

# WIL CAR WHEELS LIMITED

Regd Office: MTH Road, Padi, Chennai - 600050

CIN: U35999TN2017PLC116976

## 2<sup>ND</sup> ANNUAL REPORT

### FACTORIES

- **TAMILNADU**  
MTH Road, Padi,  
Chennai – 600050  
Tamilnadu
- **HARYANA**  
Plot No.11-18, Sector-7,  
HSIDC Growth Centre,  
Bawal – 123501, Rewari District, Haryana
- **GUJARAT**  
Survey No. 91/1,  
Village: Vanod, Becharaji-Dasada Road,  
Near Becharaji, Taluka: Dasada,  
Dist: Surendranagar, Gujarat - 382750

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### BOARD OF DIRECTORS

Srivats Ram	Chairman
Ichiro Takeuchi <i>(up to 17 August 2018)</i>	
Masahiro Abe <i>(from 17 August 2018)</i>	
Sanjay Pande	
R Narasimhan <i>(up to 18 February 2019)</i>	
L Rajasekar <i>(from 18 February 2019)</i>	
S Prasad	
Badri Vijayaraghavan	
Radha Unni <i>(from 20 May 2019)</i>	

### AUDIT COMMITTEE

S Prasad	Chairman
Badri Vijayaraghavan	
Masahiro Abe <i>(from 17 August 2018)</i>	

### NOMINATION AND REMUNERATION COMMITTEE

Badri Vijayaraghavan	Chairman
S Prasad	
Masahiro Abe <i>(from 17 August 2018)</i>	

### COMPANY SECRETARY & HEAD-FINANCE

M Gokulakrishnan

### BANKERS

HDFC Bank Ltd  
Axis Bank Ltd  
Standard Chartered Bank Ltd

### STATUTORY AUDITORS

M/s. Sundaram & Srinivasan  
Chartered Accountants  
Chennai



# Notice to the Annual General Meeting

Notice is hereby given that the 2nd Annual General Meeting of the Members of the Company will be held on 9 August 2019 at 1.00 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 2019 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** Mr. Srivats Ram (DIN 00063415), 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.”

**“RESOLVED THAT** Mr. Sanjay Pande (DIN 07639645), 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

3. To appoint Mr. L Rajasekar as Director and to consider and pass with or without modification(s), the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof) read with Schedule V thereof, the consent of the Members of the Company he and is hereby accorded to the appointment of Mr. L Rajasekar (DIN No. 08366162) as an Executive Director of the Company with effect from 18.02.2019 to 17.02.2022 on such terms and

conditions as set out in the Explanatory Statement annexed to the notice”

4. To appoint Mrs. Radha Unni 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, Mrs. Radha Unni (DIN 03242769), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20 May 2019 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 Mrs. Radha Unni 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 2023-24, not liable to retire by rotation.”

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

**“RESOLVED THAT** consent of the Company be and is hereby accorded pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and subject to the consents, sanctions, approvals or permissions, as may be necessary, to the creation by the Board of Directors of the Company (Board) of mortgages and/or charges, on the assets of the Company, both present and future, in such a manner as the Board may direct, to secure rupee/foreign currency loans, of an equivalent aggregate value not exceeding Rs.150 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages,

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commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements/ Arrangements entered into/to be entered into by the Company in respect of the said loans.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to finalise with the aforesaid parties or any of them, the documents for creating the mortgages and/or charges and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution.

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

**“RESOLVED THAT** consent of the Company be and is hereby accorded pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force to the Board of Directors of the Company (Board) to borrow money(s) for the purpose of Company’s business in any manner

from time to time and upon such terms and conditions as they may think fit, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board and remaining outstanding at any time shall not exceed in aggregate Rs.150 crores.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or desirable in order to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.

By Order of the Board of Directors

Place: Chennai  
Date: 20 May 2019

**M Gokulakrishnan**  
Company Secretary

**Regd Office:**  
CIN U35999TN2017PLC116976  
WIL Car Wheels Limited  
MTH Road, Padi,  
Chennai - 600050

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## 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

Place: Chennai  
Date: 20 May 2019

**M Gokulakrishnan**  
Company Secretary

## Annexure to the Notice

### Explanatory Statement as per section 102 of the Companies Act 2013

#### Item no 3

Mr. L Rajasekar (DIN 08366162) was appointed as Executive Director from 18.02.2019 based on the recommendation of Nomination and Remuneration Committee subject to approval of Shareholders in the AGM on the terms and conditions as set forth in the Notice.

Mr. L Rajasekar is qualified B-Tech – Production Technology from MIT, Anna University in 1990 and completed Advanced Certification Course in Operations Management in 2011 from IIM, Kozhikode. He has over 29 years of experience in Automotive Industry.

Mr. L Rajasekar is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and he is interested in the Resolution set out at Item No.2 of the Notice, since it relates to his own appointment.

Your Board considers his association would be of immense benefit to the Company. In view thereof, your Board has recommended to the Shareholders for appointment of Mr. L Rajasekar (DIN 08366162) as an Executive Director of the Company.

The terms of remuneration payable to Mr. L Rajasekar are detailed hereunder:

Salary & Perquisites	Basic Salary Rs.1,20,898/- (Rupees One Lakh Twenty Thousand Eight Hundred and Ninety Eight only) per month. Annual increase and the quantum of increase will be decided by the Board of Directors.  Other components such as monthly special allowance, professional development allowance, education assistance as per Company's policy. However, total cost to the Company shall not exceed Rs. 40.00 Lakhs annually. The details of the Perquisites are given hereunder
Details of the perquisites	Details of perquisites payable to Mr. L Rajasekar, Executive Director of the Company:  1. House Rent allowance: 50% of Basic

	<ol style="list-style-type: none"> <li>2. Medical reimbursement: Expenses incurred for self and family - one-month Basic salary. Premium payable for medical insurance in accordance with the rules of the Company. <b>Explanation:</b> "Family" means the spouse, children.</li> <li>3. Personal Accident Insurance in accordance with the rules of the Company.</li> <li>4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.</li> <li>5. Payment of Company's contributions to Provident Fund / Pension Fund/ Superannuation Fund/ Gratuity Fund and encashment of leave (at the end of the tenure) in accordance with the policy of the Company.</li> <li>6. Eligible for a Company maintained car/ transport allowance in lieu of Company maintained car as per Company policy.</li> <li>7. Bonus/ Ex-gratia as per Company's policy and practice from time to time</li> <li>8. Provision of telephone(s) including mobile phones as per the policy of the Company.</li> </ol>
Minimum Remuneration	Where in any financial year, during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified in Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The resolutions as set out in Item no. 3 is accordingly recommended for your approval. Except the appointee, 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.

**Details of Director as per Clause 1.2.5 of Secretarial Standards-2**

Name	Mr. L Rajasekar
Age	51 Years
Qualification	Engineer
Terms and Conditions of appointment	Executive Director
Shareholding in the Company	Nil
Relationship with other Director, Mangers and KMP of the Company	Nil
Number of Board Meetings attended during the year	1
Details of other Directorship	Nil
Membership/ Chairmanship of Committees	Nil
Remuneration sought to be paid	Rs. 40,00,000/- (Rupees Forty Lakhs only)

**Item 4**

Mrs. Radha Unni (DIN 03242769) was appointed as Additional Director in Independent Capacity from 20.5.2019 based on the recommendation of Nomination and Remuneration Committee subject to approval of Shareholders in the AGM on the terms and conditions as set forth in the Notice.

Mrs. Radha Unni has qualified MA, B.Ed., CAIIB. She had career in banking spanning over 36 years during which served all over the country including Tamil Nadu, Madhya Pradesh, Maharashtra and Kerala.

