

**WHEELS INDIA LIMITED**



**54<sup>th</sup> ANNUAL REPORT 2012-2013**



# WHEELS INDIA LIMITED

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

Website Address : www.wheelsindia.com

## 54<sup>TH</sup> ANNUAL REPORT

### FACTORIES

- PADI, CHENNAI - 600 050  
TAMIL NADU
- 22KM RAMPUR, TANDA ROAD  
RAMPUR-244 925, UTTAR PRADESH
- PLOT NO. C - 1  
RANJANGAON GROWTH CENTRE  
KAREGAON VILLAGE, SHIRUR TALUK  
PUNE DISTRICT - 412 220, MAHARASHTRA
- PLOT NO. 11-18, SECTOR 7  
HSIDC GROWTH CENTER, BAWAL  
REWARI DISTRICT - 123501, HARYANA
- SRIPERUMBUDUR,  
KANCHIPURAM DISTRICT - 602 105  
TAMIL NADU
- PLOT NO. 56, SECTOR 11  
INTEGRATED INDUSTRIAL ESTATE  
PANTNAGAR, UDHAM SINGH NAGAR - 263 153  
UTTARAKHAND
- PLOT NO. D - 3, DEOLI GROWTH CENTRE  
DEOLI MIDC, TALUKA DEOLI  
WARDHA DISTRICT - 442 101, MAHARASHTRA
- B-54, SIPCOT INDUSTRIAL PARK  
IRUNGATTUKOTTAI, SRIPERUMBUDUR  
KANCHIPURAM DISTRICT - 602 105, TAMILNADU
- DP NO 70 (P), SURVEY NO 214 (P),  
SIDCO INDUSTRIAL ESTATE, THIRUMUDIVAKKAM,  
SRIPERUMBUDUR TALUK,  
KANCHIPURAM DISTRICT, CHENNAI 600 044

### BANKERS

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

### AUDITORS

- M/S SUNDARAM & SRINIVASAN  
CHARTERED ACCOUNTANTS  
CHENNAI

### STOCK EXCHANGE LISTING

- NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
MUMBAI

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
T K SESHADRI	
AROON RAMAN	

### SHARE TRANSFER & INVESTOR

#### RELATIONS COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

### REMUNERATION COMMITTEE

S PRASAD	Chairman
T K SESHADRI	
T S VIJAYARAGHAVAN	

### PRESIDENT (FINANCE) & SECRETARY

S SRIVATHSAN

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## Notice to the Shareholders

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NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, 13th day of August, 2013, at 11.00 a.m. at "The Music Academy", 168 (Old No.306), T T K Road, Chennai 600 014, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March, 2013, and the reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2013.
3. To elect a Director in the place of Mr S Prasad, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Mr J M A Akers, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors M/s Sundaram and Srinivasan, Chartered Accountants, Chennai, who are retiring and are eligible for reappointment and fix their remuneration.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED that in accordance with the provisions of Sections 198, 269 read with Schedule XIII, 309 and 317 of the Companies Act, 1956 (the Act) and other applicable provisions, if any, of the Act, the Company hereby accords its approval and consent to the re-appointment of Mr Srivats Ram as Managing Director, for a period of 5 years with effect from 1.5.2013 and for the payment of

remuneration to him for his services as Managing Director, as set out hereunder

### SALARY

Rs.3,50,000/- (Rupees Three Lakhs Fifty Thousand only) per month in the scale of Rs.3,50,000 – Rs.5,00,000. Annual increase will be effective 1st April every year and the quantum of increase will be decided by the Remuneration Committee constituted for this purpose.

### COMMISSION

Not exceeding 2% of the Net Profits of the Company for each financial year or part thereof, computed in the manner laid down in the Companies Act, 1956. The quantum may be decided by the Remuneration Committee constituted for this purpose.

### PERQUISITES

As detailed in the Explanatory Statement, the annual value of which will be limited to a ceiling of 100% of the annual salary.

### MINIMUM REMUNERATION

Where in any financial year, during the currency of tenure of the Managing 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 Part II of Section II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Regd. Office:  
21, Patullos Road  
Chennai 600 002  
27th May 2013

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



## NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself and such a proxy need not be a member. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1.8.2013 to 13.8.2013 (both days inclusive) for payment of dividend on equity shares.
3. Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 13.8.2013. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, interim dividend declared on 30.1.2007 for the financial year ended March 31, 2007 and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2007 or any subsequent financial year are requested to make their claim to the Share Department of the Company at Padi, Chennai 600 050. It may also be noted that once the unclaimed dividend is transferred to the

Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.

## Annexure to the Notice

Explanatory Statement under Section 173 of the Companies Act, 1956.

## SPECIAL BUSINESS

### Item No. 6

At the Annual General Meeting held on 14.08.2008, Mr Srivats Ram was appointed as Managing Director for a period of 5 years with effect from 1.5.2008, on remuneration as approved by the shareholders at the said Annual General Meeting.

Your Board of Directors at the meeting held on 5.2.2013, re-appointed Mr Srivats Ram as Managing Director for a period of 5 years with effect from 1.5.2013 and the re-appointment of Mr Srivats Ram as Managing Director of the Company and the payment of remuneration to him as detailed in the resolution require the consent of the members. The perquisites payable to Mr Srivats Ram are detailed in the Annexure I to this statement.

The resolution as set out under Item No. 6 of the Notice is accordingly submitted to the members for consideration.

None of the Directors except Mr S Ram and Mr Srivats Ram is concerned or interested in the said re-appointment.

Regd. Office:  
21, Patullos Road  
Chennai 600 002  
27th May 2013

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

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**Annexure I : Details of perquisites payable to Mr Srivats Ram, Managing Director of the Company referred in resolution No. 6**

1. Housing, Utilities and Furnishings:
  - i) Provision of unfurnished residential accommodation, owned or leased by the Company, expenditure on which will be limited to 60% of the salary, or house rent allowance not exceeding 60% of salary.
  - ii) a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962.
    - b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules, 1962
2. Medical reimbursement: Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company. Explanation: "Family" means the spouse, children and parents of the Managing Director.
3. Personal Accident Insurance in accordance with the rules of the Company.
4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
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) shall not be included in the computation of remuneration or ceiling on the perquisites.
6. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.
7. Provision of chauffeur driven Company car. (Provision of chauffeur driven Company car for official purposes shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling on perquisites.)
8. Provision of telephone(s) including mobile phones at the expense of the Company.
9. Such other allowances, perquisites, benefits and amenities as may be provided by the Company to other senior executives from time to time.

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

The above said remuneration and perquisites shall be subject to the ceiling laid down in Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.



## Directors' Report to the Shareholders

Your Directors present their Fifty Fourth Annual report and the Audited Accounts of your Company for the year ended March 31, 2013.

### Financial results

Sales for the year under review were Rs. 1,897 crores compared to Rs. 2,051 crores in the last year. The financial results of your Company for the year under review are as below:

(Rs. in Lakhs)

	2012-13	2011-12
Gross profit before finance cost and depreciation	15,364	16,598
Finance Costs	5,550	6,135
Depreciation	5,359	5,047
Profit before tax for the year	4,455	5,416
Profit after tax for the year	3,188	3,435
Transfer to General Reserve	2,000	2,300

### Dividend

Your Directors are pleased to recommend, out of the profits of the current year, a dividend of Rs. 8.10 per share on the paid-up capital of the Company as at 31st March, 2013. The dividend will be paid to all the shareholders whose names appear in the Register of Members as on the Book closure date.

If the dividend recommended is approved at the Fifty Fourth Annual General Meeting, a sum of Rs. 7,99,42,496.40 will become payable. A dividend tax of 16.995% (including surcharge) will be paid on the dividend declared.

### Management Discussion and Analysis

The growth in the global economy was weak in 2012 and is expected to stay sluggish in 2013, as fiscal

adjustments are expected to slow growth in advanced economies and delay cyclical recovery in emerging economies. In India, the GDP growth in the last fiscal was at 5%, the lowest levels in the last decade. The persistent high levels of inflation adversely impacted consumption while structural bottlenecks affected investments. The last financial year saw the second consecutive year of decelerating growth and the uncertainty in the business environment affected all major industry segments serviced by your Company.

The passenger vehicle segment was affected by these macroeconomic factors and registered only a marginal growth last year. The passenger car sub-segment was affected by the escalation of labour issues in the first half of last year and the price gap between diesel and petrol, and saw negative growth in the last year. This was offset by a strong performance by the diesel dominated utility vehicle market. The utility vehicle segment sales were also boosted by popular new models. The small truck segment continued to grow albeit at a slower pace with customers segmenting the market with new products in both goods and passenger applications.

The medium and heavy commercial vehicle segment was badly affected by the slowdown in the Indian economy. The slowing down of infrastructure projects, the stoppage of mining activities in some states and the general slowing down of demand in the economy resulted in under utilization of trucks. The last three quarters of the year under review saw a steep decline in truck production in the country as the medium and heavy commercial vehicle segment had a negative growth of 29% over the year. There was also a marginal negative growth in the light commercial vehicle sector.

After a number of years of robust growth, the agricultural tractor market in India saw a negative

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growth of 8% last year, due to deficit rainfall in some states, high interest rates and at the same time huge grain stocks with the Government. The tractor in rural India is used not only for agriculture but also for haulage where demand was affected by the slowdown.

The slowdown in the global economy last year affected the demand for construction and mining equipment significantly especially towards the second half of the year. In this, the mining sector globally was especially hard hit as commodity prices remained at low levels through the year. The coal industry which is one of the major users of mining equipment, was severely hit by the movement from coal to shale gas as an energy source in the US.

The power equipment sector which is serviced by your Company was very badly hit last year as project clearances slowed down significantly. The sector was also affected by coal linkages and environmental clearance issues. The gap between demand and supply widened resulting in a significant increase in power tariff across the country.

