

**WHEELS INDIA LIMITED**



**59<sup>th</sup> ANNUAL REPORT 2017-2018**



# WHEELS INDIA LIMITED

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

Website Address : [www.wheelsindia.com](http://www.wheelsindia.com)

CIN : L35921TN1960PLC004175

## 59<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
- SRIPERUMBUDUR 602 105  
KANCHIPURAM DISTRICT, TAMIL NADU
- PLOT NO. 56, SECTOR 11  
INTEGRATED INDUSTRIAL ESTATE,  
PANTNAGAR 263 153, UDHAM SINGH NAGAR  
UTTARAKHAND
- PLOT NO. D 3, DEOLI GROWTH CENTRE  
DEOLI MIDC, TALUKA DEOLI 442 101,  
WARDHA DISTRICT, MAHARASHTRA
- DP NO 70 (P), SURVEY NO 214 (P), SIDCO  
INDUSTRIAL ESTATE, THIRUMUDIVAKKAM,  
SRIPERUMBUDUR TALUK, KANCHEEPURAM,  
CHENNAI 600044, TAMIL NADU
- F8 & F9 SIPCOT INDUSTRIAL PARK,  
IRUNGATTUKOTTAI, SRIPERUMBUDUR  
KANCHEEPURAM DIST, TAMIL NADU 602105,
- SURVEY NO 152/3, SRIPERUMBUDUR  
THIRUVALLUR ROAD, THODUKADU VILLAGE & POST  
THIRUVALLUR TALUK & DISTRICT - 602 105

### BANKERS

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

### AUDITORS

- M/S. BRAHMAYYA & Co.  
CHARTERED ACCOUNTANTS  
CHENNAI

### STOCK EXCHANGE LISTING

- NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
MUMBAI

### BOARD OF DIRECTORS

S RAM	Chairman
S VIJI	
SRIVATS RAM	Managing Director
S PRASAD	
T S VIJAYARAGHAVAN	
AROON RAMAN	
B SANTHANAM	
PAUL G REITZ	
C M B AKERS	
BHARATI RAO	

### AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
T S VIJAYARAGHAVAN	
AROON RAMAN	

### STAKEHOLDERS RELATIONSHIP COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

### NOMINATION & REMUNERATION COMMITTEE

S PRASAD	Chairman
AROON RAMAN	
T S VIJAYARAGHAVAN	

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

SRIVATS RAM	Chairman
S VIJI	
S PRASAD	
AROON RAMAN	

### CHIEF FINANCIAL OFFICER & SECRETARY

S SRIVATHSAN (UPTO 10-4-2017)

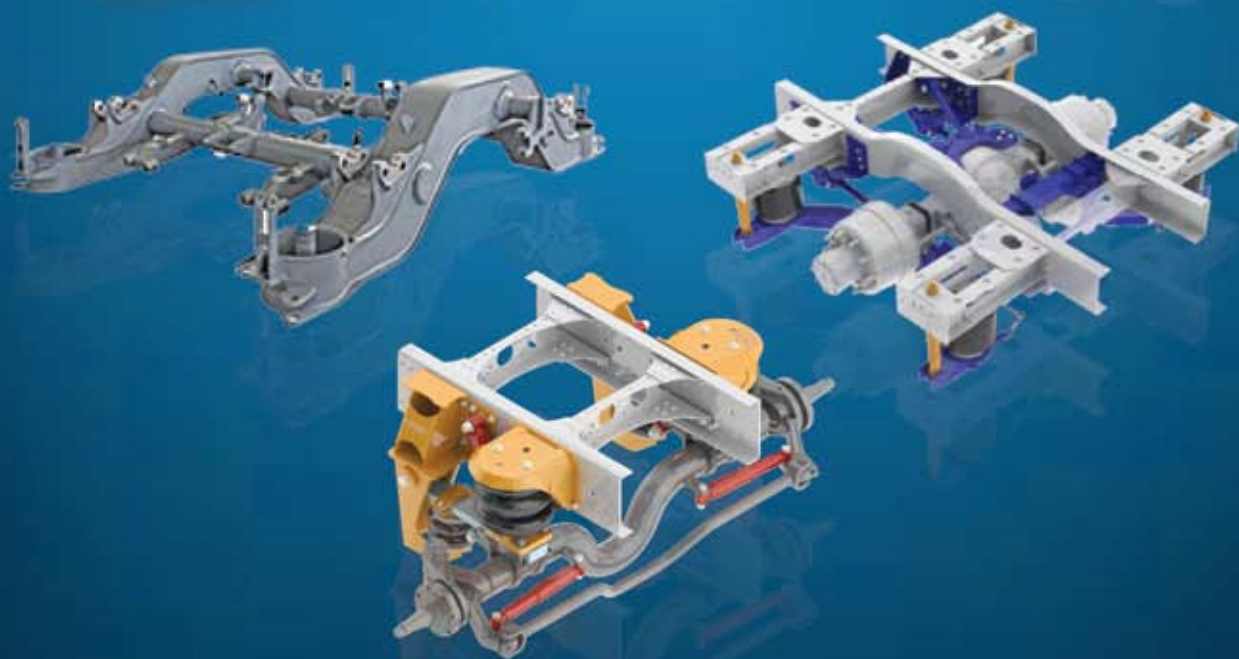
### CHIEF FINANCIAL OFFICER

R RAGHUNATHAN (FROM 11-4-2017)

### COMPANY SECRETARY

S BALASUNDHARAM (UPTO 04-11-2017)  
K V LAKSHMI (FROM 06-11-2017)





CONTENTS	PAGE
Financial Summary	5
Notice to the Shareholders	6
Directors' Report	13
Form AOC 1	21
Details of Deposit, Board Evaluation, Nomination and Remuneration Policy	22
Annual Report on CSR Activities	25
Disclosure on Remuneration	27
Report on Corporate Governance	28
Secretarial Audit Report	39
Extract of Annual Return	41
Conservation of Energy, Tech. Absorption	50
Business Responsibility Report	51
Independent Auditors' Report on the Financial Statements	58
Balance Sheet	66
Profit & Loss Statement	67
Statement of changes in Equity	68
Notes on Accounts	69
Cash Flow Statement	101
<b>Consolidated Financial Statements</b>	
Independent Auditors' Report	104
Balance Sheet	108
Statement of Profit and Loss	109
Statement of Changes in Equity	110
Notes on Accounts	111
Cash Flow Statement	139



## Financial Summary - Last Ten Years

Rs. in Crores

	31.03.18**	31.03.17**	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Operating Results</b>										
Total Revenue (Net off Excise duty)	<b>2469.51</b>	2,176.06	1,989.10	1,982.54	1,825.16	1,927.34	2,079.83	1,703.36	1,253.00	1,166.01
Earnings before Interest Depreciation and Tax	<b>200.55</b>	188.91	174.36	152.75	149.55	153.64	165.98	132.28	91.16	109.97
Depreciation	<b>67.05</b>	63.92	60.45	54.14	55.34	53.59	50.47	46.08	33.16	33.79
Earnings before Finance costs and Tax	<b>133.50</b>	124.99	113.91	98.61	94.21	100.05	115.51	86.20	58.00	76.18
Finance costs*	<b>44.54</b>	48.16	57.58	59.07	55.35	55.50	61.35	53.62	37.77	46.76
Profit before tax before exceptional item	<b>88.96</b>	76.83	56.33	39.54	38.86	44.55	54.16	32.58	20.23	29.42
Exceptional item	<b>12.49</b>	–	–	–	–	–	–	–	–	–
Profit before tax	<b>101.45</b>	76.83	56.33	39.54	38.86	44.55	54.16	32.58	20.23	29.42
<b>Financial Position</b>										
Equity Share capital	<b>12.03</b>	12.03	12.03	12.03	12.03	9.87	9.87	9.87	9.87	9.87
Reserves and Surplus	<b>503.32</b>	449.69	396.13	369.03	351.55	248.98	230.56	207.68	190.50	182.72
Shareholders' equity	<b>515.35</b>	461.72	408.16	381.06	363.58	258.85	240.43	217.55	200.37	192.59
Borrowings	<b>358.57</b>	369.07	386.13	389.23	331.66	419.57	387.68	329.75	374.02	381.95
Gross block***	<b>1144.67</b>	1,186.12	1,123.22	1,054.67	989.07	922.93	816.68	759.47	710.64	655.40
Net block***	<b>527.11</b>	548.27	535.15	522.04	512.89	493.30	440.01	429.51	426.23	402.37
Amount of Dividend for the year	<b>18.05</b>	15.64	10.83	9.03	9.01	7.99	9.87	6.41	4.44	5.43
<b>Per Equity Share (Rs.)</b>										
Dividend	<b>15.00</b>	13.00	9.00	7.50	8.20	8.10	10.00	6.50	4.50	5.50
Book Value Per Share	<b>428.31</b>	383.73	339.22	316.70	302.17	262.27	243.61	220.43	203.02	195.14
Earning Per Share	<b>59.65</b>	48.51	33.24	24.72	27.06	30.61	34.80	24.96	13.12	21.43

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

\*\* As per new accounting standards (Ind AS) applicable from the year ended 31.03.2017

\*\*\* Includes Capital Work-in-Progress

## Notice to the Shareholders

NOTICE is hereby given that the Fifty Ninth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, August 14, 2018, at 11 A.M. at "The Music Academy", 168 (Old No.306), T T K Road, Chennai 600014, to transact the following business:

### ORDINARY BUSINESS:

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

**"RESOLVED THAT** the Audited Financial Statements, including the Consolidated Financial Statements, of the Company for the financial year ended 31st March, 2018 and the Board's and Auditors' reports thereon, be and are hereby approved and adopted."

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

**"RESOLVED THAT** an Interim Dividend of Rs.6/- (60%) per equity share of Rs.10/- each, already paid on the paid-up capital of the Company amounting to Rs.7,21,93,674/- be and is hereby confirmed and recorded.

**RESOLVED FURTHER THAT**, as recommended by the Board, a Final dividend of Rs.9/- per share (90%) on the paid-up capital consisting of 1,20,32,279 equity shares, absorbing Rs.10,82,90,511/- (Rupees Ten crores eighty two lakhs ninety thousand five hundred and eleven only), be approved and the same is hereby declared payable for the year ended 31st March, 2018 as Final Dividend."

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

**"RESOLVED THAT** Mr Paul G Reitz (DIN07159137), a Director retiring by rotation, being eligible for re-election, be and is hereby re-elected as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 7,00,000/- (Rupees Seven Lakhs only) per annum (excluding taxes, as applicable and travel and reimbursement of out-of-pocket expenses), payable to the Cost Auditors, M/s. Geeyes and Co, Cost and Management Accountants, (firm Registration Number 000044) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2019, be and is hereby ratified.

**RESOLVED FURTHER THAT** each of the Directors and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid Resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Rules made thereunder read with Schedule V thereof, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the recommendations and / or approvals of the Nomination & Remuneration Committee and the Board of Directors of the Company, the members hereby accord their approval and consent to the re-appointment of Mr. Srivats Ram as Managing Director, for a period of 5 years with effect from 1.5.2018 and for the payment of remuneration to him for his services as Managing Director, as set out in the Explanatory Statement annexed to the Notice."



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

**“RESOLVED THAT** pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the members hereby accord their approval for the continuation of the Directorship of Mr. S Ram, Chairman and Non-executive Director with effect

from April 1, 2019, till the date he retires by rotation in terms of Section 152 of the Companies Act, 2013.”

Regd. Office:  
21, Patullos Road  
Chennai - 600 002  
Date: 22.6.2018

By Order of the Board

**K.V. Lakshmi**  
Company Secretary

## NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the Proxy need not be a member of the Company. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution (together with the respective specimen signature), pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 10.8.2018 to 14.8.2018 (both days inclusive) for payment of final dividend on equity shares.
5. Final Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid to those members whose name(s) appear in the Register of Members of the Company as on 9.8.2018. In respect of shares held in Electronic

form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.

6. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Company or Registrar & Transfer Agents, M/s. Cameo Corporate Services Limited “Subramanian Building”, 1 Club House Road, Chennai – 600002.
7. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, as amended, dividend declared for the financial year ended 2010-11 from the date of declaration of dividend and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the above financial year or any subsequent financial year are requested to make their claim to the Share Department of the Company at Padi, Chennai - 600 050. All shareholders are requested to claim the dividend.
8. Pursuant to the applicable provisions of the Companies Act, 2013 and IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years are required to be transferred to the demat account of the IEPF authority.



9. Members who have not encashed their dividend warrant(s) for any one or more of the financial year ended on 31st March, 2011 are requested to immediately make their claims to the Company or its RTA for the same. The due dates for transfer of the aforesaid unpaid/unclaimed dividend to IEPF is October 13, 2018.

10. Pursuant to the aforesaid provisions, during the year under review, the Company also transferred 13363 and 1143 shares pertaining to the Financial Year 2008-09 and 2009-10 respectively to the Demat Account of the IEPF Authority maintained with NSDL, in respect of which dividend had remained unpaid/unclaimed for a consecutive period of seven years.

In compliance with the aforesaid provisions of the IEPF Rules, the Company had submitted the corporate action information form of NSDL to its Registrar and Transfer Agents for transfer/transmission of the aforesaid shares of the Company to the Demat Account of the IEPF Authority, which were subsequently transferred to the Demat Account of the IEPF Authority on execution of the corporate action by the RTA.

11. Members are informed that once the unpaid/unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for verification of the claim.

12. The IEPF Rules and the application form (Form IEPF-5), as prescribed by the MCA for claiming back of the shares/ dividend, are available on the website of the Company [www.wheelindia.com](http://www.wheelindia.com) as well as website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

13. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, remote e-voting facility have been provided to the members. The facility for voting either through electronic voting

system or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members intending to vote at the venue are requested to bring their photo identity card. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 09.08.2018, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

14. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by remote e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders.

15. The Board of Directors has appointed M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period: The e-voting period would commence on Saturday, 11.8.2018, 9:00 A.M (IST) and ends on Monday, 13.8.2018, 5:00 P.M (IST).

16. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting in presence of atleast two witnesses not in employment of the Company. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of remote

e-voting and voting at the Meeting venue shall be declared by the Chairman or a person authorized by him in writing. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.wheelsindia.com](http://www.wheelsindia.com)) and also be displayed on the website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) immediately after the results are declared and simultaneously communicated to the Stock Exchanges.

17. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 9, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
19. The route map for the venue of the AGM, procedure and instructions for e-voting is furnished in this notice as a separate annexure. The scrutinizer will submit his report to the Company after completion of the scrutiny and the result of the e-voting will be

announced by the Company on its website – [www.wheelsindia.com](http://www.wheelsindia.com) within 48 hours from the conclusion of the Annual General meeting.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN and Bank mandate to the Company/RTA.
21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act read with Rules made thereunder will be available for inspection by the Members at the Meeting.
22. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository with effect from December 5 2018. In view of this, we urge the shareholders holding shares in physical form to opt for dematerialization.

## Annexure to the Notice

### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### SPECIAL BUSINESS

##### Item No 4

The Board, on the recommendations of the Audit Committee, has approved the appointment of the Cost Auditors, M/s. Geeyes & Co, Cost and Management Accountants, at a remuneration of Rs. 7,00,000/- (Rupees Seven lakhs only) per annum plus travel and reimbursement of out of pocket expenses, at actuals, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to

the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing the resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019. The Board recommends the resolution set forth in the Notice for the approval of the Members.

The resolution as set out under Item No. 4 of the Notice is accordingly submitted to the members for consideration.

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

**Item No 5**

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors (the “Board”), subject to approval of the members of the Company, re-appointed Mr. Srivats Ram as Managing Director for a period of 5 years with effect from 1.5.2018. The terms of remuneration payable to Mr. Srivats Ram are detailed hereunder:

SALARY	Rs. 7,50,000/- (Rupees Seven lakhs fifty thousand) per month in the scale of Rs. 7,50,000/- Rs.15,00,000/-). Annual increase will be effective 1st April every year and the quantum of increase will be decided by the Nomination and Remuneration Committee.
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, 2013. The quantum may be decided by the Nomination and Remuneration Committee.
<b>PERQUISITES &amp; AMENITIES</b>	
Housing, Utilities and Furnishings	<p>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.</p> <p>a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962.</p> <p>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;</p>
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.
Insurance	Personal Accident Insurance in accordance with the rules of the Company.
Leave Travel Concession	Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
Provident Fund/ Gratuity etc.	Payment of company's contribution 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.
Club Fees	Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.
Car	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.)
Telephone	Provision of telephone(s) including mobile phones at the expense of the company.



