RAMAN
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner
Membership No.5809

Chennai
30th May, 2011

Cash Flow Statement in accordance with AS 3 issued by ICAI Annexed to the Balance Sheet for the year ended 31st March, 2011



	Rs. in Lakhs	
	2010-11	2009-10
A Cash Flow from Operating Activities:		
Net Profit before Tax and extraordinary items	3,257.71	2,023.30
Adjustment for:		
Depreciation	4,607.58	3,316.27
(Profit) / Loss on sale of assets (net)	(134.31)	(5.58)
Effect of Exchange Rate Change	43.80	610.45
Interest income	(76.67)	(60.00)
Dividend income	-	-
Lease Liabilities	87.72	80.05
Interest charges	4,978.46	3,776.68
	<u>9,506.58</u>	<u>7,717.87</u>
Operating profit before working capital changes	12,764.29	9,741.17
Adjustments for:		
Receivables and advances	(4,423.46)	(4,939.30)
Foreign Currency Monetary Items	42.35	497.41
Translation Difference account	-	-
Inventories	(5,131.13)	(3,160.72)
Payables	10,598.42	5,768.29
	<u>1,086.18</u>	<u>(1,834.32)</u>
Cash generated from operations	13,850.47	7,906.85
Taxes paid	(121.52)	(385.59)
Cash flow before extraordinary items	13,728.95	7,521.26
Net Cash from operating activities (A)	<u>13,728.95</u>	<u>7,521.26</u>
B Cash Flow from Investing Activities:		
Purchase of fixed assets	(4,972.64)	(6,186.25)
Purchase of Investments	(419.90)	(50.00)
Sale of Investments	-	470.00
Sale of fixed assets	172.12	489.45
Interest received	75.00	55.86
Dividend received	-	-
Net cash used in investing activities (B)	<u>(5,145.42)</u>	<u>(5,220.94)</u>
C Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	7,377.05	5,373.42
Repayment of Long Term Borrowings	(7,593.70)	(6,074.69)
Repayment of Lease liabilities	(87.72)	(80.05)
Proceeds from Short Term Borrowings	1,531.95	1,560.13
Repayment of Short Term Borrowings	(2,898.60)	(1,088.10)
Increase in working capital	(1,614.79)	2480.80
Interest paid	(4,923.95)	(3,666.68)
Dividend paid	(444.12)	(542.82)
Dividend tax paid	(73.76)	(92.25)
Net cash used in Financing activities (C)	<u>(8,727.64)</u>	<u>(2,130.24)</u>
Net increase in cash and cash equivalents (A+B+C)	(144.11)	170.08
Cash and cash equivalents at the beginning of the year	264.19	94.11
Cash and cash equivalents at the end of the year	120.08	264.19

S SRIVATHSAN
Secretary

SRIVATS RAM
Managing Director

S RAM
Chairman

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

Chennai
30th May, 2011

K SRINIVASAN
Partner
Membership No.5809

Balance Sheet Abstract and Company's General Business Profile

Information as required under Part IV of the Schedule VI of the Companies Act, 1956

I Registration Details

CIN No.

L	3	5	9	2	1	T	N	1	9	6	0	P	L	C	0	0	4	1	7	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Registration No.

			0	4	1	7	5
--	--	--	---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

	5	9	4	5	4	1	9
--	---	---	---	---	---	---	---

 Total Assets

	5	9	4	5	4	1	9
--	---	---	---	---	---	---	---

Sources of Funds

Paid up Capital

			9	8	6	9	4
--	--	--	---	---	---	---	---

 Reserves & Surplus

	2	0	7	6	7	7	3
--	---	---	---	---	---	---	---

Deferred Tax Liabilities (Net)

		4	6	4	6	4	7
--	--	---	---	---	---	---	---

 Foreign Currency Monetary items

Secured Loans

	2	2	2	4	7	2	9
--	---	---	---	---	---	---	---

 Unsecured Loans

	1	0	7	2	7	2	2
--	---	---	---	---	---	---	---

Applications of Funds

Net Fixed Assets

	4	2	9	5	0	5	4
--	---	---	---	---	---	---	---

 Investments

		1	5	2	7	2	6
--	--	---	---	---	---	---	---

Net Current Assets

	1	4	9	7	6	3	9
--	---	---	---	---	---	---	---

 Misc. Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

IV Performance of Company (Amount in Rs. Thousands)