The slowing down in growth in all major industry segments affected the growth of your Company last year, and saw the sales decline by 7.5%. The decline in sales was more towards the second half of the year as sales to commercial vehicle and construction and mining equipment customers fell steeply during this period. The slowing down of the economy in a competitive environment, with high inflation especially in manpower and energy costs adversely affected the performance of your Company. Nevertheless, in the passenger vehicle segment, your Company was able to increase its share of business and grow in a sluggish market. Similarly, your Company was able to increase its fabrication business supplying energy equipment manufacturers in spite of the adverse business environment in that sector. In all other segments,

your Company top-line was in line with the respective industry segments. Your Company launched an after-market brand WILGO in the last year and hopes to build this business in the years to come. In the year under review, your Company received a number of awards from its valued customers both domestic and international, recognising our performance as their suppliers.

In spite of the difficult business environment, your Company has continued its internal drive towards operational efficiencies and cost management. The review mechanism of internal projects and processes has been made more robust. Your Company has also re-organized itself internally into business units to bring better focus to the specific requirements of business segments. It is only with this relentless focus on our internal processes that we have been able to tackle the significant obstacles in the last financial year.

The year ahead is likely to see the Indian economy growing at around the same level as last year. The passenger vehicle and commercial vehicle segments are expected to grow only marginally in the current year. The expectations of a good monsoon, are likely to result in some growth in the agricultural tractor segment. However, the construction and mining industry worldwide continues to be depressed. Your Company is likely to benefit from the JNNURM scheme as the government plans to purchase city buses with air suspension systems under the scheme in the coming year. Similarly, we do expect some movement in the power equipment segment, especially in the second half of the year.

### **Directors**

Under Article 94(3) of the Company, Mr S Prasad and Mr J M A Akers retire by rotation and being eligible offer themselves for re-election.



Your Board of Directors at the meeting held on 05.02.2013, re-appointed Mr Srivats Ram as Managing Director for a period of 5 years with effect from 01.05.2013 subject to the approval of members in the ensuing Annual General Meeting.

### **Corporate Governance**

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

### **Directors' Responsibility Statement**

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis and

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

### **Auditors**

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

### **Internal Control and Audit**

The Company's internal control system provides for adequate documentation of policies, guidelines, authorities and approval procedures, which helps in ensuring that the assets of the Company are properly protected.

The effectiveness of the internal control system is constantly monitored by the internal audit department along with the external audit firms appointed to carry out the internal audit of the various units of the Company.

The highlights of the internal control and internal audit reports are placed before each Audit Committee meeting along with the recommendations and responses of the management. Besides, statutory auditors also present their suggestions to the members for improvements in control and compliance.

### **Cost Audit**

Pursuant to the circular dated 24th January, 2012 of the Ministry of Corporate Affairs, your Company has appointed M/s Geeyes & Co, Cost Accountants, Chennai, (Firm Registration No. 00044) as Cost Auditor for the year 2012-13, with the consent of the Central Government, for the audit of cost accounts maintained by the Company.



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## Safety

Your Company has always attached a high degree of importance to safety, health and environment standards, wherein the objective is to excellence in Safety without any incident

Your Company is working with DuPont, the world leader in industrial safety, to implement several initiatives for achieving excellence in safety. Your Company anticipates such implementation will see an all-round improvement in various essentials of Safety in the Company.

By persistent efforts in Safety management, the Company was able to achieve considerable reduction in incidents.

The Central Safety Committee of the Company, continues to monitor safety, health and environment performance and provides necessary direction for improvement through regular monthly reviews, which includes proper training to the employees, creating awareness on safety to all the employees. The Central Safety Committee is also supported by several sub-committees, which also co-ordinates and monitors Safety management in the Company.

## Corporate Social Responsibility

Your Company believes that working with the local communities is an integral part of business. Towards this, your Company has taken sustainable initiatives in the field of health and supplementary education in the year under review to underprivileged children in rural areas around the Company's plants.

## Particulars of Employees

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed

under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

## Open Offer by Titan

Consequent to the acquisition of shares by Titan International Inc., in Titan Europe Plc., an Open Offer was made by Titan Europe Plc. (Acquirer) along with Titan International Inc., the Person Acting in Concert (PAC) with the Acquirer to acquire equity shares of Rs.10/- each of Wheels India Limited, in order to comply with the SEBI Regulations.

Pursuant to the above Open Offer Titan Europe acquired 5,74,170 equity shares of Rs. 10/- each in the Company.

## General

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

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

Your Company continues to have the full co-operation of all its employees. The Directors would like to place on record the appreciation of the efforts of the employees in controlling costs and improving the profitability of the Company.

On behalf of the Board of Directors

Chennai  
May 27, 2013

**S Ram**  
Chairman



# Independent Auditors' Report on the Financial Statements

## To the Members of Wheels India Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of WHEELS INDIA LIMITED, which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

**K. Srinivasan**

Chennai  
27<sup>th</sup> May, 2013

Partner  
Membership No.5809



## Annexure to the Independent Auditors' Report

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

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

- detailed examination of the cost records with a view to determine whether they are accurate or complete.
- IX. a. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- b. There were no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Custom Duty, Value Added Tax and Cess. However disputed service tax, value added tax and property tax aggregating to Rs.93.43 lakhs has not been deposited on account of disputes which are contested in appeals and are pending before Central Excise and Service Tax Appellate Tribunal, Joint Commissioner, Commercial Tax - Appeal and Madras High Court.
- X. The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI. The Company has not defaulted in repayment of dues to a financial institution or bank.
- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the order is not applicable to the company.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. Based on the balance sheet and fund flow statement of the Company in our opinion the funds raised on short term basis have not been used for long term investments.
- XVIII. The Company has not made any preferential allotment of shares during the year.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money by way of public issues during the year.
- XXI. No fraud on or by the Company has been noticed or reported during the year.

For **SUNDARAM & SRINIVASAN**

Chartered Accountants

(Registration No: 004207S)

**K. Srinivasan**

Chennai

Partner

27<sup>th</sup> May, 2013

Membership No.5809



**ACCOUNTS 2012-2013**

# Balance Sheet as at 31st March 2013

Particulars	Note No.	Rs. in Lakhs	
			As at 31.03.2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	986.94	986.94
b) Reserves and Surplus	2	24,898.29	22,922.36
		<b>25,885.23</b>	23,909.30
<b>2. Non-current liabilities</b>			
a) Long-term Borrowings	3	20,473.80	17,651.89
b) Deferred tax liabilities (Net)	4	5,632.64	5,047.91
c) Other long term liabilities	5	3,425.00	328.13
d) Long-term provisions	6	214.46	207.47
		<b>29,745.90</b>	23,235.40
<b>3. Current liabilities</b>			
a) Short-term borrowings	7	12,906.52	13,865.01
b) Trade payables	8	22,952.19	34,726.33
c) Other current liabilities	9	14,417.41	9,966.25
d) Short-term provisions	10	2,598.01	2,464.19
		<b>52,874.13</b>	61,021.78
<b>TOTAL</b>		<b>1,08,505.26</b>	<b>1,08,166.48</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
a) Fixed assets			
(i) Tangible assets	11	43,528.63	40,428.08
(ii) Intangible assets	12	343.14	445.04
(iii) Capital Work-in-progress	13	5,427.25	3,117.46
(iv) Machinery in Transit		30.65	10.60
b) Non-current investments	14	1,768.96	1,817.26
c) Long-term loans and advances	15	2,950.62	2,344.14
d) Other non-current assets	16	222.55	136.05
		<b>54,271.80</b>	48,298.63
<b>2. Current assets</b>			
a) Current Investments	17	50.00	50.00
b) Inventories	18	21,570.43	26,161.30
c) Trade receivables	19	28,868.05	29,318.16
d) Cash and cash equivalents	20	167.03	121.35
e) Short-term loans and advances	21	3,569.49	4,208.93
f) Other current assets	22	8.46	8.11
		<b>54,233.46</b>	59,867.85
<b>TOTAL</b>		<b>1,08,505.26</b>	<b>1,08,166.48</b>
Significant Accounting Policies	A		

S RAM  
Chairman

S VIJI  
Director

SRIVATS RAM  
Managing Director

T K SESHADRI  
Director

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

T S VIJAYARAGHAVAN  
Director

S PRASAD  
Director

S SRIVATHSAN  
Secretary

**K SRINIVASAN**  
Partner

Membership No.5809

Chennai  
27th May, 2013

# Profit and Loss Statement for the Year Ended 31st March 2013



Rs. in Lakhs

Note No.