Mrs. Radha Unni is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and she is interested in the Resolution set out at Item No.2 of the Notice, since it relates to her own appointment. Except the appointee, 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.

**Details of Director as per Clause 1.2.5 of Secretarial Standards-2**

Name	Mrs. Radha Unni
Age	70 Years
Qualification	MA, B.Ed., CAIIB
Terms and Conditions of appointment	Independent Director
Shareholding in the Company	Nil
Relationship with other Director, Mangers and KMP of the Company	Nil
Number of Board Meetings attended during the year	Nil
Details of other Directorship	Axles India Limited Royal Sundaram General Insurance Company Ltd Sundaram BNP Paribas Home Finance Ltd V Guard Industries Limited Nitta Gelatine India Ltd Muthoot Capital Services Ltd
Membership/ Chairmanship of Committees	Nil
Remuneration sought to be paid	Nil

**Item 5 and 6**

In terms of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to create charge/ sell/ mortgage the assets of the Company towards the loans obtained from the Company's bankers backed by the assets of the Company in the ordinary course of business only with the consent of the shareholders by passing a Special Resolution.

In terms of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, from the Company's bankers in the ordinary course of business only the consent of the shareholders by passing a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution.

The resolutions as set out in Item no. 4 and 5 is accordingly recommended for your approval.

# Directors' Report to the Shareholders

## Directors Report to the Shareholders

Your Directors present the Second Annual Report of the Company along with the audited accounts for the year ended 31 March 2019.

### Performance

The turnover during the year is Rs. 36,491.52 Lakhs and the Loss before tax is Rs.193.10 Lakhs.

### Financial Results

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

Rs. Lakhs

Performance	2018-19 (12 Months)	2017-18 (7 Months)
Gross Profit before finance cost and depreciation	1,042.02	606.95
Finance Cost	390.80	32.99
Depreciation	844.32	339.38
Profit/ (Loss) before tax for the year	(193.10)	234.58
Profit/ (Loss) after tax for the year	(128.53)	156.22

### Prospects

Your Company had its first full year operations during 2018-19 since its incorporation. The comparative financial results of 2017-18 represent seven-month period from 01.09.2017 to 31.03.2018.

The Indian passenger car industry saw a significant slowdown in the second part of 2018-19. The customer sentiment is expected to remain subdued in 2019-20. However, your Company has been successful in winning new business that should sustain volumes in 2019-20, even as the volume off-take from Wheels India Ltd comes down.

The new manufacturing facility at Vanod, Gujarat commenced operations in July 2018. The Vanod plant is likely to start manufacture of wheels for Suzuki Motor Gujarat in the early part of 2019-20. In the last financial year, the Bawal plant was operating at high capacity utilization. The volumes at Bawal are likely to come down as Vanod caters to SMG requirements. A new

manufacturing facility is being put up at Mambattu, Andhra Pradesh. The manufacturing operations at Padi unit will be transferred to the new plant location at Mambattu and is expected to commence its operations by first half of 2019-20. All the future operations of Padi unit will be done from Mambattu plant post customer approvals.

In the last financial year, slowdown in offtake from customers, compounded by the delay in Suzuki approval for the Vanod plant, adversely affected the profitability of your Company.

### 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 31.03.2019 are as under:

Sl. 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. Ichiro Takeuchi	Director	6 September 2017	17 August 2018
4	Mr. Masahiro Abe	Director	17 August 2018	
5	Mr. R Narasimhan	Executive Director	20 September 2017	18 February 2019
6	Mr. L Rajasekar	Executive Director	18 February 2019	
7	Mr. S Prasad	Independent Director	13 December 2017	
8	Mr. Badri Vijayaraghavan	Independent Director	13 December 2017	
9	Mrs. Radha Unni	Additional Director (Independent)	20 May 2019	

The appointment of Mr. Masahiro Abe as Additional Director has been ratified in the Extra Ordinary Meeting (EGM) of shareholders held on 23 November 2018.

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Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 18 February 2019 had appointed Mr. L Rajasekar as Executive Director of the Company subsequent to resignation of Mr. R Narasimhan.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 20 May 2019 has appointed Mrs. Radha Unni as Additional Director in Independent Capacity.

At the ensuing Annual General Meeting, the appointment of Mr. L Rajasekar as Executive Director and Mrs. Radha Unni as Additional Director in Independent Capacity will be taken up for confirmation by shareholders.

All the independent directors have given declaration that they meet the criteria of independence as laid down under Section 143(6) of the Companies Act, 2013.

### **Key Managerial Personnel**

During the year, the Board of Directors appointed Mr. L Rajasekar as Executive Director with effect from 18 February 2019.

### **Board Evaluation**

Pursuant to the provisions of Section 134(3)(p), Section 149(8) and Schedule IV of the Companies Act, 2013, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board have been carried out. The Performance Evaluation of the Independent Directors was done by the entire Board and that of the Chairman and Non-Independent Directors. The criteria and manner in which the evaluation has been carried out are provided in Annexure I forming part of this report.

### **Remuneration Policy**

The Board has, on the recommendation of the Nomination 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 II forming part of this report

### **Independent Directors Meeting**

During the year under review, the Independent Directors met on 18 February 2019 inter alia to evaluate the

performance of Non-Independent Directors, Chairman and the Board of Directors as a whole. Evaluation was done basis of attendance, quality of discussion in the meetings, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

### **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 2018-19.

### **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.

## Vigil Mechanism/ Whistle Blower Policy

In accordance with the requirements of the Companies Act, 2013, your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees to report genuine concerns. The said policy meets the requirements of the Vigil Mechanism framework under the Companies Act, 2013.

## 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 2019 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 2018-19 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 and disclosed in Form AOC-2 which is provided in **Annexure III** 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 meaning full participation in the meetings. The Board had met 4 times during the year under review on 11 May 2018, 17 August 2018, 23 November 2018 and 18 February 2019.

### Directors Attendance in Board Meetings

	Held	Attended
Mr. Srivats Ram	4	4
Mr. Sanjay Pande	4	4
Mr. Ichiro Takeuchi (up to 17 August 2018)	2	2
Mr. Masahiro Abe (from 17 August 2018)	2	2
Mr. R Narasimhan (up to 18 February 2019)	3	3
Mr. L Rajasekar (from 18 February 2019)	1	1
Mr. S Prasad	4	4
Mr. Badri Vijayaraghavan	4	4

## Audit Committee

The Audit Committee comprises of Mr. S Prasad, Chairman, Mr. Badri Vijayaraghavan, Mr. Ichiro Takeuchi

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(up to 17 August 2018) and Mr. Masahiro Abe (from 17 August 2018) as members. The Committee had met 4 times during the year under review on 11 May 2018, 17 August 2018, 23 November 2018 and 18 February 2019 which was attended by all the members of the committee.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Badri Vijayaraghavan, Chairman, Mr. S Prasad, Mr. Ichiro Takeuchi (up to 17 August 2018) and Mr. Masahiro Abe (from 17 August 2018) as members. The Committee had met 3 times during the year under review on 11 May 2018, 17 August 2018 and 18 February 2019 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 framed 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 at the last Annual General Meeting of the Company.

### **Secretarial Audit**

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

### **Comments on Auditors' report**

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

### **Corporate Social Responsibility (CSR)**

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 V 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 VI and forms part of this report.

Your Directors wish to thank the Customers 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: 20 May 2019

**Srivats Ram**  
Chairman  
DIN 00063415

### BOARD EVALUATION

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

Composition of the Board and availability of multi-disciplinary skills, commitment to good corporate governance practices, adherence to regulatory compliance, grievance redressal mechanism, track record of financial performance, existence of integrated

risk management system, use of modern technology, commitment to corporate social responsibility.