Turnover

1	7	0	3	6	1	1	5
---	---	---	---	---	---	---	---

 Total Expenditure

1	6	7	1	0	3	4	4
---	---	---	---	---	---	---	---

(including other income)

+ - Profit / (Loss) Before Tax + - Profit / (Loss) After Tax

✓	
---	--

	3	2	5	7	7	1
--	---	---	---	---	---	---

✓	
---	--

	2	4	6	3	7	1
--	---	---	---	---	---	---

Rs. Ps.

Earnings Per Share

			2	4	.	9	6
--	--	--	---	---	---	---	---

 Dividend Rate %

6	5
---	---

V Generic Names of Three Principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code)	8 7 0 8 7 0 0 0	Product Description	R O A D W H E E L S
Item Code No. (ITC Code)	8 7 0 8 9 9 0 0	Product Description	AIR SUSPENSION SYSTEM
Item Code No. (ITC Code)	8 4 3 1 4 9 9 0	Product Description	EARTHMOVER WHEELS



Annexure to the Directors' Report

Conservation of Energy

Energy conservation is being practiced in all plant locations of the Company. VFD for motors, impeller down-sizing of pumps, provision of turbo-ventilators and transparent roof sheets are being implemented. Plants in Tamilnadu (Padi & Sriperumbudur) have increased the share of renewable energy and at present wind & bio-mass power caters to 60% of energy requirement in Padi and 20% in Sriperumbudur.

Technology Absorption

During the year under review, your Company has successfully developed 398 new wheels to meet customer's requirements using in-house design facilities.

Expenditure on R & D:	(Rs in Lakhs)
Capital	210
Revenue	549
TOTAL	759
Total as a percentage of turnover	0.45%

Foreign Exchange Earnings and Outgo:

The Foreign exchange outgo to the Company during the year under review was Rs 15,183 lakhs and the foreign exchange earned was Rs 23,991 lakhs.

On behalf of the Board of Directors

Chennai
30th May, 2011

S Ram
Chairman

Report on Corporate Governance

Your Company believes that Corporate Governance is a blend of law, ethics, regulation and voluntary practices that would help in maximizing the stakeholders' value.

The Ministry of Corporate Affairs had come out with Corporate Governance Voluntary Guidelines 2009, while some of the guidelines are being adhered to; the Company is studying the impact of implementation of the rest.

1. Board of Directors

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

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

Name	Category	No. of Directorship in other Public Limited Companies in India	No. of Memberships in Committees of Boards of other Companies
Mr. S Ram	Executive Chairman	8	3
Mr. S Viji	Non Executive	8	2
Mr. J M A Akers	Non Executive	Nil	Nil
Mr. Srivats Ram	Managing Director	3	1
Mr. T K Seshadri *	Non Executive	Nil	Nil
Mr. T S Vijayaraghavan *	Non Executive	1	3
Mr. S Prasad *	Non Executive	4	4
Mr. T T Rangaswamy*\$	Non Executive	Nil	Nil
Mr. Aroon Raman *\$	Non Executive	1	1

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

* Independent Directors

\$ Mr. T T Rangaswamy resigned from the Board of Directors on 15.04.2011 and Mr. Aroon Raman has been appointed with effect from 15.04.2011 in the casual vacancy arising on account of the resignation of Mr. T T Rangaswamy.

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

2. Attendance at Board Meetings and last Annual General Meeting

During the Financial Year 2010-11 five Board Meetings of the Company were held on 23.04.2010, 29.05.2010, 29.07.2010, 03.11.2010 & 08.02.2011 and the last Annual General Meeting was held on 13th August, 2010.