2011-12

## REVENUE FROM OPERATIONS

Sale of Products		<b>1,88,966.09</b>	2,02,027.32
Sale of Services		<b>956.69</b>	953.53
Other operating revenues		<b>18,824.86</b>	20,528.51
Revenue from Operations - Gross		<b>2,08,747.64</b>	2,23,509.36
Less: Excise Duty {On sale of products Rs.14,840.99 lakhs (previous year Rs.14,080 lakhs); Others Rs.1,456.43 lakhs (previous year Rs.1,674.97 lakhs)}		<b>16,297.42</b>	15,754.97
Revenue from Operations - Net		<b>1,92,450.22</b>	2,07,754.39
Other income	25	<b>284.03</b>	228.92
<b>TOTAL REVENUE</b>		<b>1,92,734.25</b>	2,07,983.31
<b>EXPENSES</b>			
Cost of materials consumed	26	<b>1,29,722.37</b>	1,48,174.79
Changes in inventories of finished goods, Work-in-progress	27	<b>1,744.62</b>	(1,931.90)
Employee benefit expense	28	<b>17,961.53</b>	16,826.33
Other Expenses	29	<b>27,941.64</b>	28,316.17
<b>TOTAL EXPENSES</b>		<b>1,77,370.16</b>	1,91,385.39
Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses		<b>15,364.09</b>	16,597.92
Finance Costs	30	<b>5,549.40</b>	6,134.95
Depreciation and amortisation expenses	11&12	<b>5,359.32</b>	5,046.55
Profit before exceptional and extraordinary items and tax		<b>4,455.37</b>	5,416.42
Exceptional items		—	—
Profit before extraordinary items and tax		<b>4,455.37</b>	5,416.42
Extraordinary items		—	—
<b>Profit before tax</b>		<b>4,455.37</b>	5,416.42
Tax expense:			
Current tax		—	1,580.00
Minimum Alternate Tax		<b>892.00</b>	—
Minimum Alternate Tax Credit entitlement		<b>(209.00)</b>	—
Net Current tax		<b>683.00</b>	1,580.00
Deferred tax		<b>584.73</b>	401.44
<b>Profit (Loss) for the year</b>		<b>3,187.64</b>	3,434.98
Earnings per equity share:	37		
1. Basic		<b>32.30</b>	34.80
2. Diluted		<b>32.30</b>	34.80
Significant Accounting Policies	A		

**S RAM**  
Chairman

**S VIJI**  
Director

**SRIVATS RAM**  
Managing Director

**T K SESHADRI**  
Director

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

**T S VIJAYARAGHAVAN**  
Director

**S PRASAD**  
Director

**S SRIVATHSAN**  
Secretary

**K SRINIVASAN**  
Partner

Membership No.5809

Chennai  
27th May, 2013



## Notes on Accounts

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### A Significant Accounting Policies:

#### i) General:

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

#### ii) Fixed Assets and Depreciation:

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

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

#### iii) Investments:

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

#### iv) Inventories:

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

#### v) Revenue recognition:

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



**vi) Staff terminal benefits:**

a) Provident Fund:

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

b) Gratuity:

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

c) Superannuation:

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

d) Unencashed Leave Salary:

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

**vii) Research & Development expenses:**

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

**viii) Foreign Currency Transactions:**

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

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

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

**ix) Export Incentives:**

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

**x) Derivative Contracts:**

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

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

**xi) Operating Leases:**

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

**xii) Taxes on Income:**

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

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

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

**xiii) Provisions and Contingencies:**

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



## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>1 SHARE CAPITAL</b>		
a) <b>Authorised</b>		
2,00,00,000 Equity Shares of Rs.10/- each	<b>2,000.00</b>	2,000.00
b) <b>Issued, Subscribed and Fully Paid-up</b>		
98,69,444 Equity Shares of Rs.10/- each	<b>986.94</b>	986.94
c) <b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
There is no change in the holding pattern of the Share Capital during the year 2012-13.		
d) <b>Rights, Preferences and restrictions</b>		
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.		
e) Shareholding of shareholders holding more than 5% of shares as at	<b>31.03.2013</b> (Number of shares in lakhs)	31.03.2012 (Number of shares in lakhs)
T V Sundram Iyengar & Sons Limited	<b>24.56</b>	24.56
Southern Roadways Limited	<b>11.16</b>	11.16
Sundaram Finance Limited	<b>13.34</b>	13.34
Titan Europe Plc, UK	<b>35.44</b>	35.44
<b>2 RESERVES AND SURPLUS</b>		
a) Capital Reserves	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
As per last Balance Sheet	<b>0.02</b>	0.02
b) General Reserves		
As per last Balance Sheet	<b>22,421.09</b>	20,121.09
Additions during the year	<b>2,000.00</b> <b>24,421.09</b>	2,300.00    22,421.09
c) Surplus		
As per last Balance Sheet	<b>634.55</b>	646.62
Add: Profit for the year	<b>3,187.64</b>	3,434.98
	<b>3,822.19</b>	4,081.60
Less:		
Interim Dividend (@ Rs.4.00 per share)		394.78
Dividend Tax on interim dividend		64.04
Proposed final equity dividend Rs.8.10 per share (previous year @ Rs.6.00 per share)	<b>799.43</b>	592.17
Dividend Tax on proposed equity dividend	<b>135.86</b>	96.06
Transfer to General Reserves	<b>2,000.00</b>	2,300.00
	<b>2,935.29</b> <b>886.90</b>	3,447.05    634.55
d) Foreign Currency Monetary Items		
Translation Difference Account	<b>(409.72)</b>	(133.30)
	<b>24,898.29</b>	22,922.36

## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013		As at 31.03.2012	
<b>NON CURRENT LIABILITIES</b>				
<b>3 LONG TERM BORROWINGS</b>				
<b>A. SECURED BORROWINGS</b>				
a. Term Loans from Banks				
Secured by equitable mortgage of land and buildings at Padi	<b>1,600.00</b>		1,700.00	
By first Charge by way of hypothecation of specific machinery	<b>12,388.05</b>	<b>13,988.05</b>	10,353.45	12,053.45
<b>B. UNSECURED BORROWINGS</b>				
a. Deferred payment liabilities				
From State Government under Interest Free Sales tax Deferral Scheme		<b>349.50</b>		444.52
b. Fixed Deposits		<b>6,136.25</b>		5,153.92
		<b>20,473.80</b>		17,651.89
Terms of Repayment	Refer to Note no. 24			
<b>4 DEFERRED TAX LIABILITIES (NET)</b>				
<b>a) Deferred Tax Liability</b>				
i) Depreciation	<b>5,619.42</b>		5,168.88	
ii) Exchange difference on Long Term Foreign Currency Monetary Item	<b>139.26</b>	<b>5,758.68</b>	43.25	5,212.13
<b>b) Deferred Tax Asset</b>				
Expenses allowable for tax purpose on payment basis		<b>126.04</b>		164.22
		<b>5,632.64</b>		5,047.91



## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>5 OTHER LONG TERM LIABILITIES</b>		
Security Deposits	248.13	328.13
Advance from customers	3,176.87	—
	<u>3,425.00</u>	<u>328.13</u>
<b>6 LONG TERM PROVISIONS</b>		
Provision for employee benefits	214.46	207.47
	<u>214.46</u>	<u>207.47</u>
<b>CURRENT LIABILITIES</b>		
<b>7 SHORT TERM BORROWINGS</b>		
<b>A. SECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks Secured by hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.	10,815.49	13,605.26
<b>B. UNSECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	1,629.15	—
b) Fixed Deposits	461.88	259.75
	<u>12,906.52</u>	<u>13,865.01</u>
<b>8 TRADE PAYABLES</b>		
Dues to Micro, Small and Medium Enterprises	222.28	647.22
Dues to others	22,729.91	34,079.11
	<u>22,952.19</u>	<u>34,726.33</u>

## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012	
<b>9 OTHER CURRENT LIABILITIES</b>			
a) Current maturities of long-term debt (Refer note 24)	8,576.72	7,251.46	
b) Interest accrued but not due on borrowings	630.05	639.77	
c) Unclaimed dividends	15.52	26.58	
d) Unclaimed matured deposits and interest accrued thereon	46.32	54.39	
e) Other payables			
Statutory dues	500.15	606.70	
Trade Deposits	73.37	94.96	
Recovery from Employees	67.42	60.29	
Creditors for capital goods [includes due to MSME Rs.46.14 Lakhs (previous year Rs.103.05 lakhs)]	650.87	669.76	
Advance from customer	3,176.87	-	
Provision for expenses	588.00	478.93	
Provision for Excise duty on Finished Goods Stock	92.12	83.41	1,994.05
	<b>14,417.41</b>	<b>9,966.25</b>	
<b>10 SHORT TERM PROVISIONS</b>			
a) Provision for employee benefits	1,337.02	1,410.79	
b) Due to Directors	68.00	82.95	
c) Others			
Provision for Taxation less Advance Tax and Tax deducted at Source	257.70	778.22	
(includes reversal of Minimum Alternate Tax Credit entitlement set off Rs.217.67 lakhs - previous year Rs.Nil)			
<b>Less:</b>			
Minimum Alternate Tax Credit entitlement set off	-	257.70	496.00
Provision for Dividend	799.43		282.22
Provision for Dividend Tax	135.86		592.17
	<b>2,598.01</b>	<b>2,464.19</b>	96.06



**NON CURRENT ASSETS - FIXED ASSETS**

Rs. in Lakhs

Description	Gross Block At Cost			Depreciation/Amortisation			Net Block		
	As At 31.3.2012	Additions	Adjustments Relating to Foreign Exchange Fluctuations and Borrowing Costs	Deletions	As At 31.3.2013	Additions	Deletions	As At 31.3.2013	As At 31.3.2012
<b>11. TANGIBLE ASSETS</b>									
Land (Free hold)	267.43	-	-	0.06	267.37	-	-	267.37	267.43
Land (Lease hold)	522.08	117.30	-	-	639.38	5.49	-	590.60	478.79
Buildings	8,758.55	1,037.60	16.65	5.01	9,807.79	296.82	0.91	7,480.94	6,727.61
Plant & Equipment	65,783.60	6,562.43	53.56	76.78	72,322.81	4,551.76	32.70	34,504.94	32,484.79
Furniture and Fixtures	431.51	40.71	-	0.09	472.13	35.23	0.09	129.84	124.36
Vehicles	15.53	0.55	-	0.96	15.12	0.61	0.64	1.86	2.24
Office Equipment	1,540.48	424.57	-	33.23	1,931.82	209.39	28.27	555.08	342.86
	77,319.18	8,183.16	70.21	116.13	85,456.42	5,099.30	62.61	41,927.79	40,428.08
<b>12. INTANGIBLE ASSETS</b>									
Computer Software	1,069.25	141.55	-	-	1,210.80	207.67	-	955.10	321.82
Technical Know-how	151.06	16.57	-	-	167.63	52.35	-	87.44	123.22
	1,220.31	158.12	-	-	1,378.43	260.02	-	1,035.29	445.04
<b>Total</b>	<b>78,539.49</b>	<b>8,341.28</b>	<b>70.21</b>	<b>116.13</b>	<b>86,834.85</b>	<b>5,359.32</b>	<b>62.61</b>	<b>43,871.77</b>	<b>-</b>
Previous year	74,251.91	4,581.31	121.15	414.88	78,539.49	5,046.55	376.28	37,666.37	40,873.12