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

# 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

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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.

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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.

## 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	11.05.18 17.08.18 23.11.18 18.02.19	Nil

**For and on behalf of the Board of Directors**

**Srivats Ram  
Chairman  
DIN 00063415**

### FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

- To,  
The Members,  
**M/s. WIL CAR WHEELS LIMITED,**  
Chennai
1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. WIL CAR WHEELS LIMITED, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion/ understanding thereon.
  2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on **March 31, 2019**, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
- We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2019 according to the applicable provisions of:
- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') to the extent applicable during the year –
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is substituted with The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 with effect from 08.11.2018.
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is substituted with The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 with effect from 11.09.2018.

The management has confirmed that there are no sector specific laws applicable to the company.

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

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

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable during the year.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

**We further report that**, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and the changes in the composition of the Board of Directors that took

place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that** based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that** during the audit period the company has sought the approval of its members for

- a) Appointment of Mr. Srivats Ram, Mr. Sanjay Pande, Mr. S. Prasad, Mr. Badri Vijayaraghavan and Mr. Masahiro Abe as director;
- b) Re-appointment of Mr. R. Narasimhan as Executive director from 1.7.2018 to 31.3.2019;
- c) Approval of the terms of payment of remuneration to Mr. R. Narasimhan, Executive Director;

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

**For S Dhanapal & Associates  
(A firm of Practicing Company Secretaries)**

**S. Dhanapal**  
Partner

**Place: Chennai**  
**Date: 20.05.2019**

**Membership No. FCS 6881**  
**CP No. 7028**

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

## ANNEXURE IV (A)

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To

The Members,  
**M/S. WIL CAR WHEELS LIMITED,**  
Chennai

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

### Management's Responsibility

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

### Auditor's Responsibility

- b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- c. We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.

- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

### Disclaimer

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

For **S Dhanapal & Associates**  
(A firm of Practicing Company Secretaries)

**S. Dhanapal**  
Partner

Place: Chennai  
Date: 20.05.2019

Membership No. FCS 6881  
CP No. 7028

## ANNEXURE V

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019  
[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 - 600050
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:

Sl. 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

Sl. 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>-</b>	<b>37,00,000</b>	<b>37,00,000</b>	<b>74%</b>	<b>-</b>	<b>37,00,000</b>	<b>37,00,000</b>	<b>74%</b>	<b>-</b>
<b>(2) Foreign</b>									
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....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>13,00,000</b>	<b>13,00,000</b>	<b>26%</b>	<b>-</b>	<b>13,00,000</b>	<b>13,00,000</b>	<b>26%</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>-</b>	<b>50,00,000</b>	<b>50,00,000</b>	<b>100%</b>	<b>-</b>	<b>50,00,000</b>	<b>50,00,000</b>	<b>100%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
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>b) Individuals</b>									
i) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>									
(C-i) Clearing member	-	-	-	-	-	-	-	-	-
(C-ii) Trust	-	-	-	-	-	-	-	-	-
(C-iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
(C-iv) HUF	-	-	-	-	-	-	-	-	-
(C-v) Non-Resident Indians	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	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	
<b>Equity Shares</b>								
1	Wheels India Limited	37,00,000	74%	-	37,00,000	74%	-	-
2	Topy Industries Limited, Japan	13,00,000	26%	-	13,00,000	26%	-	-
<b>Preference Shares - NIL</b>								

**(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	74%	37,00,000	74%
	Changes during the year	Nil			
	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	26%	13,00,000	26%
	Changes during the year	Nil			
	At the End of the year	13,00,000	26%	13,00,000	26%

**(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	–	–	–	–
<b>Total (i+ii+iii)</b>	–	–	–	–
<b>Change in Indebtedness during the financial year</b>				
• Addition	3,714.82	–	–	3,714.82
• Reduction	–	–	–	–
<b>Net Change</b>	<b>3,714.82</b>	–	–	<b>3,714.82</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,714.82	–	–	3,714.82
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	27.85	–	–	27.67
<b>Total (i+ii+iii)</b>	<b>3,742.67</b>	–	–	<b>3,742.49</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Executive Director:

Sl. no.	Particulars of Remuneration	Name of Executive Director	Name of Executive Director	Total Amount (Rs. in Lakhs)
		Mr. R Narasimhan (up to 18 February 2019)	Mr. L Rajasekar (from 18 February 2019)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.75	3.68	44.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.83	1.04	7.87
	(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)	47.58	4.72	52.30
	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	1.15	1.15	2.30
	• Commission	–	–	–
	• Others, please specify	–	–	–
	<b>Total (1)</b>	<b>1.15</b>	<b>1.15</b>	<b>2.30</b>
2.	Other Non-Executive Directors			
	Fee for attending board / committee meetings	–	–	–
	• Commission	–	–	–
	• Others, please specify	–	–	–
	<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total (B)=(1+2)</b>	<b>1.15</b>	<b>1.15</b>	<b>2.30</b>

**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	22.83	22.83
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.16	2.16
	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	–	–
	<b>Total</b>	<b>24.99</b>	<b>24.99</b>

**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	–			–	–
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	–	Not applicable		–	–
Punishment	–			–	–
Compounding	–			–	–

## ANNEXURE VI

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### 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 viz. reduction of compressed air leakage, replacement of inefficient motors with energy efficient motors, VFD drives, usage of induction and LED lamps. 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. 293.22 Lakhs
Foreign Exchange earned	Rs. 1,107.02 Lakhs

**For and on behalf of the Board of Directors**

**Srivats Ram**  
**Chairman**  
**DIN 00063415**

# **ACCOUNTS 2018-2019**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WIL CAR WHEELS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2019

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## Report on Financial Statements

### Opinion

We have audited the accompanying financial statements of WIL Car Wheels Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2019, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights, board's report and report on corporate governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

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policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said 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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
  - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. As regards Managerial Remuneration paid to Directors, refer to note no. xi of "Annexure A" to this Report.
  - h. 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 No. 004207S

Place : Chennai  
Date : 20.05.2019

**K. Srinivasan**  
Partner  
Membership No. 005809

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## 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 loan, 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 loan, 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 deposit 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 sub-section (1) of section 148 of the Act in respect of 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, Duty of Customs, Cess and other statutory dues with the appropriate authorities.  
b. There are no disputed Income tax, Goods and Service Tax and Duty of Customs which have not been deposited by the company.
- viii. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The company did not have loans or borrowings from any financial institution or Government and has not issued debentures.
- ix. The terms loans availed during the year have been applied for the purposes for which they were obtained. The Company had not raised any moneys by way of Initial Public Offer or further public offer (Including Debt Instruments).
- 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.

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- xiv. The company has not made any 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 debenture 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 No. 004207S

Place : Chennai  
Date : 20.05.2019

**K. Srinivasan**  
Partner  
Membership No. 005809

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## **“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, 2019 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

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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, 2019, 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.