Directors	Attendance at Board Meetings	Attendance at Last AGM
Mr S Ram	5	Yes
Mr S Viji	4	Yes
Mr T T Rangaswamy	4	Yes
Mr J M A Akers	1	No
Mr Srivats Ram	5	Yes
Mr T K Seshadri	4	Yes
Mr T S Vijayaraghavan	5	Yes
Mr S Prasad	5	Yes

Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

Name of the Director	Nature of Transactions	No. of Shares held	Amount	Interest
Mr S Viji	Fixed Deposits	–	149.42	15.73
Mr T T Rangaswamy	Dividend	1,596	0.07	–
Mr S Prasad	Dividend	450	0.02	–

3. Audit Committee

The Company constituted an Audit Committee comprising of Non executive Directors. The terms of reference of the Audit Committee pertains to the areas referred to in Sec 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee met 5 times during the year on 05.04.2010, 29.05.2010, 28.07.2010, 01.11.2010 and 04.02.2011. The Committee was reconstituted on 15.04.2011. The Audit Committee comprises of Mr. S Prasad as the Chairman, Mr. S Viji, Mr. T K Seshadri and Mr. Aron Raman as the other Members. The attendance of each member of the Committee during the year 2010 - 2011 are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Prasad, Chairman	Non Executive and Independent	5	5
Mr. S Viji	Non Executive	5	3
Mr. T K Seshadri	Non Executive and Independent	5	5
Mr. Aron Raman #	Non Executive and Independent	NA	NA

Mr. Aron Raman was inducted into the Audit Committee on 15-4-2011

4. Remuneration Committee

The Remuneration Committee consists of Non Executive and independent Directors. The committee reviews/approves the remuneration payable to the whole-time Directors depending upon their performance and the performance of the Company, within the overall limits approved by the Members of the Company.

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

The Remuneration Committee consisting of independent Directors was reconstituted on 15.04.2011, consequent to the resignation of Mr T T Rangaswamy, Chairman. Post the re-constitution, the Committee has Mr. S Prasad, Chairman, Mr. T K Seshadri and Mr. T S Vijayaraghavan as the other Members.

The Committee met on 28.03.2011 wherein all the members were present. The Committee approved a salary of Rs 3,00,000/- per month to Mr. Srivats Ram, Managing Director with effect from 01.04.2011. The Committee took on record the increase in salary of Mr. S Ram, Chairman to Rs. 1,75,000 with effect from 01.04.2011. The Committee also approved payment of commission of 1.50% of the Net Profit to Mr. S Ram, Chairman for part of the year 2010-11 and 1.50% of Net Profit to Mr. Srivats Ram, Managing Director for the year 2010-11.

Details of the remuneration paid to the Directors during the year 2010-11 are given below:

(Rs in lakhs)					
Name of the Directors	Salary	Perquisites / Benefits	Commission	Contribution to Provident and Superannuation Funds	Sitting fees
Mr. S Ram	30.00	4.71	4.09	2.25	-
Mr. S Viji	-	-	-	-	0.80
Mr. T T Rangaswamy	-	-	-	-	0.55
Mr. J M A Akers	-	-	-	-	0.10
Mr. Srivats Ram	52.80	0.85	49.04	8.91	-
Mr. T K Seshadri	-	-	-	-	0.95
Mr. T S Vijayaraghavan	-	-	-	-	0.50
Mr. S Prasad	-	-	-	-	1.05



5. Share Transfer and Investor Relations Committee

This Committee has been reconstituted on 15.04.2011 consequent to the resignation of Mr. T T Rangaswamy. After reconstitution, the committee consists of three Directors with Mr. S Viji as the Chairman, Mr. S Ram and Mr. S Prasad being the other members. The Committee met on 01.04.2010 and 20.10.2010 wherein all the Directors were present. The Board has authorized Mr. S Srivathsan, the Secretary of the Company to approve share transfers and request for dematerialization of shares.

Mr. S Srivathsan, President (Finance) & Secretary is the Compliance Officer.