**13. CAPITAL WORK-IN-PROGRESS**

- a) Buildings
- b) Plant and Machinery

374.89	580.92
5,052.36	2,536.54
<u>5,427.25</u>	<u>3,117.46</u>



## Notes on Accounts (Contd.)

		Rs. in Lakhs	
		As at 31.03.2013	As at 31.03.2012
<b>14 NON CURRENT INVESTMENTS</b>			
<b>A Trade Investments - At cost</b>			
Unquoted			
Investment in Equity instruments			
i) In Associates			
<b>Axles India Limited</b>			
24,24,661 Equity Shares of Rs.10/- each fully paid-up	<b>272.36</b>	272.36	
<b>Sundaram Hydraulics Limited</b>			
1,12,50,000 Equity Shares of Rs.10/- each fully paid-up	<b>1,125.00</b>	1,125.00	
	<b>1,397.36</b>	<b>1,397.36</b>	
ii) Others			
<b>MEFCO Engineers Private Limited</b>			
20,000 Equity Shares of Rs.100/- each fully paid up	<b>20.00</b>	20.00	
<b>Siva Electric Generation Private Limited</b>			
2,17,672 Equity shares of Rs.10/- each fully paid up	<b>21.77</b>	21.77	
<b>Gamma Green Power Private Limited</b>			
24,81,250 Equity shares of Rs.10/- each fully paid up (previous year 32,81,250 equity shares of Rs.10/- each)	<b>248.13</b>	328.13	
	<b>289.90</b>	<b>369.90</b>	
<b>B Non-Trade Investments - At cost</b>			
Unquoted			
Investments in debentures or bonds			
<b>Rural Electrification Corporation Ltd</b>			
Capital Gains Tax Exemption Bonds 500 Numbers of Non Convertible Redeemable Taxable Bonds in the nature of debentures of Rs.10,000/- each	<b>50.00</b>	50.00	
<b>National Highways Authority of India Ltd</b>			
Capital Gains Tax Exemption Bonds 317 Numbers of 54EC Capital Bonds in the nature of debentures of Rs.10,000/- each	<b>31.70</b>	–	50.00
	<b>81.70</b>	<b>50.00</b>	
	<b>1,768.96</b>	<b>1,817.26</b>	



Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>15 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured - Considered good</b>		
a) Advances for Capital goods	<b>959.94</b>	1,159.99
b) Security Deposits	<b>574.72</b>	526.46
c) Loans and advances due by an officer of the company	<b>1.00</b>	1.00
d) Minimum Alternate Tax credit entitlement	<b>787.67</b>	-
e) Other loans and advances		
Advances to employees	<b>119.67</b>	82.04
Export incentives receivable	<b>497.26</b>	505.65
Prepaid expenses	<b>10.36</b>	16.07
Investment pending allotment	-	50.00
Others	- <b>627.29</b>	2.93      656.69
	<b>2,950.62</b>	<b>2,344.14</b>
<b>16 OTHER NON CURRENT ASSETS</b>		
<b>Unsecured - Considered good</b>		
Trade Receivables	<b>222.55</b>	136.05

## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>CURRENT ASSETS</b>		
<b>17 CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
Investments in debentures or bonds (At cost)		
<b>Rural Electrification Corporation Ltd</b>		
Capital Gains Tax Exemption Bonds		
500 Numbers of Non Convertible Redeemable Taxable Bonds in the nature of debentures of Rs.10,000/- each	<b>50.00</b>	50.00
<b>18 INVENTORIES - As certified by Managing Director</b>		
a) Raw Materials (includes Goods in Transit Rs. 1320.69 lakhs (previous year Rs. 887.48 lakhs))	<b>11,307.30</b>	14,757.36
b) Work - in - Progress	<b>3,968.01</b>	5,746.36
c) Finished goods	<b>1,924.21</b>	1,890.48
d) Stores and Spares (includes Goods in Transit Rs. 10.51 lakhs (previous year Rs. 1.14 lakhs))	<b>2,886.20</b>	2,512.66
e) Loose tools	<b>1,484.71</b>	1,254.44
Refer to note no. 32	<b><u>21,570.43</u></b>	<u>26,161.30</u>
<b>19 TRADE RECEIVABLES</b>		
Unsecured - Considered good		
a) Outstanding for a period exceeding six months from the date from which they are due for payment	<b>900.04</b>	37.80
b) Others	<b>27,968.01</b>	29,280.36
	<b><u>28,868.05</u></b>	<u>29,318.16</u>



## Notes on Accounts (Contd.)

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012	
<b>20 CASH AND CASH EQUIVALENTS</b>			
a) Balances with Banks			
i) Current Accounts	126.40	43.05	
ii) Fixed Deposits	16.00	39.00	
iii) Unclaimed Dividend Accounts	15.52	26.58	108.63
b) Cash on hand	9.11	12.72	
	<b>167.03</b>	<b>121.35</b>	
<b>21 SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured - Considered good</b>			
a) Balance with Central Excise authorities	1,012.94	1,357.56	
b) Minimum Alternate Tax credit entitlement	116.00	477.00	
c) Others			
VAT receivable	69.45	56.24	
Advances to employees	283.26	216.68	
Export incentives receivable	1,034.49	1,059.05	
Advances to Vendors	400.31	427.87	
Prepaid expenses	361.71	419.84	
Entry tax refund receivable	-	89.60	
Sales tax refund receivable	217.78	81.47	
Other Advances	73.55	23.62	2,374.37
	<b>3,569.49</b>	<b>4,208.93</b>	
<b>22 OTHER CURRENT ASSETS</b>			
Interest accrued on deposits and investments	8.46	8.11	

## Notes on Accounts (Contd.)

	Rs. in Lakhs	
	As at 31.03.2013	As at 31.03.2012
<b>23 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>i) Contingent Liabilities</b>		
a) Bills discounted with Banks	<b>9,400.81</b>	10,213.14
b) Disputed amounts in respect of sales tax, service tax, customs duty and Property tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs.11.96 lakhs - previous year Rs.9.57 lakhs paid under protest appears under Long term Loans and Advances in the Balance Sheet)	<b>115.31</b>	112.58
c) Contingent Liability towards demand for enhanced compensation for Land at Bawal Haryana along with interest is not provided for	<b>172.10</b>	Not determined
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>1,931.06</b>	5,134.27

## 24 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS

The term loans and other loans are repayable over a period of 1 to 4 years as per the terms of agreement entered into with the Banks / others and over a period of 5 years in respect of Deferred Payable Liabilities



Rs. in Lakhs

**25 OTHER INCOME**

	<b>2012-13</b>	2011-12
a) Interest on deposits and advances	<b>174.44</b>	118.04
b) Profit on sale of fixed assets (Net)	<b>86.91</b>	88.72
c) Other non-operating income	<b>22.68</b>	22.16
	<b><u>284.03</u></b>	<u>228.92</u>

**26 RAW MATERIAL CONSUMPTION**

Raw Material	<b>1,09,367.80</b>	1,23,916.81
Components	<b>20,354.57</b>	24,257.98
	<b><u>1,29,722.37</u></b>	<u>1,48,174.79</u>

**27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

a) Opening inventory of Finished Goods	<b>1,890.48</b>	1,315.00
Less: Closing inventory of Finished Goods	<b>1,924.21</b>	1,890.48
Net change in stock of Finished Goods	<b><u>(33.73)</u></b>	<u>(575.48)</u>
b) Opening inventory of Work - in - Progress	<b>5,746.36</b>	4,389.94
Less: Closing inventory of Work - in - Progress	<b>3,968.01</b>	5,746.36
Net change in stock of Work - in - Progress	<b><u>1,778.35</u></b>	<u>(1,356.42)</u>
Net change in Finished Goods and Work - in - Progress	<b><u>1,744.62</u></b>	<u>(1,931.90)</u>

## Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2012-13	2011-12
<b>28 EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries, Wages, Bonus and Commission	<b>15,442.97</b>	14,360.05
b) Contribution to Provident and Other Funds	<b>791.14</b>	781.34
c) Staff Welfare expenses	<b>1,727.42</b>	1,684.94
	<b>17,961.53</b>	<b>16,826.33</b>
<b>29 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	<b>6,504.55</b>	6,687.50
Power and fuel	<b>9,044.46</b>	8,367.36
Rent including Lease Rent	<b>601.15</b>	328.25
Repairs to		
Buildings	<b>620.65</b>	499.80
Machinery	<b>864.64</b>	691.43
Insurance	<b>310.85</b>	334.31
Rates and taxes, excluding taxes on income	<b>191.29</b>	160.80
Directors sitting fees	<b>5.35</b>	5.75
Auditors' remuneration		
Statutory Audit	<b>21.00</b>	16.00
Taxation matters (includes Rs. 3.00 lakhs for Tax Audit - Last year Rs. 3.00 lakhs)	<b>7.00</b>	6.00
Company Law matters	<b>1.00</b>	-
Certification fees	<b>4.00</b>	4.00
Reimbursement of expenses	<b>6.00</b>	3.24
Freight	<b>2,545.46</b>	2,561.63
Net Loss on foreign currency transactions and translation (other than exchange loss considered as finance cost)	<b>2,067.29</b>	3,217.10
Miscellaneous expenses	<b>5,146.95</b>	5,433.00
	<b>27,941.64</b>	<b>28,316.17</b>
<b>30 FINANCE COSTS</b>		
a) Interest expense	<b>5,198.95</b>	5,238.28
b) Interest on shortfall and other interests under Income Tax Act	<b>(9.41)</b>	(32.47)
c) Other borrowing costs	<b>35.50</b>	128.17
d) Net (gain)/Loss on foreign currency transactions and translation	<b>324.36</b>	800.97
	<b>5,549.40</b>	<b>6,134.95</b>