Minimum Remuneration	Wherein 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 V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.
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The resolution as set out under Item No. 5 of the Notice is accordingly submitted to the members for consideration.

Additional disclosures as required under the Act, Secretarial Standard 2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided as an Annexure to this Notice.

Except Mr. S Ram and Mr. Srivats Ram, none of the other Directors/Key Managerial Personnel of the Company/ their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution.

#### Item No 6

SEBI on 9th May, 2018 has implemented the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and disclosure Requirements) (Amendment) Regulations, 2018 "No listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person, it is hereby

proposed to obtain the shareholder's approval by way of Special Resolution for the continuation of directorship of Mr. S Ram, Chairman and Non-Executive Director with effect from 1.4.2019 till the date he retires by rotation in terms of Section 152 of the Companies Act, 2013.

Mr. S. Ram (78 years) is a Mechanical Engineer from College of Engineering, Guindy, Chennai and holds a Master's degree in Production Engineering from Birmingham University, UK and has more than five decades of experience in this industry. He has been on the Board of the Company since May 28, 1974. Hence his association with Company is favorable and necessary for the Company for its continual growth.

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

Except Mr. S Ram, Mr. S Viji, and Mr. Srivats Ram, none of the other Directors/Key Managerial Personnel of the Company/their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution.

Regd. Office:  
21, Patullos Road  
Chennai - 600 002  
Date: 22.6.2018

By Order of the Board  
  
**K.V. Lakshmi**  
Company Secretary

**As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2 as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:**

Name	Mr. Srivats Ram	Mr Paul G Reitz
DIN	00063415	07159137
Date of Birth	20/02/1970	10/07/1972
Age	48	46
Profile	Mr. Srivats Ram, holds a Bachelor's degree in Economics from the University of Madras and Master's degree in Business Administration from Case Western Reserve University, USA. He has more than 25 years' of experience in the industry	Mr. Paul Reitz is a Certified Public Accountant with a Master's degree in Business Administration from the University of Iowa. Mr Reitz joined Titan International in July 2010 as Chief Financial Officer and was promoted to President in February 2014. Prior to joining Titan, he was the Chief Accounting Officer for Carmike Cinemas, a NASDAQ publicly traded company based in Columbus, GA. He was controller for McLeod USA Publishing, a NASDAQ traded company, and Yellow Book USA Inc., a subsidiary of the Yell Group PLC, a global publisher with multi-billion dollar sales that is publicly traded on the London Stock Exchange prior to joining Carmike.
Qualification		
Experience and Expertise in specific functional area		
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.	Refer Item no. 5 of the Notice & Explanatory Statement.	Mr. Paul Retz being retiring Director, being eligible to offer himself for re-appointment.
Remuneration last drawn by such person, if applicable	Rs. 304.06 lakhs	Entitled to get sitting fees only.
Date of first appointment on the Board	October 1, 2000	April 23, 2015
Membership/Chairmanship of Committees of the Board of Directors of the Company	Refer Corporate Governance Report	Refer Corporate Governance Report
Other Directorships and Membership/ Chairmanship of Committees of other Boards	WIL Car Wheels Ltd. Axles India Ltd. Maham Holdings Ltd. Sundaram Hydraulics Ltd. Enfluence Technologies Ltd. T V Sundram Iyengar & Sons Pvt Ltd. Padmalakshmi Holdings Pvt Ltd. Revathi Holdings Pvt. Ltd.	Nil
Number of shares held in the Company	26536 Shares	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. S Ram (Father)	None
Number of Meetings of the Board attended during the year	Refer Corporate Governance Report	Refer Corporate Governance Report



## Directors' Report to the Shareholders

Your Directors present their Fifty Ninth Annual Report and the Audited Accounts of your Company for the year ended March 31, 2018.

### Performance

Sales (net of Indirect taxes) for the year were Rs. 2,443.17 crores compared to Rs. 2,160.38 crores in the previous year showing an increase of 13.08%.

### Financial Results

The Ministry of Corporate Affairs vide its notification dated 16.2.2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the Company adopted IndAS with effect from 01.04.2017. The Company's financial results for the previous year ended 31.03.2017 had also been recast in accordance with IndAS.

The standalone financial results of your Company are as below:

	(Rs in Crores)	
	2017-18	2016-17
Gross Profit before finance cost and depreciation	<b>200.55</b>	188.91
Finance cost	<b>44.54</b>	48.16
Depreciation	<b>67.05</b>	63.92
Add: Exceptional Item	<b>12.49</b>	-
Profit before tax	<b>101.45</b>	76.83
Profit after tax	<b>71.77</b>	58.37
Total Comprehensive Income	<b>73.91</b>	57.79
Transfer to General Reserves	<b>30.00</b>	25.00

### Dividend and transfer to General Reserve

The Board approved and paid an Interim Dividend of Rs 6/- per equity share (60%) in February 2018.

Your Directors are pleased to recommend a final dividend of Rs.9/- per equity share (90%) for the year ended 31st March, 2018. The final dividend recommended, subject to approval at the 59th Annual

General Meeting, will be paid to all the shareholders as on 09.08.2018. The total dividend payout for the financial year is Rs.18.05 crores on which dividend distribution tax aggregates to Rs. 3.70 crores. The Board has adopted a Dividend Distribution Policy which is available at the Company's website [www.wheelsindia.com](http://www.wheelsindia.com)

The Company proposes to transfer an amount of Rs. 30 crores to the General Reserves. An amount of Rs. 65.02 crores is proposed to be as Retained Earnings.

### Issue of Bonus Shares

On June 22, 2018, the Board recommended a proposal for issue of Bonus Equity Shares in the proportion of 1:1., that is 1 (one) bonus equity share of Rs. 10/- each for every (1) one fully paid-up equity share held as on the record date, subject to approval of the shareholders of the Company through postal ballot.

### Management Discussion and Analysis

The last year saw an improved growth in global GDP from 3.2% in the previous year to 3.8% last year. The growth was across geographies. In India, GDP slowed down by 0.5% to 6.7%, as government reform with the introduction of GST temporarily affected economic activity. The growth momentum in the global economy is likely to continue in the coming year and India is expected to see GDP grow at 7.4%. The political rhetoric from leading trading countries towards protectionism is introducing some uncertainty. There was commodity inflation in steel, aluminium and oil towards the second half of the year.

It was a tumultuous year for the commercial vehicle industry in India, with negative growth in the first quarter following the introduction of BS IV engines. This, however, changed towards the second half with stricter implementation of overloading restriction resulting in very strong growth in the second half of the year, so much so that despite a slow start to the year, the growth in the truck market was 9% for the year. The second half of the year also saw the multi-axle market change its preference from the 31T to 37T increasing



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the number of wheels per vehicle. Your company saw high capacity utilization of its truck wheel plants in the second half of the year, although we did struggle meeting the demand in the fourth quarter.

The latter part of the year also saw a resurgence of demand for light commercial vehicles post-GST implementation, with increasing possibilities for hub and spoke logistics. There was also a strong demand for small trucks after successive years of declining volumes. It is expected that the growth momentum in the commercial vehicle industry could continue up to 2020 when BS VI engines are introduced. The higher cost of these new engines could dampen demand post their introduction but could trigger a “pre-buy” in the period building up to 2020.

The last financial year saw a normal monsoon and strong demand for agricultural tractors. At the same time, there was distress amongst farmers due to lower realizations. The government introduced a number of schemes to boost the agricultural sector and several states announced loan waivers for farmers. There was a strong growth in the rural sector especially in the second half of the year boosting demand for utility vehicles.

In September last year, your Company hived off its passenger car wheel business servicing multi-national car companies into a separate subsidiary. Subsequently, Topy Industries, a leading Japanese wheel manufacturer and our technical partner, invested in a 26% stake in the subsidiary. Your Company holds a 74% stake in the new company, WIL Car Wheels Ltd. (WCWL). It is expected that the Japanese partner will leverage its relationship with global car companies and its technology to help grow our car wheel business in India and open export opportunities for WCWL. In the last financial year, there was growth in the passenger car business driven largely by growth of the market leader.

There is a strong growth in the construction and mining equipment industry from the second half of the last financial year. This cyclical upturn came 6 years

after the last peak, driven largely by strong global GDP and equipment replacement cycles. In India, we saw a similar trend with road and infrastructure development gaining pace in the second part of the last year. The higher level of commodity inflation and replacement demand has also resulted in growth of mining equipment. Your company supplies wheels to the construction and mining equipment industry in India and globally and will benefit from this growth trend.

Your Company's air suspension division saw reasonable growth last year, on the back of demand for lift axle suspension as the market shifted to higher tonnage vehicles. The demand from state transport undertakings was muted.

Your Company is a major supplier of fabricated and machined parts for the windmill industry in India. The wind energy equipment manufacturers in India had a very poor year last year. The introduction of the government mega auction process for wind power resulted in lower prices requiring a sudden re-alignment of commercials at the windmill manufacturers. This caused a disruption at our windmill customers affecting our windmill component business. Your company started working on export of windmill parts to global companies, that should yield results towards the latter part of the coming year.

Your Company started supplying bogie frame and bolster to the Integral Coach Factory of the Indian Railways in the latter part of the last financial year. The components we supply are towards the manufacture of LBH coaches that will enhance railway passenger safety in the country.

In the last financial year, we saw large fluctuation in volumes in our commercial vehicle wheel business and our windmill component business. The sudden changes in schedule resulted in underutilization of capacities in one part of the year and shortage of capacity in the latter part of the year. The demand fluctuations resulted in sub-optimal running of our plants in these segments. This along with increased

inflationary trends related to steel, aluminium, oil and labour in the latter part of the year affected our profitability. Your company, however, did benefit by way of a profit on slump sale of its passenger car wheel business to its subsidiary.

The Indian steel industry is going through a consolidation phase, with financially distressed assets being taken over by profitable steel manufacturers. This is happening at a time when international steel prices have rallied significantly over the last year. The coming year sees a continuation of commodity inflation in line with the global economy. The oil prices have been rising and are expected to remain high in the coming year, potentially affecting our energy and fuel cost, but could also result in volatility of the Indian Rupee with inflationary consequences. We are also seeing wage inflation in line with government related minimum wage increases. While all these inflationary factors will put a strain on our profitability, we also see signs of growth in all major segments of our business in the year ahead.

While we ramp up our capacities to meet the increased customer call for our product, we will also need to ensure tighter cost control measures to counter the high inflation. Your company continues to strive to promote safety practices across its plants, while promoting robust quality reviews across its business'. Your Company has received awards for its performance from customers such as Caterpillar, General Motors, Komatsu, Mahindra & Mahindra, Tata Motors and Volvo Eicher Commercial Vehicles.

In the coming year, we see the trend of cyclical upswing continuing in the commercial vehicle, construction and mining equipment segments of our business.

There is a national election in 2019 and building up to this, there are likely to be pro-agriculture policies followed by the government. In light of this, and the expected normal monsoons, we expect a reasonable growth in the coming year for agricultural tractors. In light of rural prosperity, we expect the market for utility vehicles to continue to do well.

We expect the lift axle suspension business to continue to grow in the coming year, in line with the trend of higher tonnage multi-axle vehicles in the truck industry. There is reasonable demand for air suspension for buses expected as fleet replacement takes place ahead of the 2019 elections.

In the coming year, the government has increased the amount of wind power to be auctioned significantly and we expect more active participation of our windmill manufacturer customers. In addition, we propose to grow exports to windmill equipment manufacturers in the coming year. We will see a full year of railway component business in the year ahead and will increase the range of components we supply to the Indian Railways.

There is strong demand for our products across segments in both the domestic and export markets. The challenge for us is to ramp up in a timely manner to meet these challenges and to control costs effectively at a period of high industrial inflation.

### **Subsidiary Company**

WIL Car Wheels Limited (WCWL) was incorporated on June 7, 2017. Your Company holds 74% stake in WCWL with Topy Industries Limited, Japan holding 26% stake.

WIL Car Wheels Limited reported a gross revenue of Rs. 179.42 crores and profit before tax of Rs. 2.34 crores. There are no comparable figures for the previous year as this Company was incorporated during the year under review.

### **Associate Company**

Axles India Limited, an Associate Company has achieved a turnover of Rs. 486.09 crores and profit before tax of Rs 35.25 crores for the financial year 2017-18 as against the turnover of Rs 455.28 crores and profit before tax of Rs 22.80 crores for the financial year 2016-17.



Your Company's share of profit is Rs.3.35 crores (unaudited) for the financial year 2017-18 as against Rs. 2.17 crores for the financial year 2016-17.

### Consolidated Financial Statements

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

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

A statement containing the salient features of the financial statements of the Subsidiary Company / Associate Company is provided in Form AOC1. Refer **Annexure I** of this report.

The consolidated profit after tax for the year is Rs. 75.49 crores and the consolidated networth is Rs. 586.62 crores as on 31.03.2018.

### Fixed Deposits

As at 31st March, 2018, fixed deposits accepted by the Company from public and shareholders aggregated to Rs. 142.79 crores, which are within the limits prescribed under the 2013 Act and the rules framed thereunder.

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

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

### Board Evaluation

Pursuant to the provisions of Section 134 (3)(p), Section 149(8) and Schedule IV of 2013 Act, SEBI (Listing Obligations & Disclosure Requirements Regulations) 2015 (SEBI LODR), Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board have been carried out.

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

### Particulars of Loans, Guarantees or Investments

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

### Directors

Under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a special resolution is to be passed for the continuation of the directorship of Mr. S Ram, Chairman as Non-executive Director with effect from 1st April 2019 till the date he retires by rotation. Necessary resolution to this effect, is included in the Notice convening the 59th Annual General Meeting.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee reappointed Mr. Srivats Ram as Managing director for a period of five years commencing from 01.05.2018.

Under Article 94(3) of the Company, Mr. Paul G Reitz (DIN 07159137) retires by rotation and being eligible, offers himself for re-election. Brief resume of the Director proposed to be appointed along with additional information pursuant to SEBI LODR is given in the Corporate Governance Report.

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

### Key Managerial Personnel

The Board appointed / designated Mr. R. Raghunathan as Chief Financial Officer and Mr. S. Balasundharam as Company Secretary / Compliance Officer on April 11, 2017 pursuant to the superannuation of Mr. S. Srivathsan, CFO & Company Secretary on April 10, 2017.

Ms. K. V. Lakshmi was appointed as Company Secretary/ Compliance Officer with effect from November 6, 2017 consequent to the resignation of Mr. S. Balasundharam on November 4, 2017.

### Remuneration Policy

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

### Corporate Social Responsibility

As an initiative under Corporate Social Responsibility (CSR), and in accordance with Schedule VII of the 2013 Act, your Company has constituted the CSR Committee under the Board, to frame, monitor and execute the CSR activities. The Board has approved the CSR Policy and guidelines for implementation. The Committee effectively supervises the programme.

Your Company has fulfilled its obligation towards CSR by spending a sum of Rs.117.59 lakhs during the year. The constitution of the CSR Committee and the report as required under the 2013 Act, are provided in **Annexure IV**, forming part of this Report.

### Risk Management, Internal Financial Control Systems and Audit

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

The implementation of IT based Governance, Risk and Compliance (GRC) software across the multiple locations of the Company has further strengthened the business processes and has significantly supported the internal audit requirement towards achieving a controlled environment.

Your Company maintains an adequate and effective Internal Control System commensurate with its size. These reasonably assure that the transactions are duly authorized and recorded to facilitate preparation of financial statements in line with the established practices and that the assets are secured against any misuse or loss. The internal control system is supplemented through an extensive internal audit programme besides periodic review by the Management and Audit Committee. The Company has in place adequate internal financial controls.