Number of Shareholders complaints received during the year NIL

Number not solved to the satisfaction of shareholders NIL

Number of pending complaints NIL

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

Year	Date	Location	Time	Special Resolution Passed
2009-10	13.8.2010	The Music Academy, No.168, TTK Road, Chennai – 600 014	11.00 A.M	Reappointment of Mr. S Ram as whole time Director and designated as Executive Chairman.
2008-09	14.8.2009	The Music Academy, No.168, TTK Road, Chennai – 600 014	10.25 A.M	–
2007-08	14.8.2008	The Music Academy, No.168, TTK Road, Chennai – 600 014	11.00 A.M	–

The shareholders passed all the resolutions including the Special Resolution set out in the respective notices unanimously. None of the resolutions passed at the above meetings were required to be passed through postal ballot.

7. Disclosures

Details of transactions entered into with related parties during the year under review have been given in the notes forming part of Accounts.

The Company has been complying with the SEBI Regulations and the Listing Agreement with the Stock Exchanges on issues related to capital market.

8. Disclosure regarding re-appointment of Directors

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

Name of the Director	Mr. J M A Akers
Age	66 years
Qualification	BSC (Mech. Engg.), MSc (Mgt. Science & Industrial Relations), MBA
Expertise in specific functional areas	Has 43 years of Management experience, 33 years at Director level and 18 years as Chief Executive in Engineering Companies, Vehicle Manufacture and Component supply.
Directorship in other Companies	Chief Executive: Titan Europe Plc. Executive Director: Titan International Inc. (USA) Titan France SAS, Titan Steel Wheels Limited, Titan ITM Holdings SpA, Titan Italia SpA, and Titan Distribution (UK) Limited.
Chairman/Member in Committees of other Companies:	Member of Advisory Board : Warwick University Business School

Name of the Director	Mr. T K Seshadri
Age	69 years
Qualification	B.Com, LLB, Post Graduate Diploma in Company Law, Banking & Insurance Laws and Post Graduate Diploma in Labour & Administrative Laws.
Expertise in specific functional areas	He is an attorney by profession. Has been associated with Mr. T. Raghavan, Advocate for over 45 years and his areas of practice include Company Law, Labour Law, Insurance, Income Tax, Sales Tax, Excise and Customs cases, Enforcement and Foreign Exchange Management, Economic Offences, Banking Laws and Arbitration. Has been designated as Senior Advocate by the High Court of Judicature, Chennai.
Directorship in other Companies	NIL
Chairman / Member in Committees of other companies:	Local Advisory Member: Bank of Ceylon, Chennai Member of Central Committee: Voluntary Health Service, Chennai



9. Means of Communication

Quarterly results are published in Business Line (English) and Dinamani (Tamil - vernacular). The Company published the audited results for the year 2010-11 within the stipulated time.

The Unaudited quarterly results and the audited results for the full year are displayed in the Company's website www.wheelsindia.com. The above information and other communication are sent to Stock Exchanges. The above information and other communication sent to Stock Exchanges are available at the website www.corpfiling.co.in.

10. General Shareholder Information

Date of Annual General Meeting	10th August, 2011
Time	11.00 AM
Venue	The Music Academy, No. 168, TTK Road, Chennai – 600 014
Date of Book Closure	1st August, 2011 to 10th August, 2011
Dividend Payment Date for fiscal 2011	On or before September 8, 2011
Financial Calendar for the year ending 31st March, 2012:	
Unaudited results for the First Quarter	1st week of August, 2011
Unaudited results for the Second Quarter	1st week of November, 2011
Unaudited results for the Third Quarter	1st week of February, 2012
Audited results for the full year	Last week of May, 2012
Listing on Stock Exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Ltd. Further, the Company has been permitted for dealings on Bombay Stock Exchange under "Permitted Securities" Category
Listing Fees	Payment towards Listing Fee to National Stock Exchange is made as and when it falls due.
ISIN Code in NSDL and CDSL	INE715A01015
STOCK Code	WHEELS
Registrar and Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002. Phone: 044 - 28460390 ; Fax: 044 – 28460129 E - Mail: investor@cameoindia.com