Place : Chennai  
Date : 20.05.2019

For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**K. Srinivasan**  
Partner  
Membership No. 005809

# Balance Sheet as at

(Rs. In Lakhs)

PARTICULARS		Note No.	31.03.2019	31.03.2018
<b>I ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	1	10,934.65	6,640.23	
(b) Capital work-in-progress	2	2,370.41	2,808.87	
(c) Other Intangible Assets	3	64.90	12.14	
(d) Financial Assets				
Others	4	106.15	87.30	
(e) Deferred Tax Assets (Net)	17	34.04	-	
(f) Other Non Current Assets	5	226.75	417.33	
		13,736.90	9,965.87	
<b>2. Current assets</b>				
a) Inventories	6	3,180.95	2,447.66	
b) Financial Assets				
i) Trade receivables	7	4,479.16	4,360.83	
ii) Cash and cash equivalents	8	135.01	247.20	
iii) Bank Balances other than (ii) above	9	11.00	-	
iv) Others	10	52.10	44.48	
c) Current Tax Assets (Net)	11	58.30	-	
d) Other current assets	12	547.85	183.67	
		8,464.37	7,283.84	
<b>TOTAL</b>		<b>22,201.27</b>	<b>17,249.71</b>	
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a) Share Capital	13	500.00	500.00	
b) Other Equity	14	8,296.31	8,456.22	
		8,796.31	8,956.22	
<b>LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	15	3,207.10	-	
b) Provisions	16	153.38	114.77	
c) Deferred tax liabilities (Net)	17	-	30.53	
		3,360.48	145.30	
<b>2. Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	18	482.00	-	
ii) Trade payables	19			
(A) Total outstanding dues of Micro enterprises and small Enterprises		41.56	8.79	
(B) Total outstanding dues of creditors other than Micro enterprises and small Enterprises		7,586.97	5,745.97	
iii) Others	20	1,449.69	2,197.21	
b) Other current liabilities	21	470.67	172.03	
c) Provisions	22	13.59	23.83	
d) Current Tax Liabilities (Net)	23	-	0.36	
		10,044.48	8,148.19	
<b>TOTAL</b>		<b>22,201.27</b>	<b>17,249.71</b>	
Significant Accounting Policies	A			

<b>SRIVATS RAM</b> Chairman	<b>MASAHIRO ABE</b> Director	<b>S PRASAD</b> Director	As per our report attached For <b>SUNDARAM &amp; SRINIVASAN</b> Chartered Accountants (Registration No.:004207S)
<b>BADRI VIJAYARAGHAVAN</b> Director	<b>L RAJASEKAR</b> Executive Director	<b>SANJAY PANDE</b> Director	<b>K SRINIVASAN</b> Partner Membership No.5809
20 May 2019 Chennai	<b>M GOKULAKRISHNAN</b> Company Secretary		

# Profit and Loss statement for the

(Rs. In Lakhs)

	Note no.	Year ended 31 March 2019	Period ended 31 March 2018
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		34,934.96	17,242.84
Sale of Services		30.26	29.39
Other operating revenues		1,511.42	636.59
Revenue from Operations - Gross		<b>36,476.64</b>	<b>17,908.82</b>
Other income	24	14.88	33.63
<b>TOTAL REVENUE</b>		<b>36,491.52</b>	<b>17,942.45</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	29,113.37	14,300.48
Changes in inventories of finished goods, Work-in-progress	26	(268.93)	(321.43)
Employee benefits expense	27	3,157.70	1,542.04
Finance Cost	28	390.80	31.30
Depreciation and amortization expense	1&3	844.32	339.38
Other Expenses	29	3,447.36	1,816.10
<b>TOTAL EXPENSES</b>		<b>36,684.62</b>	<b>17,707.87</b>
<b>Profit before exceptional items and tax</b>		<b>(193.10)</b>	<b>234.58</b>
Exceptional items		-	-
Profit before tax		(193.10)	234.58
Tax expense:	31		
Current tax		-	47.83
Deferred tax		(64.57)	30.53
		(64.57)	78.36
<b>Profit (Loss) for the year</b>		<b>(128.53)</b>	<b>156.22</b>
Other Comprehensive Income			
<b>A. Items that will not be reclassified into profit or loss</b>			
- Remeasurements of post employment benefit obligations		(31.38)	
- Income tax relating to the remeasurements		-	(31.38)
			-
<b>Total Comprehensive Income for the year</b>		<b>(159.91)</b>	<b>156.22</b>
Earnings per equity share:	32		
1. Basic		(2.57)	3.14
2. Diluted		(2.57)	3.14
Significant Accounting Policies	A		

**SRIVATS RAM**  
Chairman

**MASAHIRO ABE**  
Director

**S PRASAD**  
Director

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

**BADRI VIJAYARAGHAVAN**  
Director

**L RAJASEKAR**  
Executive Director

**SANJAY PANDE**  
Director

**K SRINIVASAN**  
Partner  
Membership No.5809

20 May 2019  
Chennai

**M GOKULAKRISHNAN**  
Company Secretary

# Notes on Accounts

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## 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 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.

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 previous year figures represent 7 months transaction i.e. from 07th June 2017 to 31st March 2018.

## 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.”

### Applicability of New Indian Accounting Standard:

The Company has applied Ind AS 115 - Revenue from Contracts with Customers for the first time. The Indian Accounting Standard (Ind AS) 116 -Leases is applicable from financial year2019-20, the management believes that the adoption of Ind AS 116 does not have any impact on the financial statements. The Company has not opted for early adoption of standards or amendments that have been issued but are not yet effective

### 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.

## Notes on Accounts (Contd.)

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- 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, work-in-progress, stores, loose tools and goods in transit are valued at cost (net of GST credits on weighted average basis). The stock of finished goods 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) classified under financial assets, are initially measured at fair value. Fair Value changes on an equity instruments are 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 an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### h) Revenue recognition:

Ind AS 115 is applicable from Financial Year 2018-19 and it replaces Ind AS 18-Revenue. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract

#### Revenue from Sale of Products

Revenue from sale of products is recognised at the point in time when control of the promised goods (an asset) is transferred to the customer, generally when the products are dispatched or appropriated in accordance with the terms of sale. With respect to revenue from sale of wheels, the Company operates predominantly on credit basis. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. There are no significant accounting judgements, estimates and assumptions relating to determination of the time of revenue from contracts with customers are involved as the contract with customers explicitly states the point in time at which the customer obtains control of the promised goods. The Contract with customers involves performance of a single obligation, the amount stated in the contract is the transaction price allocated to the performance obligation. Incremental Cost incurred to obtain or fulfil a contract with the customers not recognised as an asset, as the amortisation period of the assets is less than one year. Revenue is reduced for customer returns, commissions, rebates and discounts, and other similar allowances.

#### Contract balances:

**Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Other Operating Revenue:

Other operating revenue comprises of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

#### Interest Income

Interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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 the statement of profit & loss 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) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company determines whether there is any indication that its tangible, intangible assets carried at cost have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment loss is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) will be increased to the revised estimate of its recoverable amount, but so however increased carrying amount will not exceed the original carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

**o) 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 recognized 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 realized or the deferred liability is settled.

## Notes on Accounts (Contd.)

### STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2019

#### A) EQUITY SHARE CAPITAL

(Rs. in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Balance as at the beginning of the reporting period	500.00	370.00
Changes in Equity share capital during the period	-	130.00
Balance at the end of the reporting period	500.00	500.00

\* As on date of incorporation

#### B) OTHER EQUITY (2018-19)

(Rs. In Lakhs)

	Capital Reserve	Securities Premium Reserve	General Reserve	OCI	Retained Earnings	Total
<b>Balance as at 1 April 2018 (A)</b>	-	8,300.00	-		156.22	8,456.22
Additions during the period :						
Profit for the year					(128.53)	(128.53)
Remeasurement benefit of defined benefit plans				(31.38)	-	(31.38)
<b>Total Comprehensive Income for the year 2018-19 (B)</b>	-	-	-	(31.38)	(128.53)	(159.91)
Reductions during the period :						
<b>Total (C)</b>	-	-	-	-	-	-
<b>Balance as at 31st March, 2019 D = (A+B-C)</b>	-	8,300.00	-	(31.38)	27.69	8,296.31

#### C) OTHER EQUITY (2017-18)

(Rs. In Lakhs)

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

## Notes on Accounts (Contd.)

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### Nature and purpose of reserves:

The surplus in the statement of profit and loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitlisation.