### Vigil Mechanism / Whistle Blower Policy

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

### Directors' Responsibility Statement

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

make the following statements in terms of Section 134(3)(c) of the 2013 Act:

- a. that in the preparation of the annual financial statements the applicable IndAS have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the financial statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls are in place and that the financial controls are adequate and were operating effectively.
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Related Party Transactions**

The Company has formulated a policy on related party transactions and the same is uploaded on the Company's website [www.wheelsindia.com](http://www.wheelsindia.com).

All Related Party transactions that were entered into by the Company during the financial year 2017-18, were in compliance of Section 188 of the 2013 Act and the Rules framed thereunder. There are no "Material" contracts or arrangement or transactions at arm's length basis and hence disclosure in form AOC-2 is not required.

All Related Party transactions were placed before the Audit Committee for their prior approval in accordance with the requirements of the SEBI (LODR) 2015. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

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

#### **Meetings of the Board/ Committees**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The details of the meetings of the Board as well as the Committees are disclosed in the Corporate Governance Report, forming part of this Report.

#### **Significant and Material Orders Passed by the Regulators or Courts**

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

#### **Employees and details of Remuneration**

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under the 2013 Act and the rules framed thereunder.

The statement of Disclosure of Remuneration under Section 197 of 2013 Act and Rule 5(1) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is provided in **Annexure V** forming part of this Report.

The information as per Rule 5(2) and Rule 5(3) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of 2013 Act and Second Proviso to Rule 5 of the Rules, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) and Rule 5(3) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered office of the Company. The said statement is also available for inspection by the members at registered office of the Company during office hours till the date of Annual General meeting.

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

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

#### **Corporate Governance**

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

#### **Statutory Audit**

The Company had appointed M/s Brahmayya & Co, Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of the 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting of the Company.

The Company has received the eligibility certificate from the auditors confirming that they are not

disqualified to act as Auditors and are eligible to hold office as Auditors of the Company.

#### **Cost Auditor**

Pursuant to Section 148 of the 2013 Act read with the Companies (Cost Audit and Record) Rules 2014, the cost records and the accounts maintained by the Company are required to be audited. The Board on recommendation of the Audit Committee had appointed M/s. Geeyes and Co, Cost and Management Accountants to audit the cost records and the accounts maintained by the Company for the financial year ended 31.3.2018.

The report of the said Cost Auditor will be filed with the Central Government in accordance with the rules framed thereunder.

The said firm were appointed by the Board to conduct the Cost Audit for the year 2018-19 at the remuneration of Rs. 7,00,000/- (excluding applicable taxes and out of pocket expenses)

The Companies Act, 2013 mandates that the remuneration payable to the Cost Auditor is ratified by the members. Accordingly, a resolution seeking members ratification of the remuneration payable to the Cost Auditor for the year 2018-19 is included in the Notice convening the 59th Annual General Meeting.

#### **Secretarial Audit**

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

The Company has complied with the Secretarial Standards for the Board Meetings (SS-1) and the General Meetings (SS-2) during the year 2017-18.

### Comments on Auditors' report

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

### Safety

In regard to safety, your Company has been working towards inculcating a culture, installing a system and reviewing its results at its facilities. Starting with the Padi plant, the company is horizontally deploying safety work systems and review mechanisms across its plants. The last year saw decent progress towards this endeavor to build safety into the manufacturing work culture.

Employees have been encouraged to adhere to safety in all their activities in and out of the company premises. Safety training is conducted at all levels on a continuous basis and additional emphasis is given in implementation of safety work standards. The Company rewards best safety performers from different groups of employees regularly. This has helped to inculcate a significant change in outlook. By all these, a significant change in the minds of the employees towards better safe work environment is cultivated.

### CEO/CFO Certificate

The Managing Director and Chief Financial Officer have submitted a certificate to the Board on the integrity of the financial statements and other matters required under regulation 17(8) of the SEBI LODR Regulations.

### Extract of Annual Return

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

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the 2013 Act, read with rule 8(3) of the Companies (Accounts) rules, 2014 are enclosed as **Annexure IX** and forms part of this report.

### Business Responsibility Reporting

During the year consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under the SEBI LODR, the Company has formulated a policy on Business Responsibility which lays down the broad principles guiding the Company in delivering various responsibilities to its stakeholders. A copy of this policy is available at [www.wheelsindia.com](http://www.wheelsindia.com) and the Business Responsibility Report for the year ended 31.03.2018 in terms of Regulation 34 of the SEBI LODR is given in **Annexure X** and forms part of this report.

### Acknowledgement

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

Your Company wishes to thank its customers, suppliers and the communities around its plants for their continued support.

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

On behalf of the Board of Directors

**S Ram**

Chairman

DIN 00018309

Chennai

June 22, 2018



## Annexure I

### Form No. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiary (ies) / associate (s) companies/joint ventures**

#### Part "A": Subsidiaries

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

1.	Sl. No.	01
2.	Name of the subsidiary	WIL CAR WHEELS LIMITED CIN U35999TN2017PLC116976
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is from June 2017 to March 2018 as the subsidiary was incorporated on 07/06/2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
5.	Share capital	500
6.	Reserves & surplus	8456.21
7.	Total assets	17249.71
8.	Total Liabilities	8293.50
9.	Investments	Nil
10.	Turnover	17942.45
11.	Profit before taxation	234.58
12.	Provision for taxation	78.36
13.	Profit after taxation	156.22
14.	Proposed Dividend	Not applicable
15.	% of shareholding	74%
Notes: The following information shall be furnished at the end of the statement:		
1. Names of subsidiaries which are yet to commence operations		Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year.		Not Applicable

#### Part "B": Associates and Joint Ventures

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

Sl. No.	Name of Associates / Joint Ventures	Axles India Limited CIN U27209TN1981PLC008630
1	Latest audited Balance Sheet Date	31.3.2017
2	Shares of Associate/Joint Ventures held by the company on the year end	
	Number	24,24,661
	Amount of Investment in Associates/Joint Venture (s)	Rs 2.72 crores
	Extend of Holding %	9.51%
3	Description of how there is significant influence	By virtue of Articles of Association of Axles India Limited
4	Reason why the Associate/Joint Venture is not consolidated	Not Applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs 8.81 crores
6	Profit / Loss for the year 2017-18**	Net profit Rs 23.53 crores
	i. Considered in Consolidation	Net profit Rs 1.71 crores
	ii Not Considered in Consolidation	—

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

1. Names of associates or joint ventures which are yet to commence operations – Not Applicable

2. Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer  
Chennai  
22nd June, 2018

**K V LAKSHMI**  
Company Secretary

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929



## Annexure II

### Deposits

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

Rs in crores

Accepted during the year	76.92
Remained unpaid or unclaimed as at the end of the year	1.02
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
(i) at the beginning of the year;	Nil
(ii) maximum during the year;	Nil
(iii) at the end of the year;	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

### Board Evaluation

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

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

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

## Annexure III

### Nomination and Remuneration Policy

#### Preamble

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

#### Scope

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

#### Objective

- a) To lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.

- b) To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- c) To formulate criteria for determining qualification, positive attributes and independence of a Director.

#### Definitions

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

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

## Policy

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

### A. Appointment

#### Appointment and Remuneration - Executive Directors

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

#### Independent Directors

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

#### KMP, Senior Management and other Employees

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

### B. Remuneration

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

- a) Scope of duties, the role and nature of responsibilities
- b) The level of skill, knowledge and experience of individual
- c) Core performance requirements and expectations of individuals
- d) The Company's performance
- e) Legal and Industrial Obligations
- f) Other parameters as the Company may decide from time to time

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

### C. Evaluation

#### Executive Directors and Non-Executive Directors

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

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

#### Independent Directors

The evaluation will be in accordance with Section 149 of the Companies Act 2013 read with Schedule IV to the said Act, the rules framed thereunder under the Act. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

#### KMPs, and Senior Management

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



## Other Employees

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

### D. Deviation from this policy

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

### CRITERIA FOR EVALUATION

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

**a) Composition of the Board and availability of multi-disciplinary skills**

Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make the company a pioneer in its area of operations.

**b) Commitment to good corporate governance practices**

1. Whether the company practises high ethical and moral standards
2. Whether the company is fair and transparent in all its dealings with stake holders

**c) Adherence to regulatory compliance**

Whether the company adheres to the various government regulations, local, state and central in time.

**d) Track record of financial performance**

Whether the company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value. Whether the company is transparent in all its disclosures on financial data

**e) Grievance redressal mechanism**

Whether a proper system is in place to attend to the complaints/ grievances from the shareholders, depositors, customers, employees and others quickly and fairly.

**f) Existence of integrated Risk Management system**

Whether the company has an integrated risk management system to cover the business risks

**g) Use of modern technology**

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

**h) Commitment to CSR**

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

**Criteria for evaluation of Chairman at separate meeting of Independent Directors**

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

**Criteria for evaluation of Independent Directors by the entire Board**

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

**Criteria for evaluation of the Audit committee by the Board**

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



## Annexure IV

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1.	A brief outline of the Company's CSR policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :	The CSR activities carried out by the Company are in accordance with the Policy, as laid down and approved by the Committee, duly approved by the Board. The CSR Policy is available on the Company's website and Web-link is: <a href="http://wheelsindia.com/pdf/CSR-policy.pdf">http://wheelsindia.com/pdf/CSR-policy.pdf</a>
2.	The Composition of the CSR Committee :	The Committee has Mr Srivats Ram, as Chairman, Mr. S Viji, Mr S Prasad & Mr Aroon Raman as other Members
3.	Average net profit of the Company for last three financial years :	Rs.5813.35 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :	Rs.116.27 Lakhs
5.	Details of CSR spent during the financial year:	(a) Total amount to be spent for the financial year: Rs.116.27 lakhs
		(b) Amount unspent, if any : NIL
		(c) Manner in which the amount spent during the financial year is given in Annexure
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:	Not applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:	We hereby state that implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company

Chennai  
June 22, 2018

**S Prasad**  
Director

**Srivats Ram**  
Chairman - CSR Committee

## Annexure to Annual Report on CSR Activities for the Financial year 2017-18

Rs in lakhs

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause	Education	Tamil Nadu, Maharashtra	49.11	49.11	49.11	Direct and through Implementing Agency A) Rural Self Employment and educational development Society (RSEEDS) (B) Iniya Udaiyam Charitable Trust (C) Tirupur Auxilium Salesian Sisters Society(D) Bro Siga Animation Centre (E) Eurekasuperkidz Project -AID INDIA
2	Training of farmers/ Agriculture	Rural development projects	Maharashtra, Tamil Nadu and Telangana	36.55	36.55	85.66	Direct and through implementing agency
3	Promoting Health Care including Preventive Health Care and sanitation/ safe drinking water	Health	Rampur, Uttar Pradesh, Tamil nadu	23.86	23.86	109.52	Direct and through implementing agency
4	Protection of National Heritage, Arts and Culture	National Heritage, Arts and Culture	Tamil Nadu	3.15	3.15	112.67	Direct
5	Environmental sustainability/ ecological balance	Park development	Bawal, Haryana	3.75	3.75	116.42	Direct
6	Contribution to sports activity	Special Children Sports / CRA	Tamil Nadu	1.18	1.18	117.59	Direct
	<b>TOTAL</b>			<b>117.59</b>	<b>117.59</b>		

Chennai  
June 22, 2018

**S Prasad**  
Director

**Srivats Ram**  
Chairman - CSR Committee



## Annexure V

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

- a. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Name of the Director	Ratio to Median Remuneration (times)
a) Mr. S Ram, Chairman*	18.89
b) Mr. S Viji, Director**	0.50
c) Mr. Srivats Ram, Managing Director	59.62
d) Mr. S Prasad**	0.58
e) Mr. T S Vijayaraghavan**	0.63
f) Mr. Aroon Raman**	0.48
g) Mr. B Santhanam**	0.18
h) Mr. Paul G Reitz**	0.04
i) Mr. Christopher M B Akers**	0.08
j) Ms. Bharati Rao**	0.16

\* The Remuneration paid to Chairman is as per the approval accorded by the shareholders at the Annual General Meeting held on 10.8.2016.

\*\* Non-Executive Directors are not paid any remuneration other than sitting fee for attending the Meetings of the Board and Committees. The sitting fee paid to each of the Non- Executive Directors are given in the Corporate Governance Report, which is forming part of the Directors' Report.

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

Mr. Srivats Ram, Managing Director	14.30%
Mr. R. Raghunathan, Chief Financial Officer (effective 11.4.2017)	-
Ms. K V Lakshmi, Company Secretary (effective 6.11.2017)	-

- c. **Percentage increase in the median remuneration of employees in the financial year** Increase in the median remuneration of employees in the financial year - 5.31%
- d. **Number of permanent employees on the rolls of Company** As on 31.3.2018, the Company had 2042 permanent employees on the rolls of the Company
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average increase in remuneration is 5.16 % for Employees other than Key Managerial Personnel and 14.30% for Key Managerial Personnel.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company affirms that the remuneration is as per the remuneration policy of the Company as approved by the Board of Directors.

### Report on Corporate Governance

#### 1. Report on Corporate Governance

Your Company believes that effective Corporate Governance is a product of law, ethics, regulation and voluntary practices that helps in maximizing the stakeholders' value.

#### 2. Board of Directors

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors and the declaration in this regard by the Managing Director is forming part of this Report. The Board of Directors at present consists of 10 Directors, headed by the Chairman.

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

\*Only Audit Committee and Stakeholders Relationship Committee considered.

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

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under SEBI LODR, across all public limited companies in which they are directors. All the Directors have complied with the maximum number of Directorships permitted under the Companies Act, 2013 ("Act").



### Attendance at Board Meetings and last Annual General Meeting (AGM):

During the Financial Year 2017-18 under review, 6 Board Meetings of the Company were held on April 17, 2017, May 29, 2017, June 16, 2017, August 9, 2017, November 6, 2017 and February 6, 2018.

Directors	Board Meetings held during the year	Board Meetings attended	Attendance at Last AGM	Directors	Board Meetings held during the year	Board Meetings attended	Attendance at Last AGM
Mr S Ram	6	6	Yes	Mr Aroon Raman	6	4	No
Mr S Viji	6	6	Yes	Mr B Santhanam	6	3	Yes
Mr Srivats Ram	6	6	Yes	Mr Christopher M B Akers	6	2	Yes
Mr T S Vijayaraghavan	6	6	Yes	Mr Paul G Reitz	6	1	No
Mr S Prasad	6	5	Yes	Ms Bharati Rao	6	3	Yes

The last Annual General Meeting was held on 10.8.2017

### Pecuniary transactions with Non-Executive Directors

There are no Pecuniary transactions with Non-Executive Directors during the Financial Year.

### 3. Audit Committee

#### Terms of reference

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

#### Composition, Meetings and Attendance

The Company's Audit Committee comprises of Independent Directors and a Non-executive Director. The Committee met 8 times during the year under review on 25.4.2017, 29.5.2017, 26.7.2017, 9.8.2017, 06.11.2017, 28.11.2017, 31.1.2018 and 6.2.2018. The attendance of each member of the Committee are given below:-

Name	Category	No. of Meetings held	No. of Meetings Attended
Mr. S Prasad, Chairman	Independent	8	7
Mr. S Viji	Non Executive	8	6
Mr. T S Vijayaraghavan	Independent	8	8
Mr. Aroon Raman	Independent	8	6

The Company Secretary is the Secretary to the Committee.