Share Transfer System	Share Transfers which are received in physical form are processed and the share certificate returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company's Registrar and Share Transfer Agent are entrusted with the work relating to share registry in terms of both physical and electronic mode.
Dematerialisation of shares and liquidity :	According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 26.03.2001. Out of 14,11,196 shares held by shareholders other than the promoters, 11,05,334 shares (forming 78.33% of the non promoters' shareholding) have been dematerialised upto 31st March, 2011.
Pattern of Shareholding as on March 31, 2011	Data in statement form – forming part of this Report.
Distribution of shareholding as on March 31, 2011	Data in statement form – forming part of this Report.
Share Performance	NSE Vs. Index Graph form - forming part of this Report.
Share Price Data – High/Low	NSE – Data in statement form – forming part of this Report .
Address for Investors' correspondence:	<p>Registrar and Share Transfer Agents: Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai - 600 002 Phone : 044 - 28460390; Fax : 044 – 28460129 E - Mail : investor@cameoindia.com</p> <p>Investor Correspondence / Compliance Officer Mr. S Srivathsan, President (Finance) & Secretary Wheels India Limited, Padi, Chennai - 600 050 Phone: 044 - 26258511 Extn.: 2003, Fax : 044 – 26257121 E- Mail: srivathsan@wheelsindia.com</p>



11. Plant locations

1. Padi
Chennai – 600 050,
Tamilnadu.
2. 22KM Rampur – Tanda Road,
Rampur–244 925,
Uttar Pradesh.
3. Plot No. C - 1,
Ranjangaon Growth Centre,
Karegaon Village, Shirur Taluka,
Pune District – 412 220, Maharashtra.
4. Plot No.11-18, Sector 7,
HSIDC Growth Center,
Bawal – 123501, Haryana.
5. Sriperumbudur,
Kanchipuram District – 602 105,
Tamilnadu.
6. Plot No.56, Sector 11,
Integrated Industrial Estate IIE, Pantnagar
Udham Singh Nagar -263 153, Uttarakhand.
7. Plot No D-3, Deoli Growth Centre,
Deoli MIDC, Taluka Deoli,
Wardha District - 442 101,
Maharashtra.
8. B-54, SIPCOT Industrial Park,
Irungattukottai, Sriperumbudur,
Kanchipuram - 602 105, Tamilnadu.

12. Auditor's Certificate on Corporate Governance

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

13. Shareholding Pattern

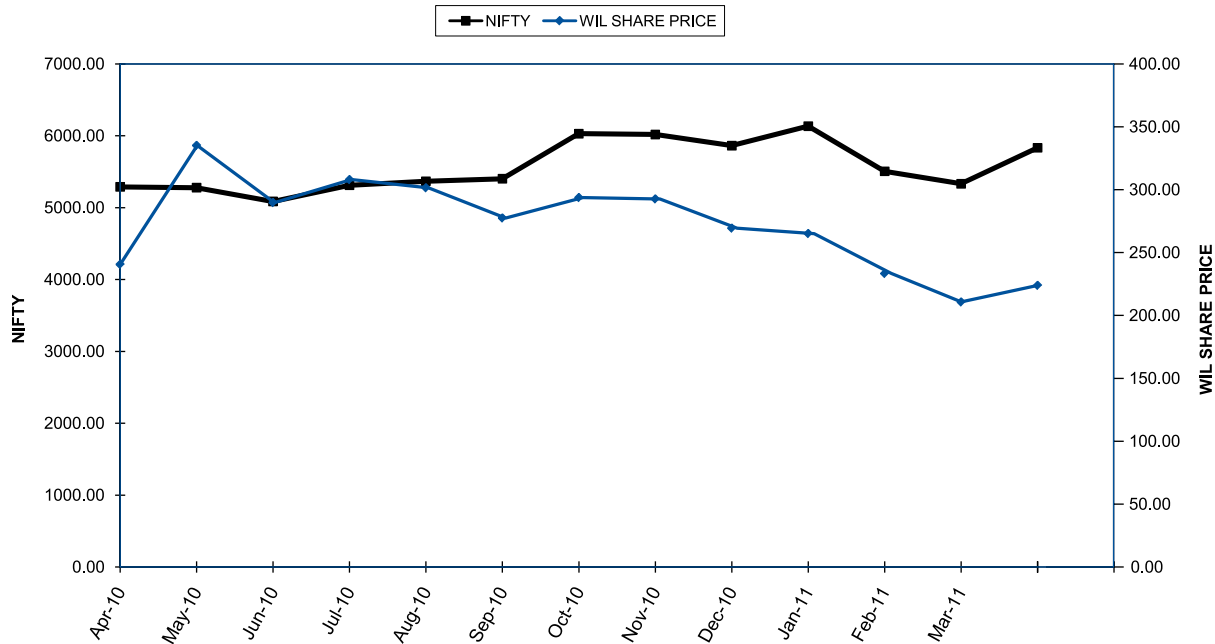
Categories of Shareholders	No. of shares Held	Percentage
Promoters*	84,58,248	85.70%
Directors/ Relatives	6,946	0.07%
Insurance Companies	55,039	0.56%
Corporate Bodies	2,56,489	2.60%
Resident Individuals	10,16,076	10.29%
Non-Resident Indians	27,146	0.27%
Hindu Undivided Families	48,984	0.50%
Clearing Members	516	0.01%
TOTAL	98,69,444	100.00%