**31 Imported and Indigenous Materials consumed**

	2012-13		2011-12	
	% to total Consumption	Value	% to total Consumption	Value
<b>a) Raw Materials</b>				
i) Imported	10.42	11,393.78	14.43	17,881.46
ii) Indigenous	89.58	97,974.02	85.57	1,06,035.35
	<b>100.00</b>	<b>1,09,367.80</b>	<b>100.00</b>	<b>1,23,916.81</b>
Refer to note no. 26				
<b>b) Components</b>				
i) Imported	3.35	681.44	3.41	827.12
ii) Indigenous	96.65	19,673.13	96.59	23,430.86
	<b>100.00</b>	<b>20,354.57</b>	<b>100.00</b>	<b>24,257.98</b>
Refer to note no. 26				
<b>c) Stores and spares</b>				
i) Imported	2.30	149.92	2.39	159.57
ii) Indigenous	97.70	6,354.63	97.61	6,527.93
	<b>100.00</b>	<b>6,504.55</b>	<b>100.00</b>	<b>6,687.50</b>
Refer to note no. 29				

**32 Details of Sales, Raw Material Consumption and Inventories**

Raw Material & Components	2012-13			2011-12		
	Consumption	Closing Stock	Opening Stock	Consumption	Closing Stock	Opening Stock
Steel	1,07,035.06	8,877.91	11,791.73	1,21,224.07	11,791.73	10,798.57
Aluminium	2,135.96	195.35	417.79	2,254.44	417.79	545.75
Bought-out components	19,455.95	2,098.35	2,407.81	23,484.21	2,407.81	1,915.07
Others	1,095.40	135.69	140.03	1,212.07	140.03	68.83
	<b>1,29,722.37</b>	<b>11,307.30</b>	<b>14,757.36</b>	<b>1,48,174.79</b>	<b>14,757.36</b>	<b>13,328.22</b>



Rs. in Lakhs

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

CLASS OF GOODS	2012-13					2011-12				
	Sales	Closing Stock Finished Goods	Opening Stock Finished Goods	Closing Stock Work in Progress	Opening Stock Work in Progress	Sales	Closing Stock Finished Goods	Opening Stock Finished Goods	Closing Stock Work in Progress	Opening Stock Work in Progress
Wheels for Commercial Vehicles, Passenger Cars, Utility vehicles, Tractors, Earthmoving and construction Equipments	1,60,213.60	1,716.21	1,772.54	3,528.69	5,605.09	1,72,591.12	1,772.54	1,302.72	5,605.09	4,245.76
Air Suspension	7,855.26	15.05	65.52	152.43	68.41	9,914.52	65.52	2.02	68.41	94.04
Others	6,056.24	192.95	52.42	286.89	72.86	5,441.68	52.42	10.26	72.86	50.14
	1,74,125.10	1,924.21	1,890.48	3,968.01	5,746.36	1,87,947.32	1,890.48	1,315.00	5,746.36	4,389.94

Refer to note no.18 and 26



## Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2012-13	2011-12
<b>33 Imports (CIF Value)</b>		
i) Raw Materials	<b>9,526.72</b>	15,177.04
ii) Spare Parts	<b>202.53</b>	179.20
iii) Capital Goods	<b>1,070.56</b>	255.29
<b>34 Expenditure in Foreign Currency</b>		
i) Royalty and Know-how fees (Net of Tax)	<b>315.66</b>	168.47
ii) Commission	<b>344.61</b>	289.96
iii) Interest	<b>317.49</b>	594.68
iv) Others	<b>359.64</b>	311.75
<b>35 Amount remitted in Foreign Currency towards Dividend</b>		
i) Number of Non-Resident Shareholders	<b>1</b>	1
ii) Number of Shares held	<b>35,44,470</b>	35,44,470
iii) Dividend and years to which it relates		
- Final Dividend 2011-12	<b>212.67</b>	
- Interim dividend 2011-12		141.78
- 2010-11		230.39
<b>36 Earnings in Foreign Exchange</b>		
Exports (on FOB basis)	<b>34,316.12</b>	32,029.04
<b>37 Earnings Per Share</b>		
Net profit as per P&L account	<b>3,187.64</b>	3,434.98
Number of Shares	<b>98,69,444</b>	98,69,444
Nominal value per share - Rupees	<b>10.00</b>	10.00
Basic earnings per share - Rupees	<b>32.30</b>	34.80
<b>38</b> The Company has provided Excise duty on Stock of finished goods at the factory and included the same in the valuation of the said inventories. However this has got no impact on the profit for the year	<b>92.12</b>	83.41
<b>39</b> The Company opted for accounting the exchange differences arising on reporting Foreign Currency Monetary Items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on AS11 notification dated 31st March, 2009 read with Notification dated 11th May, 2011 and Notification dated 29th December 2011 issued by the Ministry of Corporate Affairs.		
Consequently,		
i. Exchange differences relating to Long Term Foreign Currency Monetary Items, in so far related to acquisition of depreciable capital assets arising during the year amounting to Rs.Nil [Previous year Rs. 87.53 lakhs (loss) {net of depreciation Rs. 9.54 lakhs}] are (deducted) / added respectively to the cost of assets and depreciated over the balance life of the assets.		
ii. Exchange differences relating to Other Long Term Foreign Currency Monetary Items amounting to Rs.409.72 lakhs loss {net of amortization Rs.202.15 lakhs} [Previous year Rs. 133.30 lakhs loss {net of amortization Rs. 537.30 lakhs}] are adjusted to Foreign Currency Monetary Item Translation Difference Account.		

## Notes on Accounts (Contd.)

	Rs. in Lakhs	
	2012-13	2011-12
<b>40 Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”</b>		
<b>Particulars</b>		
a. Principal amount due to Suppliers under the Act	–	13.00
b. Interest accrued and due to Suppliers under the Act, on the above amount	–	2.30
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	<b>243.54</b>	257.06
d. Interest paid to Suppliers under the Act (Other than Section 16)	–	–
e. Interest paid to Suppliers under the Act (Section 16)	<b>20.93</b>	–
f. Interest due and payable to suppliers under the Act, for payments already made	<b>5.45</b>	2.68
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	<b>1.32</b>	16.80

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

	Rs. in Lakhs		
	2012-13	2011-12	2010-11
<b>41 Expenditure incurred on Scientific Research and Development</b>			
a) Revenue Expenditure	<b>805.99</b>	702.66	548.65
b) Capital Expenditure	<b>56.75</b>	86.47	209.98

## 42 Employee Benefits

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

### Brief Description of the plans:

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

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



## Notes on Accounts (Contd.)

Disclosures for the Defined Benefit Plans based on Actuarial Reports as on 31/03/2013 are as under:

Rs. in Lakhs

	Gratuity (funded)		Leave Salary (Partly funded)	
	2012-13	2011-12	2012-13	2011-12
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	1,441.20	1,232.93	359.18	352.75
Current service cost	96.16	84.45	164.22	189.21
Interest cost	115.29	98.72	28.73	28.22
Actuarial loss / (gain)	106.26	169.73	(72.50)	(70.87)
Benefits paid	(107.15)	(144.63)	(101.43)	(140.13)
Closing defined benefit obligation	1,651.76	1,441.20	378.20	359.18
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	1,201.81	1,159.82	51.71	-
Expected return on plan assets	123.67	108.91	16.29	1.57
Actuarial gain / (Loss)	-	-	(4.26)	0.14
Contribution by employer	239.39	77.71	100.00	50.00
Benefits paid	(107.15)	(144.63)	-	-
Closing fair value of plan assets	1,457.72	1,201.81	163.74	51.71
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	1,651.76	1,441.20	378.20	359.18
Fair value of plan assets at year end	1,457.72	1,201.81	163.74	51.71
Amount now recognised as liability	(194.04)	(239.39)	(214.46)	(307.47)
Net (liability) / asset recognised as on 31st March	(194.04)	(239.39)	(214.46)	(307.47)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	96.16	84.45	164.22	189.21
Interest on defined benefit obligation	115.29	98.72	28.73	28.22
Expected return on plan assets	(123.67)	(108.91)	(16.29)	(1.57)
Net actuarial loss / (gain) recognised in the current year	106.26	169.73	(68.24)	(71.01)
Expenses recognised in the Profit & Loss A/c	194.04	243.99	108.42	144.85
<b>Principal actuarial assumptions used</b>				
Discount rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (p.a)	8.00%	8.00%	8.00%	8.00%
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	4.50%	5.00%	4.50%

## Notes on Accounts (Contd.)

		Rs. in Lakhs	
		2012-13	2011-12
<b>43</b>	<b>Borrowing costs in accordance with AS16 issued by ICAI</b>		
	Borrowing costs capitalised during the year relating to new projects	<b>332.52</b>	24.08

## 44 Segment information for the year ended 31st March, 2013 in accordance with AS 17 issued by ICAI

(i) Primary segments:

Automotive components is the only reportable segment of the company

(ii) Revenue by Geographical Segment:

Rs. in Lakhs

	2012-13			2011-12		
	India	Outside India	Total	India	Outside India	Total
External	1,58,150.37	34,299.85	1,92,450.22	1,75,725.35	32,029.04	2,07,754.39
Inter-Segment	-	-	-	-	-	-
<b>Total</b>	<b>1,58,150.37</b>	<b>34,299.85</b>	<b>1,92,450.22</b>	1,75,725.35	32,029.04	2,07,754.39
Carrying amount of segment assets	1,08,028.27	476.99	1,08,505.26	1,07,727.73	438.75	1,08,166.48
Additions to fixed assets	8,411.49	-	8,411.49	4,702.46	-	4,702.46

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.