### 4. Nomination and Remuneration Committee

#### Terms of Reference

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

## Composition, Meetings and Attendance

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

The Committee met on 06.11.2017 and 20.3.2018. The attendance of each member of the Committee are given below: -

The Committee approved payment of commission: -

- at 1% on the net profits of the Company for the financial year 2017-18, computed in accordance with the relevant provisions of the Act to Mr S Ram, Chairman
- at 2% on the net profits of the Company for the financial year 2017-18, computed in accordance with the relevant provisions of the Act to Mr Srivats Ram, Managing Director
- The attendance of each member of the Committee are given below:-

Name	Category	No. of Meetings Attended	
		Held	Attended
Mr. S Prasad, Chairman	Non-Executive and Independent	2	1
Mr. T S Vijayaraghavan	Non-Executive and Independent	2	2
Mr. Aroon Raman	Non-Executive and Independent	2	2

## Remuneration Policy

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

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

Details of the remuneration to the Directors during the year 2017-18 are given below:

**Rs. in lakhs**

Name of Directors	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees	No. of Share held
Mr. S Ram	—	—	95.07	—	1.30	Nil
Mr. S Viji	—	—	—	—	2.55	Nil
Mr. Srivats Ram	96.00	1.73	190.13	16.20	—	26536
Mr. T S Vijayaraghavan	—	—	—	—	3.20	Nil
Mr. S Prasad	—	—	—	—	2.95	1600
Mr. Aroon Raman	—	—	—	—	2.45	Nil
Mr. B Santhanam	—	—	—	—	0.90	Nil
Mr. Paul G Reitz	—	—	—	—	0.20	Nil
Mr. Christopher M B Akers	—	—	—	—	0.40	Nil
Ms. Bharati Rao	—	—	—	—	0.80	Nil

## 5. Stakeholders Relationship Committee

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

The Committee consists of three Directors with Mr. S Viji as the Chairman, Mr. S Ram and Mr. S Prasad being the other members. The Committee met on 29.08.2017 and 24.11.2017, which was attended by all the members of Committee.

The Board has authorized Ms. K V Lakshmi, Secretary of the Company to approve share transfers and request for dematerialization of shares, when received in physical forms. The details are reported to the Board of Directors in each meeting in accordance with the SEBI LODR.

Ms. K V Lakshmi, Company Secretary is the Compliance Officer during the financial year ended 31.03.2018.

Number of pending complaints during the start of the financial year	- Nil
Number of Shareholders' complaints received during the year	- Nil
Number not solved to the satisfaction of shareholders	- Nil
Number of pending complaints	- Nil

## 6. Corporate Social Responsibility Committee

In terms of Section 135 of the Act, the Board of Directors constituted the CSR Committee. The Chairman of the Committee is an Executive Director and the committee also consists of Non-executive & Independent Directors. The Committee has Mr Srivats Ram, as Chairman, Mr. S Viji, Mr S Prasad & Mr Aroon Raman as other Members. The Committee met on 25.4.2017 and 26.7.2017. The attendance of each member of the Committee are given below:-

Name	No. of Meetings	
	Held	Attended
Mr. Srivats Ram, Chairman	2	2
Mr. S Viji	2	1
Mr. S Prasad	2	2
Mr. Aroon Raman	2	1

## 7. Familiarisation Programme

Pursuant to Regulation 25 of SEBI LODR Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such programme for familiarization of the Independent Directors are put on the website of the Company at the following web-link:

<http://www.wheelsindia.com/pdf/familiarisation-programme-2017-18.pdf>



### Independent Directors' Meeting

During the year under review, the Independent Directors met on March 20, 2018 inter alia, to evaluate the performance of the non-Independent Directors, Chairman and the Board of Directors as a whole. Evaluation was done on the basis of attendance, quality of discussion in the meetings, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

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

Year		
2016-17	Date	10.8.2017
	Location	The Music Academy No.168, (old no. 306), TTK Road, Chennai - 600 014
	Time	11.00 AM
	Special Resolution Passed	Nil
2015-16	Date	10.8.2016
	Location	The Music Academy No.168, (old no. 306), TTK Road, Chennai - 600 014
	Time	11.00 AM
	Special Resolution Passed	Approval for remuneration to be paid to Mr. S Ram (DIN 00018309) Chairman, who has been re-elected as a Director, liable for retirement by rotation.
2014-15	Date	13.8.2015
	Location	The Music Academy No.168, (old no. 306), TTK Road, Chennai - 600 014
	Time	11.00 AM
	Special Resolution Passed	Re-appointment of Mr. S Ram (DIN 18309) as non-whole-time Director liable to retire by rotation and his re-appointment as a non-executive Chairman on and from 1.9.2015

### 9. Postal Ballot / E-voting

The Company provided e-voting facility to the shareholders, in respect of the business set out in the Notice convening Annual General Meeting on 10.8.2017. This was provided to facilitate them to exercise the voting.

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

Results of the voting for the resolutions passed at the 58th Annual General Meeting of the Company along with the Scrutinizer Report pursuant to Section 108 & 109 of the Companies 2013 Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, are available in the Company's website [www.wheelsindia.com](http://www.wheelsindia.com).

### 10. Disclosures

- I. There are no materially significant related party transactions that may have potential conflict with the interest of listed entity at large.
- II. There were no instances of non-compliance by the Company on any matter related to capital markets during the preceding three years and there were no penalties, strictures imposed by SEBI / Stock Exchanges or any other statutory authorities against the Company.



- III. The policy on Related Party Transactions is given in [www.wheelsindia.com](http://www.wheelsindia.com). Details of transactions entered into with related parties during the year under review have been given in the notes forming part of Accounts and no differential treatment from the Indian Accounting Standards was followed in preparation of the financial statements of the Company.
- IV. Disclosures of Commodity price risk / Foreign Exchange risk and Hedging activities:-
- The Board has put in place a risk management policy to manage the risks arising out of foreign currency fluctuations. The Company enters into forward contracts to hedge the foreign currency risks in accordance with the policy.
  - The Company's exposure to commodity risk in respect of aluminum is hedged by periodical revision to aluminum wheel prices made in line with the prices quoted for aluminum in London Metal Exchange.
- V. There are no non-compliance of any of the Corporate Governance report as required under SEBI LODR.
- VI. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR are complied
- VII. The Company complied with all mandatory requirements
- VIII. The details of familiarization programme imparted to Independent Directors are hosted on the website of the Company, [www.wheelsindia.com](http://www.wheelsindia.com).
- IX. The Company has complied with the discretionary requirements as specified in Part E of Schedule II with regard to the Board and separate post of Chairperson and Managing Director

#### 11. Disclosures regarding appointment of Directors

Name of the Director	<b>Mr Paul G Reitz</b>
Age	45 years
Qualification	Certified Public Accountant with a Master's Business Administration degree from the University of Iowa.
Expertise in specific functional areas	Mr Paul G Reitz joined Titan International in July 2010 as Chief Financial Officer and was promoted to President in February 2014. Prior to joining Titan, he was the Chief Accounting Officer for Carmike Cinemas, a NASDAQ publicly traded company based in Columbus, GA. He was controller for McLeod USA Publishing, a NASDAQ traded company, and Yellow Book USA Inc., a subsidiary of the Yell Group PLC, a global publisher with multi-billion dollar sales that is publicly traded on the London Stock Exchange prior to joining Carmike.
Directorship in other Companies	Nil
Chairman/Member in Committees of other companies:	Nil
No. of Shares held in this Company	Nil

#### 12. Whistle Blower Policy

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

1. encourages the Whistle blowers to report to the Management on any malpractice, wrongful conduct, unethical behavior, fraud, violation of any applicable statute and deviation from the Company's policies,
  2. ensures timely response to such reports in such a manner to provide complete transparency,
  3. provides complete protection to the Whistle blowers from any adverse action as a result of such disclosure and
  4. builds and strengthens trust in the Company
- We affirm that no Personnel has been denied access to the Audit Committee.

### 13. Means of Communication

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

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

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

### 14. Details of Unclaimed Share Certificates

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

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	36 and 4773 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	28 shareholders and 3816 equity shares of Rs.10/- each respectively
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	8 and 957 equity shares of Rs.10/- each respectively

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

### 15. General Shareholder Information

Date of Annual General Meeting	August 14, 2018
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	10th August 2018 to 14th August 2018 (both days inclusive)
Dividend Payment Date	Will be paid on or before September 12 2018 - Rs.9/- per share (90%)
Approval of financial results for the: Quarter ending June 30, 2018 Quarter ending September 30, 2018 Quarter ending December 31, 2018 Year ending March 31, 2019	Financial Year: April 1 To March 31 2nd Week of August 2018 2nd week of November, 2018 2nd week of February 2019 Last week of May, 2019



Listing on Stock Exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Ltd. Mumbai (NSE). Further, the Company's equity shares have been permitted for dealings on Bombay Stock Exchange Limited, Mumbai (BSE) under "Permitted Securities" Category.
Listing Fees	Payment towards Listing Fee to NSE is made as and when it falls due.
ISIN Code in NSDL and CDSL	INE 715A01015
STOCK Code	WHEELS – NSE 590073 -BSE
Registrar and Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002. Phone: 044 - 28460390 ; Fax: 044 – 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 31.03.2018, 98.31% of the equity shares are held in dematerialized form.
Pattern of Shareholding as on March 31, 2018	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2018	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 from 06.11.2017</b> Ms K V Lakshmi, Company Secretary &amp; Compliance Officer Wheels India Limited, Padi Chennai - 600 050 Phone: 044 - 26258511 Extn: 2320, Fax : 044 - 26257121, E- Mail: investorservices@wheelsindia.com</p>

## 16. Plant locations

Padi, Chennai – 600 050, Tamil Nadu	22KM Rampur – Tanda Road, Rampur–244 925, Uttar Pradesh	Plot No. C - 1, Ranjangaon Growth Centre, Karegaon Village, Shirur Taluk, Pune District - 412 220 Maharashtra	Sriperumbudur, Kancheepuram, 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	DP No 70 (P), Survey No 214 (P), SIDCO Industrial Estate, Thirumudivakkam, Sriperumbudur Taluk, Kanchipuram District Chennai 600044	F 8 and F9, SIPCOT Industrial Park, Irungattukottai, Sriperumbudur, Kancheepuram District, Tamilnadu 602105	Survey No. 152/3, Sriperumbudur Thiruvallur Road, Thodukadu Village & Post; Thiruvallur Taluk & District, Pin - 602 105.	

## 17. Auditor's Certificate on Corporate Governance

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

## 18. Shareholding Pattern

Categories Shareholders	No. of Shares Held	Percentage
Promoters	90,24,209	75.00
Directors/ Relatives	30,741	0.25
Insurance Companies	1,75,370	1.46
Investor Education and Protection Fund	14,506	0.12
Corporate Bodies	7,87,254	6.54
Resident Individuals	10,11,237	8.40
Non-Resident Indians	29,972	0.25
Hindu Undivided Families	38,082	0.32
Clearing Member	1,887	0.02
Banks	890	0.01
Mutual Funds	9,12,864	7.59
Foreign Portfolio Investor	5,267	0.04
<b>TOTAL</b>	<b>1,20,32,279</b>	<b>100.00</b>



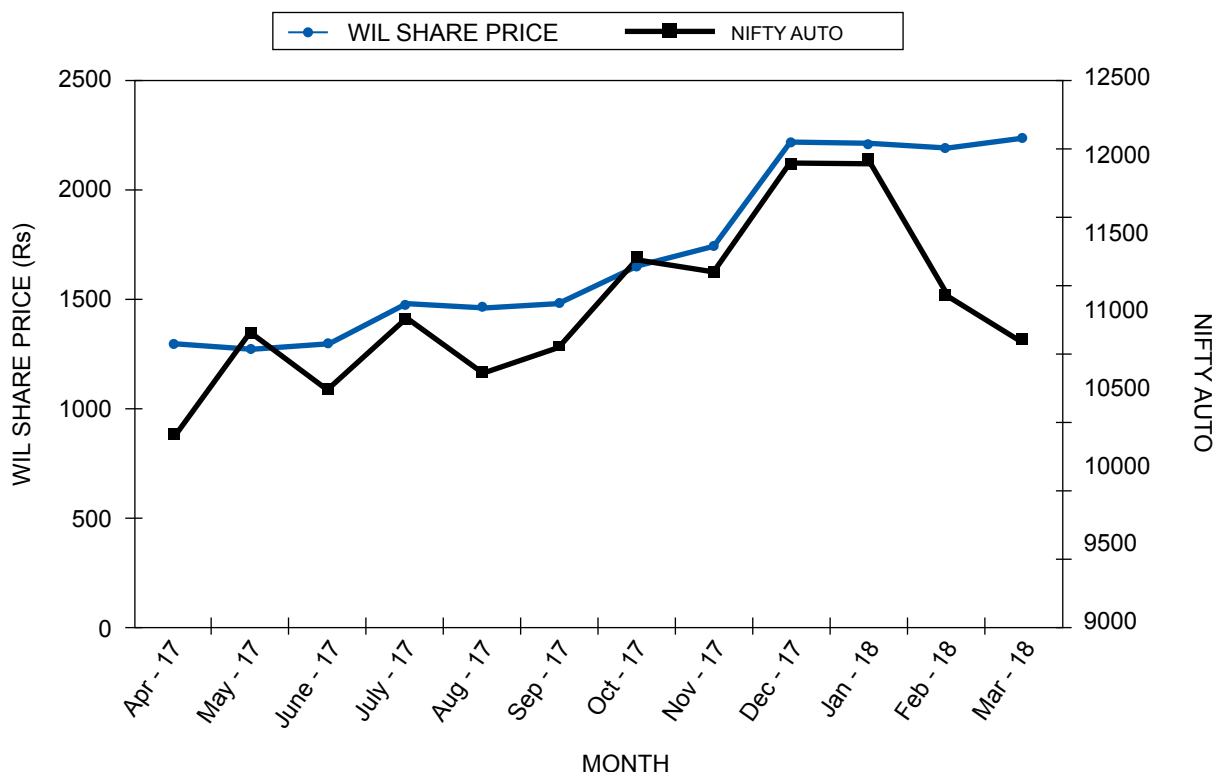
## 19. Distribution pattern

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to - 500	6,130	92.56	4,27,176	3.55
501 – 1000	254	3.84	1,88,672	1.57
1001 – 2000	142	2.14	2,01,307	1.67
2001 – 3000	34	0.51	78,780	0.65
3001 – 4000	20	0.30	70,180	0.58
4001 – 5000	12	0.18	54,136	0.45
5001 – 10000	14	0.21	81,992	0.68
10001 and above	17	0.26	1,09,30,036	90.84
<b>Total</b>	<b>6,623</b>	<b>100.00</b>	<b>1,20,32,279</b>	<b>100.00</b>

## 20. Market price data

FY 2017-18	Quotation at NSE (Rs)	
Month	High	Low
Apr-17	1,379.00	1,290.05
May-17	1,364.00	1,265.00
Jun-17	1,366.00	1,255.00
Jul-17	1,494.40	1,290.00
Aug-17	1,490.00	1,375.30
Sep-17	1,489.90	1,350.15
Oct-17	1,679.95	1,367.00
Nov-17	1,986.00	1,615.00
Dec-17	2,346.65	1,721.50
Jan-18	2,329.00	2,030.00
Feb-18	2,498.00	2,028.00
Mar-18	2,275.00	2,042.05

## 21. Performance in Comparison to Broad Based Indices



22. Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective dates, as under, in accordance with the provisions of Section 124(5) of the Companies Act, 2013

Nature of Dividend	Transferable to IEPF on	Amount as on 31.3.2018 in Rs.
Dividend 2010 – 11	14th September, 2018	2,61,800.50
First Interim Dividend 2011 - 12	19th April, 2019	1,18,340.00
Final Dividend 2011 – 12	18th September, 2019	1,70,256.00
Final Dividend 2012 – 13	17th September, 2020	2,31,117.30
Interim Dividend 2013 – 14	29th January, 2021	1,32,272.00
Final Dividend 2013 – 14	14th October 2021	2,07,837.00
Interim Dividend 2014 – 15	11th March 2022	1,40,607.00
Final Dividend 2014 – 15	18th September 2022	2,32,704.00
Interim Dividend 2015 – 16	18th March 2023	1,70,681.00
Final Dividend 2015 – 16	14th September 2023	2,68,279.00
Interim Dividend 2016 – 17	16th March 2024	3,64,115.00
Final Dividend 2016 – 17	14th September 2024	5,46,472.00
Interim Dividend 2017 – 18	11th March 2025	4,05,456.00

On behalf of the Board of Directors

Chennai  
22.6.2018

**S Ram**  
Chairman  
(DIN 00018309)

## Code of Conduct Certification

The Board of Wheels India Limited laid down a code of conduct for all Board members and Senior Management. The Code of Conduct has been posted in the Company's website [www.wheelsindia.com](http://www.wheelsindia.com). All the Board members and the Senior Management affirmed compliance to the code for the year 2017-18.