### Securities Premium Reserve:

This consists of premium realised on issue of shares and will be applied/ utilised in accordance with the provisions of the Companies Act, 2013.

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**SRIVATS RAM**  
Chairman

**MASAHIRO ABE**  
Director

**S PRASAD**  
Director

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

**BADRI VIJAYARAGHAVAN**  
Director

**L RAJASEKAR**  
Executive Director

**SANJAY PANDE**  
Director

**K SRINIVASAN**

20 May 2019  
Chennai

**M GOKULAKRISHNAN**  
Company Secretary

Partner  
Membership No.5809

## Notes on Accounts (Contd.)

### NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

#### Note No. 1

Description	Gross Block at Cost				Depreciation / Amortisation				Net Block
	As At 1.4.2018	Additions	Deletions	As At 31.3.2019	As At 1.4.2018	Additions	Deletions	As At 31.3.2019	As At 31.3.2019
<b>1. TANGIBLE ASSETS</b>									
Land (Free hold)	922.05	429.05		1,351.10	-	-		-	1351.10
Buildings	845.43	1,542.34		2,387.77	15.50	61.18		76.68	2311.09
Plant & Equipment	5,172.83	3,038.48	53.68	8,157.63	309.51	740.60	6.29	1,043.82	7113.81
Furniture and Fixtures	5.73	41.48		47.21	1.32	3.52		4.84	42.37
Vehicles	0.02	0.29		0.31	0.02	0.01		0.03	0.28
Office Equipment	28.43	113.36	-	141.79	7.91	17.88	-	25.79	116.00
	<b>6,974.49</b>	<b>5,165.00</b>	<b>53.68</b>	<b>12,085.81</b>	<b>334.26</b>	<b>823.19</b>	<b>6.29</b>	<b>1,151.16</b>	<b>10,934.65</b>
<b>3. OTHER INTANGIBLE ASSETS</b>									
Computer Software	15.12	73.89		89.01	2.98	21.13		24.11	64.90
	<b>15.12</b>	<b>73.89</b>	<b>-</b>	<b>89.01</b>	<b>2.98</b>	<b>21.13</b>	<b>-</b>	<b>24.11</b>	<b>64.90</b>
<b>Total</b>	<b>6,989.61</b>	<b>5,238.89</b>	<b>53.68</b>	<b>12,174.82</b>	<b>337.24</b>	<b>844.32</b>	<b>6.29</b>	<b>1,175.27</b>	<b>10,999.55</b>

### NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

#### Note No. 1

Description	Gross Block at Cost				Depreciation / Amortisation				Net Block
	Opening	Additions	Deletions	As At 31.3.2018	Opening	Additions	Deletions	As At 31.3.2018	As At 31.3.2018
<b>1. TANGIBLE ASSETS</b>									
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
	-	<b>7,012.37</b>	<b>37.88</b>	<b>6,974.49</b>	-	<b>336.40</b>	<b>2.14</b>	<b>334.26</b>	<b>6,640.23</b>
<b>3. INTANGIBLE ASSETS</b>									
Computer Software	-	15.12		15.12	-	2.98		2.98	12.14
	-	<b>15.12</b>	<b>-</b>	<b>15.12</b>	-	<b>2.98</b>	<b>-</b>	<b>2.98</b>	<b>12.14</b>
<b>Total</b>	-	<b>7,027.49</b>	<b>37.88</b>	<b>6,989.61</b>	-	<b>339.38</b>	<b>2.14</b>	<b>337.24</b>	<b>6,652.37</b>

<b>2. CAPITAL WORK IN PROGRESS</b>		31.03.2019	31.03.2018
a) Buildings		1,461.15	765.69
b) Plant and Machinery		909.26	2,043.18
		<b>2,370.41</b>	<b>2,808.87</b>

## Notes on Accounts (Contd.)

		(Rs. In Lakhs)	
		As at 31 March 2019	As at 31 March 2018
<b>4</b>	<b>NON-CURRENT FINANCIAL ASSETS - OTHERS</b>		
	Unsecured - Considered good		
	Security Deposits	106.15	87.30
		<b>106.15</b>	<b>87.30</b>
<b>5</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Unsecured - Considered good		
	a) Advances for Capital goods	226.15	415.78
	Advance other than capital advance		
	- Prepaid expenses	0.60	1.55
		<b>226.75</b>	<b>417.33</b>
<b>6</b>	<b>INVENTORIES</b>		
	a) Raw Materials	1,701.64	1,522.14
	b) Work-in Progress	135.93	101.37
	c) Finished goods	454.43	220.06
	d) Stores and Spares	368.79	287.58
	e) Loose tools	520.16	316.51
		<b>3,180.95</b>	<b>2,447.66</b>
<b>7</b>	<b>TRADE RECEIVABLES</b>		
	i) Unsecured, considered good *	4,479.16	4,360.83
	ii) Unsecured considered doubtful	-	-
	iii) Trade receivables which have significant increase in credit risk	-	-
	iv) Trade receivables credit impaired	-	-
	Less: Provision for bad and doubtful debts	-	-
		<b>4,479.16</b>	<b>4,360.83</b>
	* Includes receivable from Holding Company of Rs.1,160.98 Lakhs (Previous year Rs.1,688.32 Lakhs)		
<b>8</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	a) Balances with Banks (Current Accounts)	134.03	246.12
	b) Cash on hand	0.98	1.08
		<b>135.01</b>	<b>247.20</b>
<b>9</b>	<b>BALANCES WITH BANK OTHER THAN CASH AND CASH EQUIVALENTS</b>		
	a) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed	11.00	-
		<b>11.00</b>	<b>-</b>
<b>10</b>	<b>OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good)</b>		
	Advances to employees	51.85	44.48
	Interest Receivable	0.25	-
		<b>52.10</b>	<b>44.48</b>

## Notes on Accounts (Contd.)

		(Rs. In Lakhs)	
		As at 31 March 2019	As at 31 March 2018
<b>11</b>	<b>CURRENT TAX ASSETS (Net)</b>		
	Advance tax, Tax Deducted at Source and Tax Collected at Source less Provision for tax	58.30	-
		<u>58.30</u>	<u>-</u>
<b>12</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Unsecured - Considered good</b>		
	Advances other than Capital Advances		
a)	Advances to Vendors	12.69	10.22
b)	Balance with GST authorities	401.38	31.43
c)	Export incentives receivable	35.14	-
d)	Prepaid expenses	96.39	58.14
e)	Others	2.25	83.88
		<u>547.85</u>	<u>183.67</u>
<b>13</b>	<b>SHARE CAPITAL</b>		
a)	Authorised 50,00,000 Equity Shares of Rs.10/- each	500.00	500.00
b)	Issued, Subscribed and Fully Paid-up 50,00,000 Equity Shares of Rs.10/- each	500.00	500.00

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

	31.03.2019		31.03.2018	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
<b>Equity Shares of Rs.10/- each</b>				
Outstanding at the beginning of the year	50,00,000	500.00	37,00,000*	370.00
Add: Issued during the year	-	-	13,00,000	130.00
Outstanding at the end of the year	50,00,000	500.00	50,00,000	500.00

\* As on date of incorporation

d) Rights, Preferences and restrictions

e) Shareholding of shareholders holding more than 5% of shares as at

	As at 31.03.2019 (Number of shares)		As at 31.03.2018 (Number of shares)	
	As at 31.03.2019 (Number of shares)	% of Holding	As at 31.03.2018 (Number of shares)	% of Holding
Wheels India Limited	37,00,000	74%	37,00,000	74%
Topy Industries Limited	13,00,000	26%	13,00,000	26%
	50,00,000	100%	50,00,000	100%