* includes persons acting in concert

14. Distribution pattern

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Upto 500	4,821	92.20	5,09,406	5.16
501 – 1000	209	4.00	1,65,063	1.67
1001 – 2000	112	2.14	1,61,869	1.64
2001 – 3000	40	0.76	97,623	0.99
3001 – 4000	10	0.19	34,612	0.35
4001 – 5000	9	0.17	41,155	0.42
5001 – 10000	15	0.29	1,04,707	1.06
10001 and above	13	0.25	87,55,009	88.71
Total	5,229	100.00	98,69,444	100.00

15. Performance in Comparison to broad based indices





16. Market price data (In Rupees)

FY 2010-11 Month	Quotation at NSE	
	HIGH	LOW
April	357.00	236.25
May	345.00	274.00
June	329.50	282.25
July	344.00	296.80
August	319.30	261.55
September	330.00	264.00
October	308.00	283.15
November	336.70	260.20
December	284.90	242.25
January	287.80	226.05
February	245.00	205.00
March	235.80	211.25

Code of Conduct Certification

The Board of Wheels India Limited laid down a code of conduct for all Board members and Senior Management.

The Code of Conduct has been posted in the Company's website www.wheelsindia.com. All the Board members and the Senior Management affirmed compliance to the code for the year 2010-11.

Place: Chennai
Date : May 27, 2011

Srivats Ram
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of WHEELS INDIA LIMITED

We have examined the compliance of conditions of corporate governance by Wheels India Limited, for the year ended on 31.03.2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer & Investor Relations Committee.

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

For **SUNDARAM & SRINIVASAN**

Chartered Accountants
(Registration No: 004207S)

K. Srinivasan

Chennai
30th May, 2011

Partner
Membership No.5809

Financial Summary - Last Ten Years

Rs. in Lakhs

	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02
Sales Turnover (Including other income)	1,70,361	1,25,300	1,16,601	1,14,781	1,01,562	86,708	79,088	53,082	37,268	32,087
Paid-up Capital	987	987	987	987	987	987	987	987	987	987
Reserves	20,768	19,050	18,272	16,781	15,003	13,132	11,226	9,198	7,657	6,798
Profit Before Tax	3,258	2,023	2,942	3,974	3,869	3,767	4,279	3,328	1,756	1,030
Profit After Tax	2,464	1,295	2,115	2,586	2,603	2,637	2,865	2,154	1,170	829
Dividend – Amount	641.51	444.12	542.82	690.86	641.51	641.51	740.21	542.82	276.34	246.74
– Per Share (in Rs.)	6.50	4.50	5.50	7.00	6.50	6.50	7.50	5.50	2.80	2.50
(Face Value Rs.10/-)										
Book Value Per Share (in Rs.)	220.43	203.02	195.14	180.03	162.02	143.05	123.75	103.20	87.58	78.88
Earnings Per Share (in Rs.)	24.96	13.12	21.43	26.20	26.37	26.72	29.03	21.82	11.86	8.40