**Srivats Ram**  
Place : Chennai Managing Director  
Date : June 22, 2018 (DIN 00063415)

## Auditor's Certificate on Corporate Governance To the Members of WHEELS INDIA LIMITED

We have examined the compliance of the conditions of Corporate Governance by Wheels India Limited, Chennai for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of 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 stipulated in the above mentioned Listing Agreement and the above SEBI Regulations.

We 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 **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**L Ravi Sankar**  
Partner  
Membership No. 25929

Place: Chennai  
Date: June 22, 2018



## Annexure VII

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To,  
The Members,  
WHEELS INDIA LIMITED, Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Wheels India Limited, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2018, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2018 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') to the extent applicable during the year:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

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

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

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



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

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

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

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

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

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

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

- Ratification of remuneration to be paid to Cost Auditor M/s. Geeyes & Co. for audit of the Cost records of the Company for the year ending 31.03.2018.

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

For **S Dhanapal & Associates**

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

Place: Chennai  
Date: 22.06.2018

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

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### **Annexure A**

To

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

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

#### **Disclaimer**

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

For **S Dhanapal & Associates**

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

Place: Chennai  
Date: 22.06.2018



## Annexure VIII

### Extract of Annual Return

as on the financial year ended on 31.3.2018

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

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN	L35921TN1960PLC004175
ii	Registration Date	June 13, 1960
iii	Name of the Company	Wheels India Limited
iv	Category / Sub-Category of the Company	Public Limited Company
v	Address of the Registered office and contact details	Registered office: 21, Patullos Road Chennai 600 002 Corporate Office: Padi Chennai 600 050 Phone: 044 – 26258511; Fax : 044 – 26257121 E- Mail: investorservices@wheelsindia.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited “Subramanian Building”, No. 1, Club House Road, Chennai - 600 002, Phone : 044 - 28460390 Fax : 044 – 28460129 E - Mail : investor@cameoindia.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Road Wheels	29301	45%
2	Manufacture of Parts & Accessories for Machinery / Equipments used by construction and mining industries	28246	14%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Axles India Limited, 21, Patullos Road Chennai 600002	U27209TN1981PLC008630	Associate	9.51	Section 2(6) of the Companies Act 2013
2	WIL Car Wheels Limited, M.T.H Road, Padi, Chennai 600050	U35999TN2017PLC116976	Subsidiary	74	Section 2(87) of the Companies Act 2013

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

##### i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	–	–	–	–	–	–	–	–	–
(b) Central Govt	–	–	–	–	–	–	–	–	–
(c) State Govt (s)	–	–	–	–	–	–	–	–	–
(d) Bodies Corp.	4905569	–	4905569	40.77	4905569	–	4905569	40.77	–
(e) Banks / FI	–	–	–	–	–	–	–	–	–
(f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A) (1)</b>	4905569	–	4905569	40.77	4905569	–	4905569	40.77	–
<b>(2) Foreign</b>									
(a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
(b) Other - Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corp.	4118640	–	4118640	34.23	4118640	–	4118640	34.23	–
(d) Banks / FI	–	–	–	–	–	–	–	–	–
(e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A) (2)</b>	4118640	–	4118640	34.23	4118640	–	4118640	34.23	–
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	9024209	–	9024209	75.00	9024209	–	9024209	75.00	–

<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	770178	0	770178	6.39	912864	0	912864	7.59	1.20
(b) Banks/FI	1287	0	1287	0.01	890	0	890	0.01	–
(c) Central Govt	–	–	–	–	–	–	–	–	–
(d) State Govt (s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	175370	–	175370	1.46	175370	–	175370	1.46	–
(g) FIs	1000	–	1000	0.01	–	–	–	–	(0.01)
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Others (Specify)		–				–			
Foreign Portfolio Investor	3108	0	3108	0.03	5267	0	5267	0.04	0.01
<b>Sub-Total (B)(1)</b>	950943	0	950943	7.90	1094391	0	1094391	9.10	1.20



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2)	Non-Institutions									
(a)	Bodies Corp.									
i.	Indian	779160	39066	818226	6.80	750330	36924	787254	6.54	(0.26)
ii.	Overseas	—	—	—	—	—	—	—	—	—
(b)	individuals									
i.	Individualshareholders holding nominal share capital up to Rs. 1 lakh	933040	176266	1109306	9.22	845194	154036	999230	8.30	(0.92)
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13687	11050	24737	0.20	0	11050	11050	0.09	(0.11)
(c)	Others (Specify)									
	Clearing member	1821	0	1821	0.02	1887	0	1887	0.02	—
	Directors and their relatives	30741	—	30741	0.26	30741	—	30741	0.26	—
	Escrow Account – Clause 5A of the Listing Agreement	4773	—	4773	0.04	957	—	957	0.01	(0.03)
	Hindu Undivided Families	40863	1	40864	0.34	38082	0	38082	0.32	(0.02)
	IEPF	—	—	—	—	14506	0	14506	0.12	0.12
	Non-resident Indians	24485	2174	26659	0.22	28398	1574	29972	0.25	0.03
	Sub-Total (B)(2)	1828570	228557	2057127	17.10	1710095	203584	1913679	15.91	(1.19)
	Total Public Shareholding = (B) (1) + (B) (2)	2779513	228557	3008070	25.00	2804486	203584	3008070	25.00	—
	(C) Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	11803722	228557	12032279	100.00	11828695	203584	12032279	100.00	—

**(ii) Shareholding of Promoters:**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	TV Sundram Iyengar & Sons Private Limited	2455514	20.41	Nil	2455514	20.41	Nil	Nil
2	Sundaram Finance Limited	1333741	11.08	Nil	Nil	Nil	Nil	(11.08)
3	Southern Roadways Limited	1116314	9.28	Nil	1116314	9.28	Nil	Nil
4	Titan Europe Limited	4118640	34.23	Nil	4118640	34.23	Nil	Nil
5	Sundaram Finance Holdings Limited	Nil	Nil	Nil	1333741	11.08	Nil	11.08
<b>Total</b>		9024209	75.00	Nil	9024209	75.00	Nil	Nil

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1	Sundaram Finance Ltd.				
	At the beginning of the year	13,33,741	11.08		
	Transfer to Sundaram Finance Holdings Limited Dated 18.01.2018*	(13,33,741)	(11.08)	Nil	Nil
	At the End of the year			Nil	Nil
2.	Sundaram Finance Holdings Limited				
	At the beginning of the year	Nil	Nil		
	Transfer from Sundaram Finance Limited Dated 18.01.2018*	13,33,741	11.08	13,33,741	11.08
	At the End of the year			13,33,741	11.08

\* Pursuant to NCLT ORDER dated 18.01.2018 under scheme of arrangement, the shares held by Sundaram Finance Limited stands vested to Sundaram Finance Holdings Limited

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

S. No.	Name of the Shareholder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND				
	At the beginning of the year 01-Apr-2017	770178	6.40	770178	6.40
	Purchase 07-Apr-2017	900	0.01	771078	6.41
	Purchase 14-Apr-2017	1000	0.01	772078	6.42
	Purchase 21-Apr-2017	1922	0.02	774000	6.43
	Purchase 26-May-2017	1429	0.01	775429	6.44
	Purchase 02-Jun-2017	9344	0.08	784773	6.52
	Purchase 30-Jun-2017	2785	0.02	787558	6.55
	Purchase 14-Jul-2017	3228	0.03	790786	6.57
	Purchase 21-Jul-2017	12433	0.10	803219	6.68
	Purchase 28-Jul-2017	2132	0.02	805351	6.69
	Purchase 04-Aug-2017	308	0.00	805659	6.70
	Purchase 11-Aug-2017	2229	0.02	807888	6.71
	Purchase 18-Aug-2017	12755	0.11	820643	6.82
	Purchase 25-Aug-2017	2749	0.02	823392	6.84
	Purchase 01-Sep-2017	1335	0.01	824727	6.85
	Purchase 08-Sep-2017	382	0.00	825109	6.86
	Purchase 15-Sep-2017	1293	0.01	826402	6.87
	Purchase 22-Sep-2017	583	0.00	826985	6.87
	Purchase 29-Sep-2017	5400	0.04	832385	6.92
	Purchase 06-Oct-2017	1397	0.01	833782	6.93
	Purchase 13-Oct-2017	6223	0.05	840005	6.98
	Purchase 20-Oct-2017	4985	0.04	844990	7.02
	Purchase 27-Oct-2017	13724	0.11	858714	7.14

S. No.	Name of the Shareholder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
	Purchase 31-Oct-2017	4500	0.04	863214	7.17
	Purchase 03-Nov-2017	1218	0.01	864432	7.18
	Purchase 10-Nov-2017	551	0.00	864983	7.19
	Purchase 24-Nov-2017	2436	0.02	867419	7.21
	Purchase 08-Dec-2017	4763	0.04	872182	7.25
	Purchase 15-Dec-2017	1256	0.01	873438	7.26
	Purchase 22-Dec-2017	4749	0.04	878187	7.30
	Purchase 29-Dec-2017	2800	0.02	880987	7.32
	Purchase 19-Jan-2018	3882	0.03	884869	7.35
	Purchase 25-Jan-2018	5000	0.04	889869	7.40
	Purchase 02-Feb-2018	3386	0.03	893255	7.42
	Purchase 09-Feb-2018	8545	0.07	901800	7.49
	Purchase 23-Feb-2018	2700	0.02	904500	7.52
	Purchase 02-Mar-2018	1846	0.02	906346	7.53
	Purchase 09-Mar-2018	1816	0.02	908162	7.55
	Purchase 16-Mar-2018	1320	0.01	909482	7.56
	Purchase 23-Mar-2018	2718	0.02	912200	7.58
	Purchase 30-Mar-2018	664	0.01	912864	7.59
	At the end of the Year 31-Mar-2018	912864	7.59	912864	7.59
2.	MAHAM HOLDINGS LIMITED				
	At the beginning of the year 01-Apr-2017	190553	1.58	190553	1.58
	At the end of the Year 31-Mar-2018	190553	1.58	190553	1.58
3.	GENERAL INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 01-Apr-2017	175370	1.46	175370	1.46
	At the end of the Year 31-Mar-2018	175370	1.46	175370	1.46
4.	ABI SHOWATECH (INDIA) LIMITED				
	At the beginning of the year 01-Apr-2017	142837	1.19	142837	1.19
	Demated 09-Mar-2018	2092	0.02	144929	1.20
	At the end of the Year 31-Mar-2018	144929	1.20	144929	1.20
5.	PADMALAKSHMI HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	129645	1.08	129645	1.08
	At the end of the Year 31-Mar-2018	129645	1.08	129645	1.08
6.	SUNDHARAMS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	158808	1.32	158808	1.32
	At the end of the Year 31-Mar-2018	158808	1.32	158808	1.32

S. No.	Name of the Shareholder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
7.	REVATHI HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	103803	0.86	103803	0.86
	At the end of the Year 31-Mar-2018	103803	0.86	103803	0.86
8.	INDIA INFOLINE LIMITED				
	At the beginning of the year 01-Apr-2017	40561	0.34	40561	0.34
	Sale 07-Apr-2017	-418	0.00	40143	0.33
	Sale 07-Apr-2017	-263	0.00	39880	0.33
	Sale 07-Apr-2017	-39880	-0.33	0	0.00
	Purchase 29-Dec-2017	18701	0.16	18701	0.16
	Purchase 30-Dec-2017	5543	0.05	24244	0.20
	Sale 12-Jan-2018	-501	0.00	23743	0.20
	Purchase 19-Jan-2018	1	0.00	23744	0.20
	Purchase 25-Jan-2018	22659	0.19	46403	0.39
	Sale 25-Jan-2018	-23744	-0.20	22659	0.19
	Purchase 02-Feb-2018	21969	0.18	44628	0.37
	Sale 02-Feb-2018	-22659	-0.19	21969	0.18
	Sale 09-Feb-2018	-6547	-0.05	15422	0.13
	Purchase 02-Mar-2018	5	0.00	15427	0.13
	Purchase 30-Mar-2018	365	0.00	15792	0.13
	At the end of the Year 31-Mar-2018	15792	0.13	15792	0.13
	KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED				
	At the beginning of the year 01-Apr-2017	23046	0.19	23046	0.19
	At the end of the Year 31-Mar-2018	23046	0.19	23046	0.19
	KAMLESH NAVINCHANDRA SHAH				
	At the beginning of the year 01-Apr-2017	13687	0.11	13687	0.11
	Sale 02-Jun-2017	-774	-0.01	12913	-0.10
	Sale 14-Jul-2017	-1370	-0.01	11543	0.09
	Sale 30-Dec-2017	-11543	0.09	0	0.00
	Purchase 25-Jan-2018	353	0.00	353	0.00
	Sale 02-Feb-2018	-340	0.00	13	0.00
	Purchase 09-Feb-2018	288	0.00	301	0.00
	Purchase 16-Feb-2018	6000	0.05	6301	0.05
	Sale 23-Feb-2018	-1011	-0.01	5290	0.04
	At the end of the Year 31-Mar-2018	5290	0.04	5290	0.04





**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year					
1	Mr S Ram	Nil	Nil	Nil	Nil
2	Mr Srivats Ram	26536	0.220	26536	0.220
3	Mr S Viji	Nil	Nil	Nil	Nil
4	Mr Christopher M B Akers	Nil	Nil	Nil	Nil
5	Mr T S Vijayaraghavan	Nil	Nil	Nil	Nil
6	Mr S Prasad	1600	0.013	1600	0.013
7	Mr Aroon Raman	Nil	Nil	Nil	Nil
8	Mr B Santhanam	Nil	Nil	Nil	Nil
9	Ms Bharati Rao	Nil	Nil	Nil	Nil
10	Mr Paul G Reitz	Nil	Nil	Nil	Nil
11	Mr R Raghunathan, Chief Financial Officer	Nil	Nil	Nil	Nil
12	Mr S Balasundharam, Company Secretary (Upto 04.11.2017)	Nil	Nil	Nil	Nil
13	Ms K V Lakshmi, Company Secretary (From 06.11.2017)	Nil	Nil	Nil	Nil
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		There is no Increase / Decrease in Shareholding of Directors and KMP during the year for the above Directors and KMP mentioned.			
At the end of the year		As there is no Increase / Decrease in Shareholding during the year, the shareholding of the above Directors and KMP which stood during the beginning of the year remains same as at the end of the year also.			

## V. INDEBTEDNESS

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

Rs in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits Unsecured	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19901.09	5064.41	12006.95	36972.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	112.44	56.38	763.74	932.56
Total (i+ii+iii)	20013.53	5120.79	12770.69	37905.01
<b>Change in Indebtedness during the financial year</b>				
i) Addition	-	3931.69	2170.95	6102.64
ii) Reduction	7160.52	-	-	7160.52
iii) Net Change	(7160.52)	3931.69	2170.95	(1057.88)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12740.57	8996.10	14177.90	35914.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	100.30	57.11	634.74	792.14
Total (i+ii+iii)	12840.87	9053.21	14812.64	36706.71

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Rs in lakhs

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr Srivats Ram, Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96.00	96.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.73	1.73
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	190.13	190.13
5	Others-Retirement Benefits	16.20	16.20
<b>Total (A)</b>		<b>304.06</b>	<b>304.06</b>
<b>Ceiling as per the Act (5% of the net profits)</b>			<b>475.33</b>



## B. Remuneration to other Directors:

Rs in lakhs

S. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / committee meetings	Commission	Others, please specify	
	Independent Directors				
1	Mr T S Vijayaraghavan	3.20	—	—	3.20
2	Mr S Prasad	2.95	—	—	2.95
3	Mr Aroon Raman	2.45	—	—	2.45
4	Mr B Santhanam	0.90	—	—	0.90
5	Ms Bharati Rao	0.80	—	—	0.80
Total (1)		10.30	—	—	10.30
	Other Non - Executive Directors				
1	Mr S Ram	1.30	95.07*	—	96.37
2	Mr S Viji	2.55	—	—	2.55
3	Mr Christopher M B Akers	0.40	—	—	0.40
4	Mr Paul G Reitz	0.20	—	—	0.20
Total (2)		4.45	95.07	—	99.52
Total (B) = (1)+(2)		14.75	95.07	—	109.82
Total Managerial Remuneration					413.88
Overall Ceiling as per the Act (11% of the net profits)					1045.73

\*Commission payable to Non-Executive Chairman.