## 14. OTHER EQUITY

a)	Securities Premium Reserve	8,300.00	8,300.00
b)	Retained Earnings	27.69	156.22
c)	Other comprehensive income	(31.38)	-
		<u>8,296.31</u>	<u>8,456.22</u>

	<b>As at 31 March 2019</b>	As at 31 March 2018
<b>NON CURRENT FINANCIAL LIABILITIES</b>		
<b>15 BORROWINGS</b>		
<b>A. SECURED</b>		
Term Loans from Banks *		
Secured by way of hypothecation of exclusive first charge on fixed assets of the Company at Mambattu, Andhra Pradesh and freehold land at Vanod, Gujarat	3,207.10	-
	<u>3,207.10</u>	<u>-</u>
* Above loan is repayable over the period of 5 years as per the terms of agreement entered into with banks.		
<b>16 PROVISIONS</b>		
Provision for employee benefits	153.38	114.77
	<u>153.38</u>	<u>114.77</u>
<b>17 DEFERRED TAX (ASSET) /LIABILITIES (NET)</b>		
Deferred Tax Liabilities	401.07	182.13
Deferred Tax Assets	(435.11)	(151.60)
	<u>(34.04)</u>	<u>30.53</u>

**Movement in Deferred Tax Assets and Liabilities**

	As at 01.04.2018	Recognised in Statement of profit or loss	As at 31.3.2019
<b>Deferred Tax Liability</b>			
Plant, Property and Equipment	182.13	218.94	401.07
<b>Less:</b>			
<b>Deferred Tax Asset</b>			
i) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	(102.42)	(274.37)	(376.79)
ii) Preliminary expenses to be claimed in subsequent years	(1.35)	0.33	(1.02)
iii) Expenses not admissible	-	(9.47)	(9.47)
iv) Minimum Alternate Tax credit entitlement	(47.83)	-	(47.83)
	<u>30.53</u>	<u>(64.57)</u>	<u>(34.04)</u>
	As at 07.06.2017	Recognised in Statement of profit or loss	As at 31.3.2018
<b>Deferred Tax Liability</b>			
Plant, Property and Equipment	-	182.13	182.13
<b>Less:</b>			
<b>Deferred Tax Asset</b>			
i) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	-	(102.42)	(102.42)
ii) Preliminary expenses to be claimed in subsequent years	-	(1.35)	(1.35)
iii) Expenses not admissible	-	-	-
iv) Minimum Alternate Tax credit entitlement	-	(47.83)	(47.83)
	-	30.53	30.53

	As at 31 March 2019	As at 31 March 2018
<b>CURRENT FINANCIAL LIABILITIES</b>		
<b>18 A. BORROWINGS - SECURED</b>		
a) Loans repayable on demand from Bank Secured by hypothecation by way of first charge on all plant and machinery present and future, stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.	482.00	-
	<u>482.00</u>	<u>-</u>
<b>19 TRADE PAYABLES</b>		
Dues to Micro Enterprises and Small Enterprises	41.56	8.79
Dues to others*	7,586.97	5,745.97
	<u>7,628.53</u>	<u>5,754.76</u>
* Includes payable to Holding Company of Rs. 444.91 Lakhs (Previous year Rs.731.75 Lakhs) (Refer to note no. 33 for details of dues to Micro Enterprises and Small Enterprises)		
<b>20 OTHER FINANCIAL LIABILITIES</b>		
a) Current Maturities of Long Term Borrowings *	500.00	-
b) Interest accrued but not due	30.02	-
c) Creditors for capital goods **	370.35	1,632.89
d) Security deposit from Customers	17.50	28.00
e) Liabilities for expenses	531.82	536.32
	<u>1,449.69</u>	<u>2,197.21</u>
* Above loan is repayable over the period of 5 years as per the terms of agreement entered into with banks.		
** Includes payable to holding Company Rs. Nil (Previous year Rs. 1,467.22 lakhs)		
<b>21 OTHER CURRENT LIABILITIES</b>		
Statutory dues	470.67	172.03
	<u>470.67</u>	<u>172.03</u>
<b>22 PROVISIONS</b>		
Provision for employee benefits	13.59	23.83
	<u>13.59</u>	<u>23.83</u>
<b>23 CURRENT TAX LIABILITIES</b>		
Provision for Taxation less Advance Tax and Tax deducted at Source	-	0.36
	<u>-</u>	<u>0.36</u>

	<b>For the year ended 31 March 2019</b>	For the period ended 31 March 2018
<b>24 OTHER INCOME</b>		
a) Interest on deposits and advances	5.08	16.85
b) Profit on sale of fixed assets	6.34	14.64
c) Other non-operating income	3.46	2.14
	<u>14.88</u>	<u>33.63</u>
<b>25 RAW MATERIAL CONSUMPTION</b>		
Raw Material	28,477.32	13,852.85
Components	636.05	447.63
	<u>29,113.37</u>	<u>14,300.48</u>
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
a) Opening inventory of Finished Goods	220.06	-
Less: Closing inventory of Finished Goods	454.43	220.06
<b>Net change in stock of Finished Goods</b>	<u>(234.37)</u>	<u>(220.06)</u>
b) Opening inventory of Work in Progress	101.37	-
Less: Closing inventory of Work in Progress	135.93	101.37
<b>Net change in stock of Work in Progress</b>	<u>(34.56)</u>	<u>(101.37)</u>
<b>Net change in Finished Goods and Work in Progress</b>	<u>(268.93)</u>	<u>(321.43)</u>
<b>27 EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries and Wages	2,781.79	1,354.43
b) Contribution to Provident and Other Funds	114.26	51.46
c) Staff Welfare expenses	261.65	136.15
	<u>3,157.70</u>	<u>1,542.04</u>
<b>28 FINANCE COSTS</b>		
a) Interest expense	390.80	27.80
b) Other borrowing costs	-	3.50
	<u>390.80</u>	<u>31.30</u>
<b>29 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	791.66	327.51
Power and fuel	1,224.07	648.95
Rent including Lease Rent	38.49	41.05
Repairs to		
Buildings	21.10	3.22
Plant and Equipment	24.65	5.62
Insurance	27.66	11.75
Rates and taxes, excluding taxes on income	4.41	4.20
Directors sitting fees	2.30	0.70
Auditors' remuneration		
Statutory Audit	7.00	7.00
Tax Audit	2.00	2.00
Other Services	1.00	1.00
Expenses	0.37	0.21
Net loss on foreign currency transaction and translation	5.18	
Freight	382.56	237.14
Preliminary expenses written off	-	5.07
Miscellaneous expenses	914.91	520.68
	<u>3,447.36</u>	<u>1,816.10</u>

**30 Financial Instruments****A. Accounting classifications and fair values**

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

	<b>As at 31.03.2019</b>	As at 31.03.2018
<b>Financial assets:</b>		
<b>Financial assets measured at fair value:</b>	Nil	Nil
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	4,479.16	4,360.83
Cash and cash equivalents	135.01	247.20
Bank balances other than cash and cash equivalents	11.00	-
Other financial assets	52.10	44.48
<b>Financial liabilities:</b>		
<b>Financial liabilities measured at fair value:</b>	Nil	Nil
<b>Financial liabilities measured at amortised cost:</b>		
Long term Borrowings	3,207.10	-
Short term Borrowings (less than 12 months)	482.00	-
Trade payables	7,628.53	5,754.76
Other financial liabilities	1,449.69	2,197.21

**B (i) Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Level 1 hierarchy** - Includes Financial Instruments measured using quoted prices in the active market.

**Level 2 hierarchy** - The fair value of financial instruments that are not traded in an active market, is determined using valuation techniques which maximise the use of observable market data.

**Level 3 hierarchy** - Includes financial instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

There are no transfer between levels 1 and 2 during the year

**(ii) Valuation processes:**

The finance department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes.