45 Related Party disclosures in accordance with AS18 issued by ICAI

	Rs. in Lakhs			
	2012-13		2011-12	
<b>Associates:</b>				
T.V.Sundram Iyengar & Sons Ltd.				
Axles India Ltd.				
Titan Europe Plc., UK				
Sundaram Hydraulics Ltd.				
<b>Key Managerial Personnel:</b>				
Mr S Ram				
Mr Srivats Ram				
<b>Nature of transactions</b>				
Purchase of goods				
Axles India Limited	7.35		4.85	
Sundaram Hydraulics Limited	210.35	217.70	61.09	65.94
Sale of goods				
T.V.Sundram Iyengar & Sons Ltd.	2,264.53		2,015.47	
Axles India Limited	1.98		0.11	
Sundaram Hydraulics Limited	972.94	3,239.45	986.42	3,002.00
Rendering of Services				
Axles India Limited	4.25		4.39	
Sundaram Hydraulics Limited	31.25	35.50	74.43	78.82
Receiving of Services				
T.V.Sundram Iyengar & Sons Ltd.	11.76		16.13	
Axles India Limited	50.56		39.22	
Sundaram Hydraulics Limited	134.62	196.94	83.25	138.60
Trade advance settled				
Sundaram Hydraulics Limited		-		90.00
Equity contributions				
Sundaram Hydraulics Limited		-		390.00
Dividend paid during the year				
T.V.Sundram Iyengar & Sons Ltd.	147.33		257.83	
Titan Europe Plc., UK	212.67	360.00	372.17	630.00
		4,049.59		4,395.36
Balance due to us				
T.V.Sundram Iyengar & Sons Ltd.	188.29		324.05	
Sundaram Hydraulics Limited	1,228.65	1,416.94	876.45	1,200.50
Balance due from us				
T.V.Sundram Iyengar & Sons Ltd.	1.96		1.95	
Sundaram Hydraulics Limited	46.70	48.66	44.57	46.52

## Notes on Accounts (Contd.)

Rs. in Lakhs

Key Managerial Personnel	2012-13		2011-12	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
Remuneration, Perquisites and Commission	44.36	142.18	41.14	151.23
Interest on fixed deposits	11.03	40.11	10.11	36.49
Dividend paid during the year	-	0.45	-	0.78
Deposits balance outstanding	109.69	373.35	109.69	367.31
Commission outstanding	-	68.00	-	82.95

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

Operating Lease	2012-13	2011-12
	Total Minimum Lease	Total Minimum Lease
As at Balance Sheet date	297.09	276.81
Not later than 1 year	95.46	87.24
Later than 1 year and not later than 5 years	201.62	189.57
Later than 5 years	-	-
Lease rentals paid during the year	97.23	88.20

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

Computer software & Technical know how	2012-13	2011-12
	Refer to note no.12	
Gross carrying amount at the beginning of the year	1,220.31	938.82
Acquired during the year	158.12	281.49
Gross carrying amount at the end of the year	1,378.43	1,220.31
Gross amortisation at the beginning of the year	775.27	575.73
Amortised during the year	260.02	199.54
Gross amortisation at the end of the year	1,035.29	775.27
Net carrying amount at the beginning of the year	445.04	363.09
Net carrying amount at the end of the year	343.14	445.04



**48 Derivative instruments**

- a. Category-wise quantitative data about derivative instruments that are outstanding at the Balance Sheet date

	<b>As at 31.3.2013</b>	As at 31.3.2012
Option to sell USD/INR at Rs.42.50 or Rs. 42.40 per USD over a period upto July 2012	<b>Nil</b>	USD 9.65 MILLIONS

The purpose for which such derivative instruments were acquired, was to hedge export receivables and interest cash flows.

- b. Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs.136.14 lakhs (Previous year - Rs.560.01 lakhs)

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

**S RAM**  
Chairman

**S VIJI**  
Director

**SRIVATS RAM**  
Managing Director

**T K SESHADRI**  
Director

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

**T S VIJAYARAGHAVAN**  
Director

**S PRASAD**  
Director

**S SRIVATHSAN**  
Secretary

**K SRINIVASAN**

Partner

Membership No.5809

Chennai  
27th May 2013



**Cash Flow Statement in accordance with AS3 issued by ICAI  
Annexed to the Balance Sheet for the year ended 31st March, 2013**

Rs. in Lakhs

	2012-13	2011-12
<b>A Cash Flow from Operating Activities:</b>		
Net Profit before Tax and extraordinary items	4,455.37	5,416.42
Adjustment for:		
Depreciation	5,359.32	5,046.55
(Profit) / Loss on sale of assets (net)	(86.91)	(88.72)
Loss on obsolescence	34.54	2.55
Effect of Exchange Rate Change	(92.31)	542.81
Interest income	(174.44)	(118.04)
Lease Liabilities	115.29	102.46
Finance costs	5,549.40	6,134.95
	<u>10,704.89</u>	<u>11,622.56</u>
Operating profit before working capital changes	15,160.26	17,038.98
Adjustments for:		
Receivables and advances	1,924.42	(4,713.25)
Foreign Currency Monetary Items		
Translation Difference account	(276.42)	(211.84)
Inventories	4,590.87	(3,888.44)
Payables	(5,476.84)	3,892.57
	<u>762.03</u>	<u>(4,920.96)</u>
Cash generated from operations	15,922.29	12,118.02
Taxes paid	(1,134.19)	(1,211.82)
Cash flow before extraordinary items	14,788.10	10,906.20
Net Cash from operating activities (A)	<u>14,788.10</u>	<u>10,906.20</u>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(10,741.33)	(6,135.79)
Purchase of Investments	(31.70)	(340.00)
Sale of Investments	80.00	-
Sale of fixed assets	105.89	124.77
Interest received	174.09	116.21
Net cash used in investing activities (B)	<u>(10,413.05)</u>	<u>(6,234.81)</u>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	9,358.86	4,416.45
Repayment of Long Term Borrowings	(5,009.58)	(4,335.77)
Repayment of Lease liabilities	(115.29)	(102.46)
Proceeds from Short Term Borrowings	-	-
Repayment of Short Term Borrowings	-	(1,985.32)
Increase in working capital	(2,407.70)	4,824.84
Finance costs	(5,467.43)	(6,283.46)
Dividend paid	(592.17)	(1,036.29)
Dividend tax paid	(96.06)	(168.11)
Net cash used in Financing activities (C)	<u>(4,329.37)</u>	<u>(4,670.12)</u>
Net increase in cash and cash equivalents (A+B+C)	45.68	1.27
Cash and cash equivalents at the beginning of the year	121.35	120.08
Cash and cash equivalents at the end of the year	167.03	121.35

**S SRIVATHSAN**  
Secretary

**SRIVATS RAM**  
Managing Director

**S RAM**  
Chairman

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

**K SRINIVASAN**  
Partner

Membership No.5809

Chennai  
27th May 2013



## Annexure to the Directors' Report

### Conservation of Energy

Your Company has always been striving hard in the field of energy conservation. Several measures to conserve energy and to reduce associated costs were taken during the fiscal under review as well.

Energy conservation is being practiced in all plant locations of the Company. Energy saving projects on replacement of inefficient motor with energy efficient motor, use of variable speed drive for motor, optimization of motor capacity, use of energy efficient induction lamp, replacement of inefficient water pump with energy efficient pump, replacement of inefficient chiller with efficient chiller, are being implemented.

Harnessing wind energy is being continued in Tamil Nadu plants. During the year 2012-13, Padi plant's 75% of energy requirement was met through wind energy and 6% from biomass plants. Likewise, 53% of Sriperumbudur plant's energy needs was met through wind energy. Solar thermal heating for pretreatment tanks of paint plant, to reduce consumption of fuel oil, has been installed and is under monitor.

### Technology Absorption

There was a sharper focus on introduction of innovative designs and widening the range of tractor and

construction equipment wheels. During the year under review your Company has successfully developed 272 new wheels to meet customer requirements using in house design facilities and also filed 3 patents on various steel and forged Aluminum wheel designs.

In respect of Air suspension, your Company is developing trailing arm type lift axle system with technology support from Ege Endustri, Turkey, a leading lift axle system and truck suspension system developer and manufacturer in Europe.

### Expenditure on R & D:

	(Rs. in Lakhs)
Capital	56.75
Revenue	805.99
Total as a percentage of turnover	0.45%

### Foreign Exchange Earnings and Outgo:

The Foreign exchange outgo to the Company during the year under review was Rs.12,350 lakhs and the foreign exchange earned was Rs.34,316 lakhs.

On behalf of the Board of Directors

Chennai  
May 27, 2013

**S Ram**  
Chairman

# Report on Corporate Governance

## 1. Report on Corporate Governance

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

## 2. Board of Directors

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

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

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

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

\* Independent Directors

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

### Attendance at Board Meetings and last Annual General Meeting:

During the Financial Year 2012-13, six Board Meetings of the Company were held on 30.4.2012, 30.5.2012, 6.8.2012, 5.11.2012, 14.12.2012 & 5.2.2013 and the last Annual General Meeting was held on 14th August 2012.

Directors	Attendance at Board Meetings	Attendance at Last AGM
Mr S Ram	6	Yes
Mr S Viji	6	Yes
Mr J M A Akers	2*	No
Mr Srivats Ram	6	Yes
Mr T K Seshadri	6	Yes
Mr T S Vijayaraghavan	5	Yes
Mr S Prasad	5	Yes
Mr Aroon Raman	2	Yes

\* Participated through video conferencing for one of the Board Meetings which was held on 14-12-2012.



## Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

Name of the Director	Nature of Transactions	No of Shares held	Amount	Interest
Mr S Viji	Fixed Deposits	–	134.64 *	12.83
Mr T S Vijayaraghavan	Fixed Deposits	–	15.00*	0.105
Mr S Prasad	Dividend	450	0.03	–

\*Balance outstanding as on 31.03.2013.