## C. Remuneration to Key Managerial personnel other than MD/MANAGER/WTD:

Rs in lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr S Srivathsan CFO & CS (Upto 10.4.2017)	Mr R Raghunathan CFO (From 11.4.2017)	Mr S Balasundharam CS (Upto 04.11.2017)	Ms K V Lakshmi CS (From 06.11.2017)	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.55*	52.87	17.57	5.78	139.77
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.018	0.076	0.012	—	0.106
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission	—	—	—	—	—
	- as % of profit	—	—	—	—	—
	- others, specify...	—	—	—	—	—
5	Others-Retirement Benefits	0.15	1.60	0.46	0.10	2.31
Total (A)		63.72	54.54	18.04	5.88	142.18

\* Includes Rs. 60.41 lakhs of retirement benefits such as Leave Salary, Gratuity and Medical Allowance paid at the time of Superannuation.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
(A) Company; (B) Directors ; (C) other officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

### Conservation of Energy

Your Company is implementing energy conservation activities in all of its plant locations.

Energy saving projects have been implemented on following themes:

Usage of magnetic flux concentrator for Induction heater, optimisation of compressed air pressure, reduction of compressed air leakage, reduction of compressed air usage, use of variable speed drive for motors, use of energy efficient motors, use of energy efficient lamps like induction lamps, LED lamps, increased usage of natural lighting during daytime and use of star rated air conditioners.

Off-setting the usage of conventional energy with wind energy (renewable energy) is being continued in Tamil Nadu plants. Energy to the extent of 50% at Padi plant and 65% at Sriperumbudur plant was sourced through wind energy for the year under review.

In a limited way, Solar thermal energy is being utilized in Padi plant to reduce consumption of fossil fuel. Briquetted organic material is being used as fuel for Thermal application in Sriperumbudur plant to avoid fossil fuel consumption.

### Technology Absorption

In 2017-18, your company focused on developing new products, evaluating new processes and building new concepts for the domestic and global market. Your Company has leveraged patented products and value engineering of existing products to provide value to customers. This activity will utilize a new state-of-the-art R&D testing facility for materials and product validation, which is capable of testing & validating wheels, fabricated parts and suspension systems to the highest domestic and international standards. This year 174 new products were developed and 5 new patents were filed.

There is a dedicated team of product and process engineers who take a structured approach towards developing new concept products. The team leverages a structured product development system to ensure a robust product and process design which will result in optimum product for the end customer. A special focus

on field validation of last year helped the team gather data on current operating conditions and improve the performance of products in the harshest operating conditions.

There has been significant development in suspension kits, lift axles, energy equipment parts with the introduction of new products that are designed with lean manufacturing and DFMA concepts. Given the competitive nature of the businesses we serve, your company is focusing on developing and following a technology road map to introducing new products to meet global customer expectations.

Your Company has become a major supplier of parts to the wind energy segment. In an effort to widen the scope of supply to the wind energy segment, your Company has entered into a technology transfer agreement with Fluitechnik S A, Spain for the manufacture and supply of hydraulic components for wind energy sector. As per the agreement terms, the technology for several hydraulic component solutions will be transferred over the period of next five years.

The year has also seen a focus on resource optimization, automation, and digitization, which will result in continuous improvement programs to enhance productivity and product quality.

Your company continues to develop products in new markets, such as the bogie bolster and frame for the LBH coaches that are being introduced by Indian Railways to enhance the safety of railway travel in the country. There will be a continued effort to widen portfolio of products for existing customer segments and develop new markets that are aligned with our core capabilities.

### Expenditure incurred on R & D development

	(Rs in Crores)
Capital	6.59
Revenue	14.01
Total as a percentage of turnover (%)	0.82

### Foreign Exchange Earnings and Outgo:

The foreign exchange outgo to the Company during the year under review was Rs. 135.55 crores and the foreign exchange earned was Rs. 367.59 crores.



## Annexure X

### BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2017-18

#### Section A: General Information about the Company

1.	Corporate Identity Number (CIN):	L35921TN1960PLC004175
2	Name of the Company:	Wheels India Limited
3	Registered address:	21, Patullos Road, Chennai 600 002
4	Website:	www.wheelsindia.com
5	E-mail id:	investorservices@wheelsindia.com
6	Financial Year reported:	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Motor Vehicles Parts and accessories sector NIC Code of Product / Service: 29301, 28246
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	A. Manufacture of Road Wheels B. Manufacture of Parts & Accessories for Machinery/ Equipments used by construction and mining industries
9	Total number of locations where business activity is undertaken by the Company 1. Number of International Locations (Provide details of Major 5) 2. Number of National Locations	International Location: Nil National Location: 9
10	Markets served by the Company – Local/ State/National/International	Local, State, National and International market- All Markets

#### Section B: Financial Details of the Company (as on 31.03.2018)

1	Paid up Capital (in Crore):	12.03
2	Total Turnover (in Crore):	2507.87 (incl. excise duty)
3	Total Profit after taxes (in Crore):	71.77
4	Total Spending on Corporate Social Responsibility (CSR) (in Crore) as percentage of profit after tax (%)	1.17 (More than 2% of the average net profits for last three financial years)
5	List of activities in which expenditure in 4 above has been incurred:	1. Healthcare 2. Education 3. Promotion of culture and heritage 4. Environment 5. Sports

#### Section C: Other Details

- Does the Company have any Subsidiary Company / Companies?**  
As on 31.03.2018, the Company has one subsidiary company - WIL Car Wheels Limited
- Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company (s)**  
The Subsidiary Company was formed during the year 2017-18. They will follow similar Business Responsibility Initiatives.
- Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? (Less than 30%, 30% - 60%, More than 60%)**  
No.

## Section D: BR Information

### 1. Details of Director / Directors responsible for BR

#### (a) Details of the Director / Director responsible for implementation of the BR policy/policies

DIN Number	00063415
Name	Mr. Srivats Ram
Designation	Managing Director

#### (b) Details of the BR head

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	Not applicable
2	Name	Mr. Shriram Vijayaraghavan
3	Designation	Sr. Vice President (Operations)
4	Telephone number	044-26234504
5	Email id	shriram.v@wheelsindia.com

### 2. Principle-wise (as per NVGs) BR Policy / policies

#### (a) Details of compliance (Reply in Y/N)

Sr. No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
2	Has the policy being formulated in consultation with the relevant stakeholders?	The policies have been framed keeping in mind the interests of the stakeholders at large.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Various practices / processes emanating out of these policies conform to national / international standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
5	Does the Company have a specified committee of the Board / Director / official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
6	Indicate the link for the policy to be viewed online?	\$	\$	\$	\$	\$	\$	\$	\$	\$
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y*	Y	Y

\$ The Policies of the Company/ Business Responsibility Policy are available on the Company's website: [www.wheelsindia.com](http://www.wheelsindia.com)

\* Considering the nature of the Company's business, these principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

1	The company has not understood the Principles	NOT APPLICABLE
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	
3	The company does not have financial or manpower resources available for the task	
4	It is planned to be done within next 6 months	
5	It is planned to be done within the next 1 year	
6	Any other reason (please specify)	

### 3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

BRR is applicable for the year 2017-18. The company assesses the BR report annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the requirement of publishing the Business Responsibility Report is applicable from the year 2017-18. It is annexed to the Directors' Report (Annexure X) forming part of the Annual Report 17-18 and is available on the website [www.wheelsindia.com](http://www.wheelsindia.com).

## Section E: Principle Wise Performance

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the policy covers the Company and its subsidiary.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and Resolved during the year 2017-18
Shareholders	Nil
Depositors	Nil
Customers	Received 120 complaints across all types of Products, all of which have been resolved

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The company is growing and continuously improving its products to meet customer requirements. The Company is committed to be an environmental friendly organization and has a dedicated environmental policy across all its business units.

There are three products whose design has incorporated social or environmental concerns, risks and opportunities:

- Commercial vehicle wheels
- Energy equipment parts
- Aluminium wheels



**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
  - a) Commercial vehicle wheel – Adopted environmentally friendly paint on LCV wheels. Recycled paint sludge from customers are collected and processed into paint by a 3rd party. This reduces the environmental impact of harsh chemicals.
  - b) Energy Equipment parts – Eliminated power coating on distance ring component, thereby saving over 300Kg of powder paint consumption per year
  - c) Forged Aluminium Wheel – Reduction in Forged Aluminum wheels weight to reduce unsprung/rotating mass of commercial trucks. The new generation wheel is ~8% lighter than the older wheel, which has a direct benefit of fuel consumption reduction.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (i) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company is certified under IATF -16949-2016 and under Environmental Management Systems (EMS 14001-2015). It has procedures in place to support sustainable sourcing activities. These procedures are followed during vendor evaluation and applicable for suppliers to select few customers of WIL as per audit plan and procedure. Currently <5% of products/services are routed through sustainable sourcing procedure.

- a) Continuously increase the use of returnable packaging and bio-degradable material
- b) Partner with specialist agencies when dealing with storage, handling and disposal of hazardous chemicals

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the company procures goods and services from SME's (Small and medium Enterprises). The Company assesses their capability on a regular basis and provides technical and financial assistance to improve their capability and capacity wherever required. The company continuously sources a variety of products and services that include:

- a) Purchase of Product stores.
- b) Indigenization of spare parts for machines
- c) Outsourcing of manufacturing processes (e.g., part machining, tool building etc.)
- d) Machinery for construction and plant engineering

**5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).Also, provide details thereof, in about 50 words or so.**

The Company has a mechanism to recycle/ reuse products and waste. Most of the wooden/corrugated packing materials are replaced as returnable/reusable plastic trays and being used for many domestic customers. The value of such items may be <5 % of overall procurement. Disposal of lead waste and battery waste are done through authorized recyclers. Paint sludge is being sent to cement manufacturers, which is used as fuel for their processes.

Steel scraps generated are being sold to casting industries and rerollers.

Aluminium Scraps are being sent to smelting unit and is obtained back as Aluminium Billets for further in house processing.

Industrial water waste in ETP is treated, recycled back to the manufacturing process as feed water to DM water plant (>10%). Domestic waste water in STP is treated and reused for gardening and toilet flushing. Thinner from paint sludge is extracted and reused for spray gun washing in paint plants (<5%).



### Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 2042
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 4524
3. Please indicate the Number of permanent women employees: 27
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management.: Yes
6. What percentage of your permanent employees is members of this recognized employee association? 32.4%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour / involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
  - (a) Permanent Employees: >93%
  - (b) Permanent Women Employees: 100%
  - (c) Casual/Temporary/Contractual Employees: 100%
  - (d) Employees with Disabilities: NA

### Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders? Yes/No**  
Yes, it has mapped both internal and external stakeholders. It leverages a formal and informal method of engaging stakeholders to understand their concerns and works together to resolve them.
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**  
Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**  
Yes, the Company's CSR policy drives initiatives towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. It undertakes a host of initiatives to address the concerns of stakeholders. Specifically, it spends considerable portion of its budget towards agriculture and to benefit the farmers.

### Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers / Contractors / NGOs / Others?**  
The Company has a Code of Conduct for business and ethics and a Policy of sexual harassment of employees, and vigil mechanism policy which covers aspects ensuring human rights of its employees. Adherence is expected from any person dealing with the Company.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**  
Nil

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**Principle 6: Business should respect, protect and make efforts to restore the environment****1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The company has built sustainable business practices through standardized systems. As a part of this, it encourages all employees and partners to participate in protecting the environment. This is applicable to the Company and its subsidiary.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, being in the manufacturing business, the Company has mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environmental friendly organization and has a dedicated environmental policy across all its business units. As an example, an initiative to reduce and control the pollution level, there is usage of LPG instead of furnace oil.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, as part of the EMS 14001-2015 certification, all the units of the company identify and assess the potential environmental risks and develop a mitigation plan to address it. This is usually handled by the Risk management committee and its reports are reviewed by the Audit Committee as per their terms of reference.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The company is committed to using renewable resources to operate its facilities. Approximately 35% of the power consumption in 2017-18 is from renewable energy with the largest renewable source being wind energy.

**5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes, the Company is committed to manufacturing products and offer services in a way that ensures entitlement of all to a clean environment. (Please refer to **Annexure IX** of the Directors' report). The Company focuses on energy consumption and has a bi-weekly review to continuously improve in this field. Some of the projects that maximize the use of renewable sources and lower consumption include:

- a) Decrease operating temperatures in ovens (top coat)
- b) Optimization of run time of high-power-consuming devices (e.g., heat treatment etc.)
- c) Elimination of painting on several products

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the Company at all times ensures compliance with the applicable environmental laws. The Environmental policy and ISO 14001 certification of its facilities reiterates its commitment to be an environmental friendly organization setting standards in environment management.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner****1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) Madras Chamber of Commerce & Industry
- (b) Confederation of Indian Industry
- (c) Automotive Components Manufacturers of Association (ACMA)
- (d) Society of Indian Automobile Manufacturers
- (e) Madras Management Association
- (f) Industrial Waste Management Association
- (g) Indo American Chamber of Commerce
- (h) Indo Korean Cultural and Information Centre



2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

As a responsible corporate citizen, the Company through Industry associations makes suitable representations or recommendations before regulators and associations for better industry in India.

**Principle 8: Business should support inclusive growth and equitable development**

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof**

Yes. The company has a fair and standardized culture of equitable growth and development of employees, society, and partners. The company has a strong CSR program, details of which are available in the annual report on CSR activities.

2. **Are the programmes / projects undertaken through in house team / own foundation/ external NGO/ government structures/any other organization?**

The Corporate Social responsibility initiatives of the Company are implemented through In-house team, as well as through specialist agencies.

3. **Have you done any impact assessment of your initiative?**

Yes, the Company does quarterly review of CSR initiatives augmented with frequent field visits.

4. **What is your company's direct contribution to community development projects. Amount in INR and the details of the projects undertaken.**

Contribution of Rs. 117.59 lakhs in the last fiscal year. Please refer to Annual Report on CSR activities for additional details.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? (Please explain in 50 words or so)**

Please refer to Annual Report on CSR Activities for details.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year**

Nil

2. **Does the Company display product information on the product label over and above what is mandated as per local laws? Yes/No/N. A/Remarks (additional information)**

The Company displays product information on the product label to the extent mandated as per local laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti – competitive behavior during the last five years and pending as on end of financial year, if so, provide details thereof in about 50 words or so**

None

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, the Company engages a third party to conduct a customer satisfaction survey once every two years. The Company leverages this survey to understand customers' requirements and help provide customers a holistic solution.

On behalf of the Board of Directors

**S Ram**

Chairman

DIN 00018309

Chennai  
June 22, 2018

# Independent Auditors' Report on the Standalone Financial Statements

## To the Members of Wheels India Limited

### To the Members of Wheels India Limited

We have audited the accompanying Standalone Ind AS financial statements of Wheels India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (financial performance including other comprehensive income), its Cash Flows and the changes in equity for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2014 audited by previous auditors and their report for the year ended 31st March 2017 and 31st March 2016 dated 29th May 2017 and 25th May 2016 respectively, expressed an unmodified opinion on those standalone financial statements and management has restated to comply with Ind AS. Adjustments made to the previously issued said statutory financial information for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the internal financial controls with reference to financial statements of the

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Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 26(i)(b) to the Standalone Ind AS financial statements.

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No.000511S

**L. Ravi Sankar**  
Partner

Place: Chennai  
Date: 29th May 2018

Membership No. 025929

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## Annexure - A to the Auditors’ Report

With reference to Annexure A referred to in Independent Auditors’ Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The Title deeds of immovable properties owned by the company are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such

verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii) (a), (b) and (c) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Company has not given any loan or made any investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.



(v) The Company has accepted public deposits and has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under.