## Notes on Accounts (Contd.)

### (iii) Fair value of financial assets and liabilities measured at amortised cost:

The carrying amounts of trade receivables, trade payables, deposits, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature and insignificant change in interest rate

		(Rs. in Lakhs)	
		2018-19	2017-18
<b>31</b>	<b>Income Tax Expense</b>		
	<b>A Components of Income Tax Expense</b>		
i)	Tax Expense recognised in Statement of Profit and Loss		
a)	Current Tax		
	on current year tax income	-	47.83
b)	Deferred Tax Liability/ (Asset)		
	on origination and reversal of temporary difference	(64.57)	30.53
		(64.57)	78.36
ii)	Tax Expenses recognised in other comprehensive income	-	-

### B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

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 as follows:

	31 March 2019	31 March 2018	
Accounting Profit/ (loss) before income tax	-193.10	234.58	
Enacted tax rate in India (%)	33.384%	33.063%	
Profit before income tax multiplied by enacted tax rate	-64.46	77.56	
Effect on account of change in tax rate in the year of reversal	-	0.76	
Permanent differences	(0.11)	0.04	
<b>Net effective income tax</b>	<b>-64.57</b> <b>-33.441%</b>	<b>78.36</b>	<b>33.402%</b>

		2018-19	2017-18
<b>32</b>	<b>Earnings Per Share</b>		
	Net profit as per Statement of Profit and Loss	(128.53)	156.22
	Weighted Average Number of Shares	5000000	4969340
	Nominal value per share - Rupees	10.00	10.00
	Basic & Diluted earnings per share - Rupees	(2.57)	3.14

## Notes on Accounts (Contd.)

(Rs. in Lakhs)

	2018-19	2017-18
<b>33 Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”</b>		
<b>Particulars</b>		
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	41.56	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.

## 34 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 31/03/2019 are disclosed as below:

	Gratuity (funded) 2018-19	Gratuity (funded) 2017-18	Leave Salary (Unfunded) 2018-19	Leave Salary (Unfunded) 2017-18
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	203.80	203.80	138.60	138.60
Current service cost	22.72	-	-	-
Interest cost	14.80	-	9.34	-
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	1.58	-	1.96	-
Actuarial loss / (gain) arising from Experience adjustments	10.20	-	52.07	-
Benefits paid	(23.69)	-	(35.00)	-
Effect of Business combination/ disposals	15.33	-	-	-
Closing defined benefit obligation	244.74	203.80	166.97	138.60
Change in fair value of assets				
Opening fair value of plan assets	303.94	273.31	-	-
Expected return on plan assets	1.00	10.30	-	-
Actuarial gain / (Loss) arising from Return on plan assets	-	-	-	-
Contribution by employer	(49.59)	20.33	-	-
Benefits paid	(23.69)	-	-	-
Effect of Business combination/ disposals	15.33	-	-	-
Closing fair value of plan assets	246.99	303.94	-	-
Amount recognised in the Balance Sheet				
Present value of obligations at year end	244.74	203.80	166.97	138.60
Fair value of plan assets at year end	246.99	303.94	-	-
Amount now recognised as (liability)/ asset	2.25	100.14	(166.97)	(138.60)
Net (liability) / asset recognised as on 31st March	2.25	100.14	(166.97)	(138.60)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
	Gratuity (funded) 2018-19	Gratuity (funded) 2017-18	Leave (unfunded) 2018-19	Leave (unfunded) 2017-18
a) Current Service cost	22.72	-	-	-
b) Interest on defined benefit obligation	14.80	-	9.34	-
c) Expected return on plan assets	(20.61)	-	-	-
d) Benefits transferred	-	-	-	-
e) Actuarial Gain/Loss	-	-	-	-
f) Net actuarial loss / (gain) recognised in the current year	-	-	-	-
Remeasurement on the net defined benefit liability				
g) Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	1.58	-	1.96	-
h) Actuarial loss / (gain) arising from Experience adjustments	10.20	-	52.07	-
i) Actuarial gain / (Loss) arising from Return on plan assets	19.60	-	-	-
Grand Total	48.29	-	63.37	-
Expenses recognised in the Profit & Loss A/c	16.91	-	63.37	-
Expenses recognised in Other Comprehensive Income	31.38	-	-	-
Principal actuarial assumptions used				
Discount rate (p.a)	7.65%	7.71%	7.65%	7.71%
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans				

## Notes on Accounts (Contd.)

### 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 (by 0.50%) is given in the below tables:

(Rs. in Lakhs)

**a) Gratuity**

Change in Assumption	Increase in Assumption		Increase in Assumption	Decrease in Assumption
	2018-19	2018-19		
Discount	232.04	258.47	193.30	215.18
Salary escalation	258.38	232.05	215.43	192.99
Mortality	244.85	244.62	203.89	203.70
Attrition	245.16	244.30	204.18	203.41

**b) Leave Salary**

Change in Assumption	Increase in Assumption		Increase in Assumption	Decrease in Assumption
	2018-19	2018-19		
Discount	160.59	173.80	133.25	144.36
Salary escalation	173.94	160.41	144.49	133.09
Mortality	167.00	166.93	138.63	138.56
Attrition	167.11	166.82	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.

### 35 Segment information for the year ended 31st March, 2019 in accordance with Ind AS 108:

**(i) Primary segments:**

Automotive components is the only reportable segment of the company

**(ii) Revenue by Geographical Segment:**

	2018-19			2017-18		
	India	Outside India	Total	India	Outside India	Total
External	35,369.01	1,107.63	36,476.64	17,908.25	0.57	17,908.82
Internal	-	-	-	-	-	-
<b>Total</b>	<b>35,369.01</b>	<b>1,107.63</b>	<b>36,476.64</b>	<b>17,908.25</b>	<b>0.57</b>	<b>17,908.82</b>
Carrying amount of segment assets	22,018.97	182.30	22,201.27	17,249.14	0.57	17,249.71
Additions to fixed assets	5,238.89	-	5,238.89	7,027.49	-	7,027.49

## Notes on Accounts (Contd.)

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.16,286.44 Lakhs, Rs. 6,900.06 Lakhs and Rs.6,493.72 Lakhs (Previous year Rs. 3,097.02 Lakhs, Rs.5,596.81 Lakhs and Rs. 5754.48 Lakhs)

### 36 Disaggregated revenue information

(Rs. In Lakhs)

		31 Mar 2019 *	
A	Type of goods and service		
	a) Sale of products		
	- Wheels	34,411.27	
	- Others	523.69	
	b) Sale of services	30.26	
	c) Other operating revenues		
	- Scrap Sales	1,446.62	
	- Packing and forwarding charges	7.56	
	- Export Incentives	54.74	
	- others	2.50	
	Total operating revenue	<b>36,476.64</b>	
	In India	35,369.01	
	Outside India	1,107.63	
B	Timing of revenue recognition	At a point of time	Over a period of time
	Sale of products and other operating income	36,476.64	-
C	Contract Balances	31-Mar-19	
	Trade receivables (Refer Note 7) (not interest bearing and are generally on terms of 30 to 90 days)	4,479.16	
D	Revenue recognised in relation to contract liabilities	Nil	
E	Reconciliation of revenue recognised in the statement of profit and loss with the contracted price		
	Revenue at contracted prices	36,476.64	
	Revenue from contract with customers	36,476.64	
	Difference	-	
F	Unsatisfied or partially satisfied performance obligation	Nil	

\* As permitted under the transitional provision in Ind As 115, the relevant disclosures for the comparative period is not disclosed

### 37. 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.

### 38. 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. Since there is no short term borrowings during the year with variable interest rates, this does not arise.