### 3. Audit Committee

The Company constituted an Audit Committee comprising of Non executive Directors. The terms of reference of the Audit Committee pertains to the areas referred to in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee met 6 times during the year on 25.4.2012, 30.05.2012, 27.7.2012, 6.8.2012, 2.11.2012 & 5.2.2013. The Audit Committee comprises of Mr S Prasad as the Chairman, Mr S Viji, Mr T K Seshadri and Mr Aroon Raman as the other Members. The attendance of each member of the Committee during the year 2012 - 2013 are given below:-

Name	Category	No. Meetings	
		Held	Attended
Mr S Prasad, Chairman	Non Executive and Independent	6	6
Mr S Viji	Non Executive	6	6
Mr T K Seshadri	Non Executive and Independent	6	5
Mr Aroon Raman	Non Executive and Independent	6	3

### 4. Remuneration Committee

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

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

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

The Committee met on 25.03.2013 wherein all the members were present. The Committee approved a salary of Rs. 3,50,000/- per month to Mr Srivats Ram, Managing Director from 1st April, 2013 to 30th April, 2013 and taken on record the approval accorded by the Board of Directors at its meeting held on February 5, 2013 on the re-appointment of Mr Srivats Ram, as Managing Director of the Company for a further period of 5 years effective from 01.05.2013 as well as payment of remuneration as detailed in the notice convening this Annual General Meeting.

The Committee took on record the increase in salary of Mr S Ram, Chairman to Rs. 2,25,000 with effect from 01.04.2013. The Committee also approved payment of commission of 1.50% of the Net Profit to Mr Srivats Ram, Managing Director for the year 2012-13.

Details of the remuneration paid to the Directors during the year 2012-13 are given below: **(Rs. in lakhs)**

Name of Directors	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees
Mr S Ram	38.40	3.08	-	2.88	-
Mr S Viji	-	-	-	-	1.30
Mr J M A Akers	-	-	-	-	0.20
Mr Srivats Ram	62.40	1.25	68.00	10.53	-
Mr T K Seshadri	-	-	-	-	1.30
Mr T S Vijayaraghavan	-	-	-	-	0.65
Mr S Prasad	-	-	-	-	1.40
Mr Aroon Raman	-	-	-	-	0.50

#### 5. Share Transfer and Investor Relations Committee

The Committee consists of three Directors with Mr S Viji as the Chairman, Mr S Ram and Mr S Prasad being the other members. The Committee met on 27.7.2012 and 25.3.2013. The attendance of each member of the Committee during the year 2012 - 2013 are given below

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

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

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

No. of Shareholders complaints received during the year - Nil

No. not solved to the satisfaction of shareholders - Nil

No. of pending complaints - Nil

#### 6. Committee of Independent Directors

Titan international Inc, US acquired Titan Europe Plc., UK which has resulted in an indirect change of control under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST). Hence, Titan Europe Plc., made an Open Offer to the public shareholders of the Company.

In terms of the Regulation 26 (6) of the Takeover regulations, a Committee of Independent Directors consisting of Mr S Prasad, Chairman, Mr T S Vijayaraghavan and Mr TK Seshadri was constituted to provide their reasoned recommendations to the shareholders of Wheels India Limited regarding the open offer made by Titan Europe Plc.,

The Committee met on 29.01.2013 and on 05.02.2013 which was attended by all the Committee members.



## 7. Committee – Capital Issue

The Board at its meeting held on December 14, 2012 constituted a Committee christened as “Committee – Capital Issue” comprising of Mr Srivats Ram, Mr S Prasad and T K Seshadri, with Mr S Prasad as the Chairman of the Committee, for the proposed raising of equity capital by the Company. The Committee met on 19.02.2013, which was attended by all the Committee members.

## 8. Shareholder Information - Details of Annual / Extraordinary General meetings

Year	Date	Location	Time	Special Resolution Passed
2011-12	14-08-2012	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 AM	–
2010-11	10-08-2011	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 AM	–
2009-10	13-08-2010	The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014	11.00 A.M	Re-appointment of Mr S Ram as whole time Director and designated as Executive Chairman.

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

### Postal Ballot

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Postal Ballot Notice dated 14th December, 2012 along with Postal Ballot Form was despatched by the Company to all its shareholders seeking their approval under Section 81(1A) of the Companies Act, 1956 for the issue of equity capital.

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

The last date fixed for receiving the completed postal ballot forms from the shareholders was 30th January, 2013. The Postal Ballots received by the Company from the shareholders were duly scrutinized by the Scrutinizer and the Report dated 4th February, 2013 was submitted by him to the Company.

Based on the said Report of the Scrutinizer, the results of voting by postal ballot declared on February 5, 2013 at 4.35 p.m, at the Corporate office, Padi, Chennai 600050 are as follows:-

Special Resolution for raising of equity capital:

Summary of the Postal Ballot Forms	No. of Postal Ballot forms	No. of Shares	Vote %
Total Postal Ballot Forms Received	543	86,46,913	
Less: Invalid Postal Ballot Forms	19	1,689	
Net Valid Postal Ballot Forms	524	86,45,224	100.00%
Postal Ballot Forms with assent to the Resolution	509	86,41,958	99.96%
Postal Ballot Forms with dissent to the Resolution	15	3,266	0.04%

The Resolution as set out in the Notice dated 14-12-2012 has therefore been approved by the shareholders with requisite majority.

## 9. Disclosures

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

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

The Company complies with all mandatory requirements.

## 10. Disclosure regarding re-appointment of Directors

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

Name of the Director	<b>Mr Srivats Ram</b>
Age	43 years
Qualification	BA (Eco), MBA (Case Western Reserve University, USA)
Expertise in specific functional areas	He has been working in Wheels India for 20 years and is the Managing Director of the Company since May 2008. Mr Srivats Ram has been a member of the Executive Committee of the Automotive Component Manufacturer's Association of India ('ACMA') from 2005. He was the President of ACMA in 2010-11. He has been on the Board of the Automotive Development Council of the Government of India, the Automotive Skill Development Council and several committees of the Planning Commission of the Government of India, as a representative of the automotive component industry.
Directorship in other Companies	<b>Chairman &amp; Managing Director:</b> Sundaram Hydraulics Limited. <b>Director:</b> T V Sundram Iyengar & Sons Limited, Axles India Limited, Maham Holdings Limited, Revathy Holdings Private Limited, Padmalakshmi Holdings Private Limited, Enfluence Technologies Limited.
Chairman/Member in Committees of other companies:	<b>Member in Audit Committee:</b> Sundaram Hydraulics Limited.

Name of the Director	<b>Mr S Prasad</b>
Age	65 years
Qualification	F.C.A
Expertise in specific functional areas	Has ten years' experience in industry as finance professional and thirty years' experience as a practicing CA.
Directorship in other Companies	<b>Director:</b> Sundaram Finance Limited, India Motor Parts & Accessories Limited, Sakthi Auto Motors Limited, Royal Sundaram Alliance Insurance Company Limited, MSE Financial Services Limited.
Chairman/Member in Committees of other companies:	<b>Chairman in Audit Committee:</b> India Motor Parts & Accessories Limited, Sundaram Finance Limited, Royal Sundaram Alliance Insurance Company Limited. <b>Member in Audit Committee:</b> MSE Financial Services Limited. <b>Chairman in Share Transfer and Investor Relations Committee:</b> Sundaram Finance Limited.



Name of the Director	<b>Mr J M A Akers</b>
Age	69 years
Qualification	BSC (Mech. Engg.) Cardiff University, MBA , University of Warwick
Expertise in specific functional areas	Has 45 years of Management experience, 35 years at Director level functional areas and 20 years as Chief Executive in engineering companies, vehicle manufacture and component supply.
Directorship in other Companies	<b>Executive Director:</b> Titan Europe Plc, Titan France S.A.S, Titan ITM Holdings SpA, Titan Italia SpA, Italttractor ITM SpA, Italttractor Operations SpA, Titan Jantsa A.S.
Chairman / Member in Committees of other companies:	<b>Member of Advisory Board:</b> Warwick University Business School.

### 11. Means of Communication

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

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

### 12. Details of Unclaimed Share Certificates

In terms of Clause 5A of the Listing Agreement, the Company had transferred 6,748 equity shares comprised in the Share Certificates, which have remained undelivered into one Folio in the name of Wheels India Limited Unclaimed Suspense Account.

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

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	40 and 6,748 equity shares of Rs.10 each respectively
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	40 and 6,748 equity shares of Rs.10 each respectively

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

### 13. General Shareholder Information

Date of Annual General Meeting	13th August 2013
Time	11.00 AM
Venue	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Chennai – 600 014
Date of Book Closure	1st August 2013 to 13th August 2013 (both days inclusive)
Dividend Payment Date	Will be paid on or before September 12, 2013 – Rs. 8.10 per share (81%)



Approval of financial results for the: Quarter ending June 30, 2013 Quarter ending September 30, 2013 Quarter ending December 31, 2013 Year ending March 31, 2014	2nd week of August 2013 2nd week of November, 2013 2nd week of February 2014 Last week of May, 2014
Listing on Stock Exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Ltd. Further, the Company has been permitted for dealings on Bombay Stock Exchange under "Permitted Securities" Category.
Listing Fees	Payment towards Listing Fee to National Stock Exchange is made as and when it falls due.
ISIN Code in NSDL and CDSL	INE 715A01015
STOCK Code	WHEELS
Registrar and Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002. Phone: 044-28460390; Fax: 044-28460129 E-Mail: investor@cameoindia.com
Share Transfer System	Share Transfers which are received in physical form are processed and the share certificate returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company's Registrar and Share Transfer Agent are entrusted with the work relating to share registry in terms of both physical and electronic mode.
Dematerialisation of shares and liquidity	According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 26.03.2001. M/s Cameo Corporate Services Ltd., are the Registrars of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members. As on 31.03.2013, 97.50% of the equity shares are held in dematerialized form.
Pattern of Shareholding as on March 31, 2013	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2013	Data in statement form – forming part of this Report
Share Performance	NSE Vs Index Graph form - forming part of this Report
Share Price Data – High/Low	NSE – Data in statement form – forming part of this Report