(vi) The Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act in respect of the two of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax sales tax, service tax, duty of customs, value added tax, Goods and Service tax and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, Goods and Service tax and other statutory dues outstanding as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of duty of customs, duty of excise and Goods and Service tax which have not been deposited on account of any dispute. The dues in respect of Income tax, Service tax and Sales tax which have not been deposited on account of dispute are as follows:

<b>Nature of Dues</b>	<b>Amount (Rs.) in Crores</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income tax	3.42	Assessment Year 2014-15	CIT (A)
Service tax	0.96	Assessment Year 2008-09 to Assessment Year 2016-17	CESTAT
VAT – Tamilnadu	0.35	Assessment Year 2006-07 to Assessment Year 2012-13	Deputy Commissioner of Commercial Taxes (Appeals)
VAT – Uttara khand	0.47	Assessment Year 2010-11	Joint Commissioner of Commercial Taxes (Appeals)

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank during the year. The Company has not taken any loans or borrowing from a financial institution or Government or raised any money through placement of debentures during the year.

(ix) The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor has availed any term loans during the year.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees were noticed or reported during the course of our audit.

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(xi) The Company has paid/provided for managerial remuneration within the limits of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private

placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No.000511S

**L. Ravi Sankar**  
Partner

Place: Chennai  
Date: 29th May 2018

Membership No. 025929



## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Wheels India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No.000511S

**L. Ravi Sankar**  
Partner

Place: Chennai  
Date: 29th May 2018

Membership No. 025929



## **ACCOUNTS - 2017-2018**

# Balance Sheet as at

Rs. in Crores

PARTICULARS	Note No.	31st March 2018	31st March 2017	1st April 2016
<b>I ASSETS</b>				
<b>1 Non-current assets</b>				
a) Property, Plant and Equipment	1	488.28	524.50	516.82
b) Capital work-in-progress	2	36.27	21.93	21.24
c) Other Intangible Assets	3	2.56	1.84	1.59
d) Financial Assets				
i) Investments	4	16.46	12.07	13.27
ii) Loans	5	8.67	9.82	6.08
iii) Others	6	1.70	2.41	1.49
e) Other Non Current Assets	7	7.99	8.50	4.99
		<b>561.93</b>	<b>581.07</b>	<b>565.48</b>
<b>2 Current assets</b>				
a) Inventories	8	349.02	279.23	293.10
b) Financial Assets				
i) Trade receivables	9	478.34	436.00	363.60
ii) Cash and cash equivalents	10a	2.05	3.31	2.11
iii) Bank Balances other than (ii) above	10b	5.14	6.06	2.72
iv) Others	11	8.18	7.17	5.67
c) Current Tax Assets (Net)	12	-	0.58	-
d) Other current assets	13	117.75	48.91	52.64
		<b>960.48</b>	<b>781.26</b>	<b>719.84</b>
<b>TOTAL</b>		<b>1,522.41</b>	<b>1,362.33</b>	<b>1,285.32</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	14	12.03	12.03	12.03
b) Other Equity	15	503.32	449.69	407.11
		<b>515.35</b>	<b>461.72</b>	<b>419.14</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	16	133.72	126.57	187.90
ii) Others	17	1.00	1.20	2.03
b) Provisions	18	2.91	3.72	3.86
c) Deferred tax liabilities (Net)	19	56.07	57.97	56.00
		<b>193.70</b>	<b>189.46</b>	<b>249.79</b>
<b>2 Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	20	158.49	146.26	147.49
ii) Trade payables	21	470.22	421.83	372.31
iii) Others	22	76.39	107.51	59.20
b) Other current liabilities	23	83.93	13.87	14.60
c) Short-term provisions	24	22.53	21.68	19.97
d) Current Tax Liabilities (Net)	25	1.80	-	2.82
		<b>813.36</b>	<b>711.15</b>	<b>616.39</b>
<b>TOTAL</b>		<b>1,522.41</b>	<b>1,362.33</b>	<b>1,285.32</b>
Significant Accounting Policies	A			

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

# Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March



Rs. in Crores

	Note No.	2018	2017
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		2,278.81	2,168.31
Sale of Services		34.67	19.70
Other operating revenues		194.39	154.62
Revenue from Operations	28	2,507.87	2,342.63
Other income	29	9.27	3.19
<b>TOTAL REVENUE</b>		<b>2,517.14</b>	<b>2,345.82</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	1,701.47	1,423.81
Changes in inventories of finished goods, Work-in-progress	31	(16.48)	5.56
Excise Duty on sale of goods		47.63	169.76
Employee benefit expenses	32	259.87	252.73
Other Expenses	33	324.10	305.05
<b>TOTAL EXPENSES</b>		<b>2,316.59</b>	<b>2,156.91</b>
Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses		200.55	188.91
Finance Costs	34	44.54	48.16
Depreciation and amortisation expenses	1 & 3	67.05	63.92
Profit before exceptional items and tax		88.96	76.83
Exceptional items	35	12.49	-
<b>Profit before tax</b>		<b>101.45</b>	<b>76.83</b>
Tax expense:	36		
Current tax		34.24	18.21
Deferred tax		(4.56)	0.25
<b>Profit for the year</b>		<b>71.77</b>	<b>58.37</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		0.91	(0.84)
- Remeasurements of post employment defined benefit plan		1.89	0.39
Less: Income Tax relating to remeasurements		(0.66)	(0.13)
<b>Total Comprehensive Income for the year</b>		<b>73.91</b>	<b>57.79</b>
Earnings per equity share:	37		
1. Basic		59.65	48.51
2. Diluted		59.65	48.51
Significant Accounting Policies	A		

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929



# Statement of changes in Equity

## A) EQUITY SHARE CAPITAL

Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balance at the beginning of the reporting year	12.03	12.03	12.03
Changes in Equity share capital during the year	-	-	-
<b>Balance at the end of the reporting year</b>	<b>12.03</b>	<b>12.03</b>	<b>12.03</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Total
	Capital Reserve*	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI	
<b>A. Balance as at 1st April, 2016</b>	-	82.13	302.28	25.37	1.96	(4.63)	<b>407.11</b>
Profit for the year				58.37			58.37
Changes in Fair valuation of Equity Instrument					(0.84)		(0.84)
Remeasurement of defined benefit plans						0.26	0.26
<b>B. Total Comprehensive Income for the year 2016-17</b>	-	-	-	58.37	(0.84)	0.26	<b>57.79</b>
Interim Dividend 2016-17 including Dividend Tax				(7.25)			(7.25)
Final Dividend 2015-16 including Dividend Tax				(7.96)			(7.96)
Transfer to General Reserve			25.00	(25.00)			-
<b>C. Total</b>	-	-	<b>25.00</b>	<b>(40.21)</b>	-	-	<b>(15.21)</b>
<b>D. Balance as at 31st March, 2017 (A+B+C)</b>	-	82.13	327.28	43.53	1.12	(4.37)	<b>449.69</b>
Profit for the year				71.77			71.77
Changes in Fair valuation of Equity Instrument					0.91		0.91
Remeasurement of defined benefit plans						1.23	1.23
<b>E. Total Comprehensive Income for the year 2017-18</b>	-	-	-	71.77	0.91	1.23	<b>73.91</b>
Interim Dividend 2017-18 including Dividend Tax				(8.69)			(8.69)
Final Dividend 2016-17 including Dividend tax				(11.59)			(11.59)
Transfer to General Reserve			30.00	(30.00)			-
<b>F. Total</b>	-	-	<b>30.00</b>	<b>(50.28)</b>	-	-	<b>(20.28)</b>
<b>G. Balance as at 31st March, 2018 (D+E+F)</b>	-	82.13	357.28	65.02	2.03	(3.14)	<b>503.32</b>

\* Capital Reserve is Rs. 1,713/-

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K.V. LAKSHMI**  
Company Secretary

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

Chennai  
29th May, 2018



## Notes on Accounts

### **A Significant Accounting Policies:**

#### **a) Basis of Preparation**

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

The financial statements for the year ended 31st March 2018 have been prepared for the first time under Ind AS. For all periods upto the year ended 31st March 2017, the financial statements have been prepared in accordance with accounting standards notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounts) rules 2014 (hereinafter called previous GAAP).

The financial statements for the previous year ended 31st March 2017 and the Balance Sheet as at 1st April 2016 (Transition date) have been restated in accordance with Ind AS for comparative information. Refer Note No. B(ii) for details of the effect of Transition.

The financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently for all the periods presented in the financial statements.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company's normal operating cycle has been ascertained as 12 months based on the nature of products and the time between acquisition of assets for processing and their realisation in cash or cash equivalents.

#### **b) Basis of measurement**

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

#### **c) Property, Plant and Equipment**

- a) Property, plant and equipment is stated at acquisition cost net of Cenvat, VAT, GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) Leasehold Land: Premium paid on Leasehold Land is amortised over the lease period.
- d) The expenditure during construction period relating to the new project till the commencement of commercial production is capitalised and allocated to the relevant equipments.
- e) In accordance with Ind AS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.
- f) Grants received for Investment in Property, Plant & Equipment are recognized in Statement of Profit or Loss on a systematic basis over the useful life of the asset.

g) 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.

h) Upon first time adoption of Ind AS, the carrying value of all the assets as at Transition date i.e. 01st April 2016 has been considered as its Deemed cost.

**d) Investments in Subsidiaries and Associates**

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses if any.

Upon first time adoption of Ind AS, the Company has opted to measure its investments in Subsidiary and Associate at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS ie., 1st April 2016.

**e) Inventories**

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

**f) Financial instruments**

**i) Financial assets:**

Financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss, its transaction cost is recognised in the Statement of profit and loss. In other cases, the acquisition cost of the financial assets is net of the attributable transaction cost. Financial assets are subsequently classified and measured at:

- i) Amortised cost or
- ii) Fair Value through profit and loss (FVTPL) or
- iii) Fair Value through other comprehensive income (FVTOCI)

**Trade receivables and Loans:**

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

**Investments:**

All investments in equity instruments (other than in Subsidiaries and Associates covered under (d) above) classified under financial assets, are initially measured at fair value. Fair Value changes on an equity instruments is recognised in the Statement of Profit and Loss or Other Comprehensive income, as the case may be. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

**ii) Financial liabilities:**

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

**g) Provisions and Contingent liabilities**

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that a outflow of resources will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

**h) Revenue recognition**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred. Service revenues are recognised when services are rendered. Interest income is recognised at EIR method. Dividend income is recognised when right to receive the payment is established. Export incentives are recognised as revenue as and when exports are made.

**i) Employee Benefits****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. The Company has an obligation to make good the shortfall, if any between the return from the investments made from the trust and the notified interest rate accrued to the employees account.

**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, which is the administrator of the plan.

**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, which is the administrator of the plan.

**Others:**

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

**j) Research & Development expenses**

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

**k) Operating Leases**

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

**l) Foreign Currency Transactions**

Transactions in Foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date.

**m) Derivative contracts:**

The Company uses Forward contracts to hedge its foreign currency risk. The profit/loss arising on these contracts is accounted for as income/expenditure on the date of settlement of the contract.

The outstanding contracts are marked to market on the reporting date and the net loss/gain arising therefrom is recognised in the Statement of Profit and Loss.

**n) Earnings per share**

Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year

**o) Income taxes**

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

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

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

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

**B (i) First Time Adoption of Ind AS as per Ind AS 101**

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Accordingly, the Financial statements has been prepared for the

year ended 31st March 2018 together with the comparative information as at and for the year ended 31st March 2017 and the opening Balance Sheet as at 1st April 2016, being the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as given below.

The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017.

**Optional exemptions from retrospective application**

- i) Deemed cost of Property, plant and equipment and intangible assets: The Company has elected to measure all its Property, plant and equipment and intangible assets at the Previous GAAP carrying amounts as its deemed cost on the date of transition to Ind AS.
- ii) Investments in Associate: The Company has elected to measure its investments in associate at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**Mandatory Exceptions from retrospective application**

- iii) Estimates: On assessment of the estimates made under Previous GAAP financial statements, the Company has concluded that there is no necessity to revise those estimates under Ind AS as there is no objective evidence of error in those estimates.
- iv) Classification and measurement of financial assets: The classification of financial assets to be measured 'At amortised cost' or at fair value through profit and loss or through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.
- v) Government Loans: The Company has decided to classify the Interest Free Sales Tax Loan acquired before Transition date as Government Grant under Ind AS 20 retrospectively as per B11 of Appendix B to Ind AS 101.
- vi) Reconciliations: The following reconciliations provide the explanations for the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.
  - a. Reconciliation of Equity as at 1st April 2016.
  - b. Reconciliation of Equity as at 31st March 2017
  - c. Reconciliation of Statement of Profit and Loss for the year ended 31st March 2017.
  - d. Adjustments to Statement of Cash Flows for the year ended 31st March 2017.
- vii) Previous GAAP figures have been reclassified / regrouped wherever necessary to conform with financial statements prepared under Ind AS.

**B (ii) Reconciliation between Previous GAAP & Ind AS****(i) Equity Reconciliation****Rs. in Crores**

	<b>As at 31st Mar 2017</b>	<b>As at 1st Apr 2016</b>
<b>As reported under Previous GAAP</b>	<b>460.35</b>	<b>408.16</b>
Dividend (including Dividend Tax)	-	7.96
Gain/(Loss) in Revaluation of Forward contracts under Fair Value Hedging	(0.14)	0.65
Reversal of Foreign currency Monetary Item Translation Difference Account	-	-
Interest Cost Difference as per Effective Interest Rate Method	0.65	1.03
Change in Fair Valuation of Investments	1.12	1.96
Tax Adjustments on the above	(0.26)	(0.62)
<b>Equity under Ind AS</b>	<b>461.72</b>	<b>419.14</b>

**(ii) Total Comprehensive Income Reconciliation****Rs. in Crores**

	<b>As at 31st Mar 2017</b>
<b>Net Profit after Tax under Previous GAAP</b>	<b>59.31</b>
Gain/(Loss) in Revaluation of Forward contracts under Fair Value Hedging	(0.79)
Reversal of Foreign currency Monetary Item Translation Difference Account	0.12
Interest Cost Difference as per Effective Interest Rate Method	(0.37)
Tax Adjustments on the above	0.36
Actuarial Gain/Loss on Employee Benefits (Net of Tax) classified to OCI	(0.26)
<b>Net Profit after Tax under Ind AS</b>	<b>58.37</b>
Change in Fair Valuation of Investments	(0.84)
Actuarial Gain/Loss on Employee Benefits (Net of Tax) classified to OCI	0.26
<b>Total Comprehensive Income under Ind AS</b>	<b>57.79</b>



iii) **Reconciliation to Statement of Cash flow** : There are no material adjustments made to the Statement of Cash Flows as reported under the Previous GAAP.

iv) **Notes to Reconciliation between previous GAAP and Ind AS**

- a) Final dividend payable which was hitherto recorded as a Liability in the year in which it pertains to, has been recognized as Liability in the year in which the Obligation to pay is established.
- b) Outstanding Forward Contracts have been revalued under Marked to Market as per Ind AS. This has resulted in an increase in Equity as at 01st April 2016 by Rs 0.65 crore. For the year 2016-17, revaluation has resulted in decrease in Profit by Rs.0.79 crore. The net impact on Equity as at 31st March, 2017 is Rs.0.14 crore.
- c) The Retrospective effect of classifying the Term Loans under 'at Amortised Cost' by applying Effective Interest rate method has resulted in an increase in Equity as on the Transition date by Rs. 1.03 crores. This will be absorbed as Interest expense over the remaining period of such Term Loans. Accordingly, Interest expenses of Rs 0.37 crore is absorbed in the Statement of Profit and Loss in the year 2016-17 and Net Increase of Rs.0.65 crore is disclosed in Equity as at 31st March, 2017.
- d) **Tax Adjustments** : Deferred Tax Impact on the above Adjustments are given as Tax Adjustments which resulted in decrease in Equity of Rs.0.62 crore and Rs. 0.26 crore as at 01.04.2016 and 31.03.2017 respectively.
- e) **Fair Valuation of Investment** : As per Ind AS 109, Investment in Other Entities have been fair valued as on the Transition date. This has resulted in an increase in Equity by Rs. 1.96 crores as at 1st April 2017. However, as at 31st March 2017, there has been a decrease in the Fair value by Rs. 0.84 crore. This has been disclosed under 'Other Comprehensive Income' in the year 2016-17.
- f) **Employee Benefits** : Actuarial Gain/Loss on Remeasurement of Gratuity Liability has been reclassified under 'Other Comprehensive Income' retrospectively as on 01.04.2016 which amounts to Rs. 4.63 crores (Net of Tax) and Rs.0.26 crore (Net of Tax) for the year ended 2016-17.
- g) **Excise Duty** : Revenue from Operation includes Excise Duty on Sale of Goods and the amount of Excise duty on sales is shown separately under 'Expenses' in the Statement of Profit and Loss. This classification has no impact on Profit/Loss for the year 2016-17.