#### 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.

## Notes on Accounts (Contd.)

### Unhedged foreign currency

As at the balance sheet date, the Company's net foreign currency exposure that is (Rs. In lakhs)

Particulars	31.3.2019	31.3.2018
Trade Payables		
Trade Receivables as at 31 March 2019	182.30	0.57
Advance to suppliers		

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

### Impact on profit

Details	31-Mar-19	31-Mar-18
USD sensitivity		
INR/USD increases by 5%	9.15	
INR/USD decreases by 5%	(9.15)	

### 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

### 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.

As at March 31, 2019	Rs. In lakhs Less than 1 year	> 1 year	Total
Long Term Borrowings	-	3,207.10	3,207.10
Short Term Borrowings	482.00	-	482.00
Trade and other payables	7,628.53		7,628.53
Other financial liabilities	470.67	-	470.67
	<b>8,581.20</b>	<b>3,207.10</b>	<b>11,788.30</b>
<b>As at March 31, 2018</b>			
Trade and other payables	5,754.76		5,754.76
Other financial liabilities	2,197.21		2,197.21
	<b>7,951.97</b>		<b>7,951.97</b>

## Notes on Accounts (Contd.)

### 39 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 L Rajasekar, Executive Director (from 18 Feb 2019)

Mr R Narasimhan, Executive Director (upto 18 Feb 2019)

(Rs. in Lakhs)

Nature of transactions	2018-19	2017-18
Transaction during the year		
<b>A. Wheels India Limited</b>		
Purchase of goods	1,047.72	1,460.17
Contract Manufacturing Charges paid	1,642.88	876.65
Rent paid	11.12	12.68
Receiving of Common Services	271.94	169.18
Purchase of Land	-	381.19
Purchase of Plant and Machinery	264.10	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	8,080.34	7,275.48
Rent received	4.08	2.38
Receipt of Loan	-	200.00
Receipt of Share Capital	-	370.00
<b>B. Topy Industries Limited, Japan</b>		
Receipt of Share Premium	-	8,300.00
Payment of Royalty	283.20	147.31
Receipt of Share Capital	-	130.00
Reimbursement of Expenses	6.39	-
Professional Services (Manday fee)	1.33	-
<b>Closing balances</b>		
Balance due (receivable from)		
Wheels India Limited	1,160.98	1,688.32
Balance due (payable to)		
Wheels India Limited	444.91	2,198.97
Topy Industries Limited	283.20	147.31

## Notes on Accounts (Contd.)

(Rs. in Lakhs)

	2018-19	2017-18
<b>Key Managerial Personnel</b>		
Mr R Narasimhan, Executive Director (up to 18 February 2019)		
Remuneration and Perquisites	47.58	16.47
Mr L Rajasekar, Executive Director (from 18 February 2019)		
Remuneration and Perquisites	4.72	-

40 Disclosures relating to leases	2018-19 Total Minimum Lease	2017-18 Total Minimum Lease
<b>Operating Lease</b>		
As at Balance Sheet date	0.08	0.24
Not later than 1 year	10.63	16.26
Later than 1 year and not later than 5 years	19.84	50.62
Later than 5 years	-	-
Lease rentals paid during the year	16.00	14.95

41 Disclosure on Accounting for intangible assets in accordance with Ind As 38	2018-19	2017-18
<b>Computer software &amp; Technical know how</b> <b>- Refer note no.3</b>		
Gross carrying amount at the beginning of the year	15.12	-
Acquired during the year	73.89	15.12
Gross carrying amount at the end of the year	89.01	15.12
Gross amortisation at the beginning of the year	2.98	-
Amortised during the year	21.13	2.98
Gross amortisation at the end of the year	24.11	2.98
Net carrying amount at the beginning of the year	12.14	-
Net carrying amount at the end of the year	64.90	12.14

## Notes on Accounts (Contd.)

<b>42 Borrowing cost in accordance with with Ind AS 23</b> Borrowing costs capitalised during the year The capitalisation rate used for Borrowing costs is the rate at which the term loans were availed for specific purpose	<b>2018-19</b>	2017-18
	89.76	-
<b>43 Commitment and Contingencies</b> A) Contingent Liabilities not provided for B) Capital commitments not provided for	<b>2018-19</b>	<b>2017-18</b>
	Nil 1,483.94	Nil 1,942.58
<b>44</b>	The provisions of sec. 135 of the Companies Act, 2013 are not applicable to the Company during the year.	
<b>45</b>	The figures for the previous year relates to period from 07.06.2017 to 31.03.2018 whereas the current year figures relates to year ending 31.03.2019. Hence they are not comparable.	
<b>46</b>	Previous period figures have been regrouped wherever necessary to conform to current year classification.	

### Signatories to Notes to Financial Statements

**SRIVATS RAM**  
Chairman

**MASAHIRO ABE**  
Director

**S PRASAD**  
Director

**BADRI VIJAYARAGHAVAN**  
Director

**L RAJASEKAR**  
Executive Director

**SANJAY PANDE**  
Director

20 May 2019  
Chennai

**M GOKULAKRISHNAN**  
Company Secretary

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

**K SRINIVASAN**  
Partner  
Membership No.5809

# Cash Flow Statement in accordance with Ind AS 7 issued by ICAI Annexed to the Balance Sheet for the year ended 31st March 2019

(Rs. in Lakhs)

	Year ended 31.3.2019	Period ended 31.3.2018
<b>A Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax and extraordinary items</b>	(193.10)	234.58
<b>Adjustment for:</b>		
Depreciation	844.32	339.38
Gain/ (loss) on fair valuation of financial assets	(31.38)	-
(Profit) / Loss on sale of assets	(6.34)	(14.64)
Loss on obsolescence	0.16	0.41
Effect of Exchange Rate Change	0.52	-
Interest income	(5.08)	(16.85)
Lease Liabilities	16.00	14.95
Finance costs	390.80	31.30
	<b>1,209.00</b>	<b>354.55</b>
Operating profit before working capital changes	1,015.90	589.13
<b>Adjustments for:</b>		
Trade Receivables	(118.85)	(4,360.83)
Advances and other current assets	(211.07)	(732.78)
Inventories	(733.29)	(2,447.66)
Trade Payables	1,873.77	5,754.76
Other payables and provisions	(950.89)	2,508.20
	<b>(140.33)</b>	<b>721.69</b>
Cash generated from operations	875.57	1,310.82
Taxes paid	(58.30)	(47.83)
<b>Net Cash from operating activities (A)</b>	<b>817.27</b>	<b>1,262.99</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(4,800.43)	(9,836.36)
Sale of fixed assets	53.57	49.97
Interest received	5.08	16.85
<b>Net cash used in investing activities (B)</b>	<b>(4,741.78)</b>	<b>(9,769.54)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	3,707.10	-
Repayment of Lease liabilities	(16.00)	(14.95)
Proceeds from Share Capital Issue including premium	-	8,800.00
Increase in working capital	482.00	-
Finance costs	(360.78)	(31.30)
<b>Net cash used in Financing activities (C)</b>	<b>3,812.32</b>	<b>8,753.75</b>
Net increase in cash and cash equivalents (A+B+C)	(112.19)	247.20
Cash and cash equivalents at the beginning of the year	247.20	-
Cash and cash equivalents at the end of the year	135.01	247.20

The above statement of cash flow is prepared using indirect method

**SRIVATS RAM**  
Chairman

**MASAHIRO ABE**  
Director

**S PRASAD**  
Director

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

**BADRI VIJAYARAGHAVAN**  
Director

**L RAJASEKAR**  
Executive Director

**SANJAY PANDE**  
Director

**K SRINIVASAN**

20 May 2019  
Chennai

**M GOKULAKRISHNAN**  
Company Secretary

Partner  
Membership No.5809