Address for Investors' correspondence:	<p><b>Registrar and Share Transfer Agents:-</b>  Cameo Corporate Services Limited,  "Subramanian Building", No. 1, Club House Road,  Chennai - 600 002, Phone : 044 - 28460390  Fax : 044 – 28460129 E - Mail : investor@cameoindia.com</p> <p><b>Investor Correspondence / Compliance Officer</b>  Mr S Srivathsan, President (Finance) &amp; Secretary  Wheels India Limited, Padi Chennai - 600 050  Phone: 044 - 26258511 Extn: 2003, Fax:044–26257121  E-Mail: investorservices@wheelsindia.com</p>
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## 12. Plant locations

Padi, Chennai – 600 050, Tamil Nadu	Plot No.11-18, Sector 7, HSIDC Growth Center, Bawal, Rewari District – 123 501, Haryana	Plot No D-3, Deoli Growth Centre, Deoli MIDC, Taluka Deoli, Wardha District-442 101, Maharashtra
22KM Rampur – Tanda Road, Rampur–244 925, Uttar Pradesh	Sriperumbudur, Kancheepuram, District – 602 105 Tamil Nadu	B-54, SIPCOT Industrial Park, Irungattukottai, Sriperumbudur, Kanchipuram District - 602 105, Tamilnadu
Plot No. C - 1, Ranjangaon Growth Centre, Karegaon Village, Shirur Taluk, Pune District - 412 220 Maharashtra	Plot No.56, Sector 11, Integrated Industrial Estate Pantnagar, Udham Singh Nagar -263 153, Uttarakhand	DP No 70 (P), Survey No 214 (P), SIDCO Industrial Estate, Thirumudivakkam, Sriperumbudur Taluk, Kanchipuram District Chennai 600 044

## 15. Auditor's Certificate on Corporate Governance

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

## 16. Shareholding Pattern

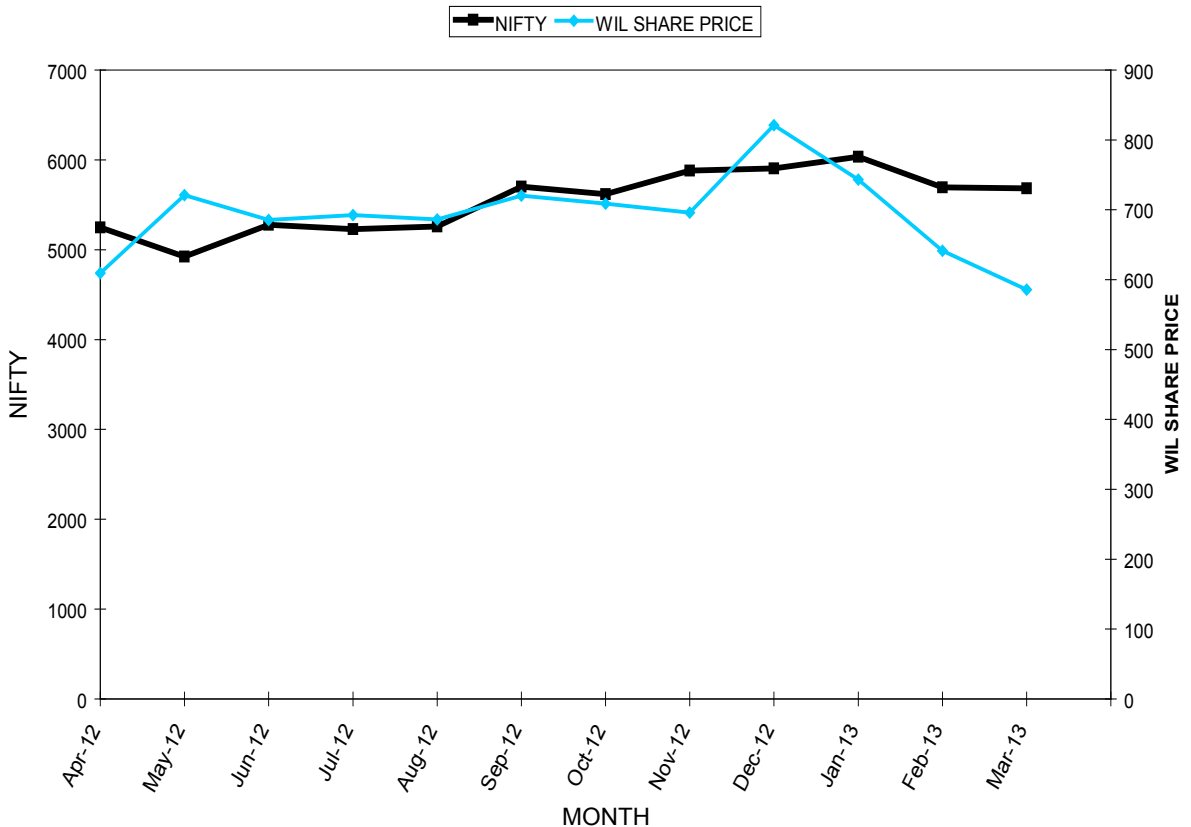
Categories of Shareholders	No. of shares Held	Percentage
Promoters	84,50,039	85.62
Directors/ Relatives	9,889	0.10
Insurance Companies	55,039	0.56
Corporate Bodies	95,652	0.97
Public	12,26,875	12.43
Non-Resident Indians	13,092	0.13
Hindu Undivided Families	15,916	0.16
Clearing Member	2,822	0.03
Bank	120	0.00
<b>TOTAL</b>	<b>98,69,444</b>	<b>100.00</b>

**17. Distribution pattern:**

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to 500	4,658	94.71	3,78,365	3.83
501 – 1000	140	2.86	1,10,178	1.12
1001 – 2000	74	1.50	1,06,075	1.07
2001 – 3000	21	0.43	50,127	0.51
3001 – 4000	4	0.08	13,224	0.13
4001 – 5000	5	0.10	22,798	0.23
5001 – 10000	7	0.14	48,414	0.49
10001 and above	9	0.18	91,40,263	92.62
<b>Total</b>		<b>100.00</b>	<b>98,69,444</b>	<b>100.00</b>

**18. Performance in Comparison to broad based indices:**

**PERFORMANCE IN COMPARISON TO BROAD BASED INDICES**





## 19. Market price data

FY 2012-13	Quotation at NSE	
	HIGH	LOW
Apr-12	724.50	572.25
May-12	809.10	491.55
Jun-12	777.00	656.95
Jul-12	747.70	665.00
Aug-12	814.80	653.15
Sep-12	764.95	665.00
Oct-12	786.00	687.90
Nov-12	778.10	671.00
Dec-12	968.00	691.25
Jan-13	845.90	680.65
Feb-13	772.50	625.00
Mar-13	795.80	580.00

On behalf of the Board of Directors

Chennai  
May 27, 2013

**S Ram**  
Chairman

## Code of Conduct Certification

The Board of Wheels India Limited laid down a code of conduct for all Board members and Senior Management. The Code of Conduct has been posted in the Company's website [www.wheelsindia.com](http://www.wheelsindia.com). All the Board members and the Senior Management affirmed compliance to the code for the year 2012-13.

Place: Chennai

**Srivats Ram**

Date: May 20, 2013

Managing Director

## Auditors' Certificate on Corporate Governance

### To the Members of WHEELS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Wheels India Limited, for the year ended on 31.3.2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock exchange. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For **SUNDARAM & SRINIVASAN**

Chartered Accountants  
(Registration No: 004207S)

**K. Srinivasan**

May 27, 2013  
Chennai

Partner  
Membership No.5809

## Financial Summary - Last Ten Years

Rs. in Lakhs

	31.3.13	31.3.12	31.3.11	31.3.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
<b>Operating Results</b>										
Operating revenue (including other income)	1,92,734	2,07,983	1,70,336	1,25,300	1,16,601	1,14,781	1,01,562	86,708	79,088	53,082
Earnings Profit before Interest Depreciation and Tax	15,364	17,493	13,228	9,116	10,997	10,170	8,593	7,826	7,378	5,711
Depreciation	5,359	5,047	4,608	3,316	3,379	3,127	2,672	2,316	2,085	1,740
Earnings before Finance costs and Tax	10,005	12,446	8,620	5,800	7,618	7,043	5,921	5,510	5,293	3,971
Finance costs*	5,550	7,030	5,362	3,777	4,676	3,069	2,052	1,743	1,014	643
Profit before tax	4,455	5,416	3,258	2,023	2,942	3,974	3,869	3,767	4,279	3,328
<b>Financial Position</b>										
Equity Share capital	987	987	987	987	987	987	987	987	987	987
Reserves and Surplus	24,898	23,056	20,768	19,050	18,272	16,781	15,003	13,132	11,226	9,198
Shareholders' equity	25,885	24,043	21,755	20,037	19,259	17,768	15,990	14,119	12,213	10,185
Borrowings	41,957	38,768	32,975	37,402	38,195	28,736	23,993	20,971	24,076	14,146
Gross block**	92,293	81,668	75,947	71,064	65,540	55,185	44,644	38,878	32,575	26,702
Net block**	49,330	44,001	42,951	42,623	40,237	33,113	25,444	22,260	18,102	14,227
Dividend - Amount	799.43	986.95	641.51	444.12	542.82	690.86	641.51	641.51	740.21	542.82
<b>Per equity Share (Rs.)</b>										
Dividend	8.10	10.00	6.50	4.50	5.50	7.00	6.50	6.50	7.50	5.50
Book Value Per Share	262.27	243.61	220.43	203.02	195.14	180.03	162.02	143.05	123.75	103.20
Earning Per Share	32.30	34.80	24.96	13.12	21.43	26.20	26.37	26.72	29.03	21.82

\* As per revised Schedule VI from 31.3.11

\*\* Includes Capital Work-in-Progress