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

Rs. in Crores

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As At 31.3.2017	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2018	As At 31.03.2017	Additions	Deletions	As At 31.3.2018	As At 31.03.2017
1. TANGIBLE ASSETS									
Land (Free hold)	4.40	3.81	7.27	0.94	0.00	0.00	0.00	0.94	4.40
Land (Lease hold)	5.22	0.00	0.00	5.22	0.69	0.05	0.00	0.74	4.53
Buildings	120.76	5.02	9.04	116.74	41.20	4.28	3.41	42.07	79.56
Plant and Equipment	993.31	83.77	133.09	943.99	564.16	59.34	82.01	541.49	429.15
Furniture and Fixtures	5.67	0.33	0.35	5.65	4.07	0.37	0.28	4.16	1.60
Vehicles	0.16	0.00	0.03	0.13	0.13	0.00	0.03	0.10	0.03
Office Equipment	17.30	1.05	1.84	16.51	12.07	1.81	1.54	12.34	5.23
	1146.82	93.98	151.62	1089.18	622.32	65.85	87.27	600.90	524.50
3. INTANGIBLE ASSETS									
Computer Software	15.35	2.08	0.23	17.20	13.69	1.11	0.07	14.73	1.66
Technical Know-how	2.02	0.00	0.00	2.02	1.84	0.09	0.00	1.93	0.18
	17.37	2.08	0.23	19.22	15.53	1.20	0.07	16.66	1.84
Total	1164.19	96.06	151.85	1108.40	637.85	67.05	87.34	617.56	490.84

**NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**
**Rs. in Crores**

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block	
	As At 01.04.2016	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2017	As At 01.4.2016	Additions	As At 31.3.2017	As At 01.4.2016
<b>1. TANGIBLE ASSETS</b>								
Land (Free hold)	3.72	0.68	0.00	4.40	0.00	0.00	0.00	3.72
Land (Lease hold)	5.22	0.00	0.00	5.22	0.64	0.05	4.53	4.58
Buildings	118.04	2.88	0.16	120.76	36.79	4.56	79.56	81.25
Plant and Equipment	934.25	68.93	9.87	993.31	515.28	56.03	429.15	418.97
Furniture and Fixtures	5.38	0.29	0.00	5.67	3.64	0.43	1.60	1.74
Vehicles	0.16	0.01	0.01	0.16	0.13	0.00	0.03	0.03
Office Equipment	23.41	1.29	7.40	17.30	16.88	2.03	5.23	6.53
	1090.18	74.08	17.44	1146.82	573.36	63.10	524.50	516.82
<b>3. INTANGIBLE ASSETS</b>								
Computer Software	14.43	0.92	0.00	15.35	12.95	0.74	13.69	1.48
Technical Know-how	1.87	0.15	0.00	2.02	1.76	0.08	1.84	0.11
	16.30	1.07	0.00	17.37	14.71	0.82	15.53	1.59
Total	1106.48	75.15	17.44	1164.19	588.07	63.92	637.85	
Previous year	1042.17	72.92	8.61	1106.48	532.63	60.45	588.07	518.41

**2. CAPITAL WORK IN PROGRESS**

	31.03.2018	31.03.2017	01.04.2016
a) Buildings	0.02	1.09	2.28
b) Plant and Machinery	36.25	20.84	18.96
	<u>36.27</u>	<u>21.93</u>	<u>21.24</u>

Rs. in Crores

NON CURRENT ASSETS

4 INVESTMENTS

Unquoted

Investment in Equity instruments

i) In Subsidiary company at Cost

**WIL Car Wheels Limited**

37,00,000 Equity Shares of Rs.10/- each fully subscribed and paid-up during the year

3.70

-

-

3.70

-

-

ii) In Associate company at Cost

**Axles India Limited**

24,24,661 Equity Shares of Rs.10/- each fully paid-up

2.72

2.72

2.72

2.72

2.72

2.72

iii) In Other Entity at Fair Value through Other Comprehensive Income

**Sundaram Hydraulics Limited**

71,50,000 Equity Shares of Rs.10/- each fully paid up

7.15

7.15

7.15

**Add: Addition due to Fair Valuation**

1.03

8.18

0.12

7.27

0.96

8.11

iv) In Other Entities at Fair Value through Profit or Loss

**MEFCO Engineers Private Limited**

20,000 Equity Shares of Rs.100/- each fully paid up

0.20

0.20

0.20

**Siva Electric Generation Private Limited**

1,62,172 Equity shares of Rs.10/- each fully paid up

0.16

0.16

0.16

**Gamma Green Power Private Limited**

10,03,825 Equity shares of Rs.10/- each fully paid up (12,02,318 Nos. and 20,28,250 Nos. of Rs.10/- each fully paid up as at 31.03.2017 and 01.04.2016 respectively)

1.00

1.20

2.03

**Saheli Exports Private Limited**

9,450 Equity Shares of Rs. 10/- each fully paid up

-

0.05

0.05

**Coromandel Electric Company Limited**

10,000 Equity Shares of Rs. 10/- each fully paid up

-

0.01

-

**Beta Wind Farm Private Limited**

2,05,224 Equity Shares of Rs. 10/- each fully paid up (Previous year 1,89,991 Equity Shares of Rs. 10/- each fully paid up)

0.40

0.36

-

**Siva Green Energy India Private Limited**

95,000 Equity Shares of Rs. 10/- each fully paid up

0.10

1.86

0.10

2.08

-

2.44

16.46

12.07

13.27



Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>5 LOANS</b>			
<b>Unsecured - Considered good</b>			
a) Security Deposits	8.67	9.81	6.07
b) Loans and advances due by an officer of the company	-	0.01	0.01
	<u>8.67</u>	<u>9.82</u>	<u>6.08</u>
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>			
a) Advances to employees	0.99	1.40	1.36
b) Fixed Deposits (as Guarantee to Commercial Taxes Department)	0.58	0.58	0.00
c) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	0.13	0.43	0.13
	<u>1.70</u>	<u>2.41</u>	<u>1.49</u>
<b>7 OTHER NON CURRENT ASSETS</b>			
a) Advances for Capital goods	7.93	8.36	4.72
b) Prepaid expenses	0.06	0.14	0.27
	<u>7.99</u>	<u>8.50</u>	<u>4.99</u>
<b>CURRENT ASSETS</b>			
<b>8 INVENTORIES</b>			
a) Raw Materials (includes Goods in Transit Rs. 11.90 crores (previous years Rs. 14.20 crores and Rs.6.28 crores))	171.46	122.51	135.40
b) Work - in Progress	72.75	58.70	50.22
c) Finished goods	43.99	41.56	55.60
d) Stores and Spares (includes Goods in Transit Nil (previous years Rs. 0.05 crores and Rs.0.26 crores))	44.97	41.12	37.55
e) Loose tools	15.85	15.34	14.33
	<u>349.02</u>	<u>279.23</u>	<u>293.10</u>

## Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>9 TRADE RECEIVABLES</b>			
Unsecured - Considered good	<b>478.34</b>	436.00	363.60
	<b>478.34</b>	<u>436.00</u>	<u>363.60</u>
<b>10 CASH AND CASH EQUIVALENTS</b>			
a i) Current Accounts	<b>0.86</b>	2.51	0.80
ii) Cash on hand	<b>0.04</b>	0.07	0.12
iii) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	<b>1.15</b>	0.73	1.19
	<b>2.05</b>	<u>3.31</u>	<u>2.11</u>
b Bank Balances with more than three months maturity			
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	<b>0.78</b>	-	0.47
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	<b>4.03</b>	5.81	2.02
iii) Unclaimed Dividend Accounts	<b>0.33</b>	0.25	0.23
	<b>5.14</b>	<u>6.06</u>	<u>2.72</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>			
Advances to employees	<b>2.11</b>	2.75	2.83
Fixed Deposits (as Guarantee to Commercial Taxes Department)	<b>1.32</b>	0.57	0.87
Export Incentive License	<b>4.30</b>	3.35	1.65
Interest accrued on deposits and investments	<b>0.45</b>	0.50	0.32
	<b>8.18</b>	<u>7.17</u>	<u>5.67</u>
<b>12 CURRENT TAX ASSETS (Net)</b>			
Provision for tax less Advance tax and Tax Deducted at Source	-	(1.14)	-
Less: Minimum Alternate Tax credit entitlement set off	-	1.72	-
	<u>-</u>	<u>0.58</u>	<u>-</u>



Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>13 OTHER CURRENT ASSETS</b>			
<b>Unsecured - Considered good</b>			
a) Advances other than Capital Advances			
Advances to Vendors	12.59	9.84	7.61
Other Advances	3.83 16.42	0.53 10.37	0.99 8.60
b) Balance with Central Excise authorities	15.15	22.53	25.18
c) Balance with GST authorities	67.65	-	-
d) VAT receivable	0.90	1.47	1.39
e) Export incentives receivable	5.72	6.37	8.81
f) Prepaid expenses	11.91	8.17	8.66
	117.75	48.91	52.64

**EQUITY AND LIABILITIES**

**14 EQUITY SHARE CAPITAL**

a) <b>Authorised</b>	20.00	20.00	20.00
2,00,00,000 Equity Shares of Rs.10/- each			
b) <b>Issued, Subscribed and Fully Paid-up</b>			
1,20,32,279 Equity Shares of Rs.10/- each	12.03	12.03	12.03

		31.03.2018		31.03.2017		01.04.2016	
		No. of shares	Rs. in Crores	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
c)	<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>						
	<b>Equity Shares of Rs.10/- each</b>						
	Outstanding at the beginning and end of the year	120,32,279	12.03	120,32,279	12.03	120,32,279	12.03

d) **Rights, Preferences and restrictions**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.

	31.03.2018 (Number of shares)	31.03.2017 (Number of shares)	01.04.2016 (Number of shares)
<b>e) Shareholding of shareholders holding more than 5% of shares as at</b>			
T V Sundram Iyengar & Sons Private Limited	24,55,514	24,55,514	24,55,514
Southern Roadways Limited	11,16,314	11,16,314	11,16,314
Sundaram Finance Limited	—	13,33,741	13,33,741
Sundaram Finance Holdings Limited	13,33,741	—	—
Titan Europe Limited, UK	41,18,640	41,18,640	41,18,640

## Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>15 OTHER EQUITY</b>			
a) Capital Reserves	-	-	-
b) Securities Premium Reserve	82.13	82.13	82.13
c) General Reserves	357.28	327.28	302.28
d) Retained Earnings	65.02	43.53	25.37
e) Other Comprehensive Income Reserve	(1.11)	(3.25)	(2.67)
	<u>503.32</u>	<u>449.69</u>	<u>407.11</u>

Refer Note 39

**NON CURRENT FINANCIAL LIABILITIES****16 BORROWINGS****A. SECURED BORROWINGS**

a. Term Loans from Banks			
By first Charge by way of hypothecation of specific machinery	22.88	44.96	86.89
b. Term Loans from others			
By first Charge by way of hypothecation of specific machinery	9.95	16.20	27.35

**B. UNSECURED BORROWINGS**

a. Deferred payment liabilities	-	-	0.59
From State Government under Interest Free Sales tax Deferral Scheme			
b. Fixed Deposits	100.89	65.41	73.07
(Includes Rs. 0.24 crores received from Directors (previous years Rs. 0.48 crores)			
	<u>133.72</u>	<u>126.57</u>	<u>187.90</u>

Terms of Repayment : Refer Note 27



Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>17 NON CURRENT FINANCIAL LIABILITIES - OTHERS</b>			
Security Deposits	1.00	1.20	2.03
	<u>1.00</u>	<u>1.20</u>	<u>2.03</u>
<b>18 PROVISIONS</b>			
Provision for employee benefits	2.91	3.72	3.86
	<u>2.91</u>	<u>3.72</u>	<u>3.86</u>
<b>19 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities	66.71	71.06	69.81
Deferred Tax Assets	(3.84)	(3.63)	(2.63)
Minimum Alternate Tax credit entitlement	(6.80)	(9.46)	(11.18)
	<u>56.07</u>	<u>57.97</u>	<u>56.00</u>

Rs. in Crores

**Movement in Deferred Tax Assets and Liabilities**

	31.3.2018	Charge in Statement of Profit or Loss	31.3.2017	Charge in Statement of Profit or Loss	01.4.2016
a) Deferred Tax Liability					
i) Depreciation	64.51	(3.95)	68.46	2.79	65.67
ii) Export Incentives	2.00	(0.21)	2.21	(1.36)	3.57
iii) Remeasurement of Financial Liabilities	0.20	(0.02)	0.22	(0.13)	0.35
iv) Foreign Exchange Gain/Loss on MTM	-	0.05	(0.05)	(0.27)	0.22
v) others	-	(0.22)	0.22	0.22	-
	<u>66.71</u>	<u>(4.35)</u>	<u>71.06</u>	<u>1.25</u>	<u>69.81</u>
Less:					
b) Deferred Tax Asset					
Expenses allowable for tax purpose on payment basis	3.84	0.21	3.63	1.00	2.63
c) Minimum Alternate Tax credit entitlement	6.80	(2.66)	9.46	(1.72)	11.18
<b>Net Deferred Tax Liability/ (Assets) (a-b-c)</b>	<u>56.07</u>	<u>(1.90)</u>	<u>57.97</u>	<u>1.97</u>	<u>56.00</u>



Rs. in Crores			
CURRENT FINANCIAL LIABILITIES	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>20 BORROWINGS</b>			
<b>A. SECURED BORROWINGS</b>			
a) Loans repayable on demand from Banks	<b>58.92</b>	84.01	92.10
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.			
<b>B. UNSECURED BORROWINGS</b>			
a) Loans repayable on demand from Banks	<b>90.00</b>	50.00	45.00
b) Fixed Deposits (Includes Rs. 0.43 crores received from Directors (previous year Rs. 0.40 crores))	<b>9.57</b>	12.25	10.39
	<b>158.49</b>	146.26	147.49
<b>21 TRADE PAYABLES</b>			
Dues to Micro Enterprises and Small Enterprises	<b>14.86</b>	9.29	11.23
Dues to others	<b>455.36</b>	412.54	361.08
	<b>470.22</b>	421.83	372.31
(Refer note 40 for details of dues to Micro Enterprises and Small Enterprises)			
<b>22 CURRENT FINANCIAL LIABILITIES - OTHERS</b>			
a) Current maturities of long-term debt (Refer note 27) (Includes Rs. 0.92 crores received from Directors (previous year Rs. 2.67 crores))	<b>66.36</b>	96.24	49.67
b) Interest accrued but not due on borrowings	<b>6.73</b>	8.52	6.66
c) Unpaid Dividends	<b>0.33</b>	0.24	0.23
d) Trade Deposits	<b>0.90</b>	0.78	0.84
e) Recovery from Employees	<b>0.87</b>	1.01	1.22
f) Unclaimed matured deposits and interest accrued thereon	<b>1.20</b>	0.72	0.58
	<b>76.39</b>	107.51	59.20



Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>23 OTHER CURRENT LIABILITIES</b>			
Advance from Customers	3.01	0.39	2.54
Statutory dues	62.13	5.34	3.55
Creditors for capital goods (includes due to Micro enterprises and Small and medium enterprises Rs. 0.57 crores (previous years Rs. 0.63 crores and Rs.0.62 crores)	16.23	3.36	5.35
Deferred Income arising out of Government Grant	-	0.01	0.06
Provision for expenses	2.56	3.87	1.92
Provision for Excise duty on Finished Goods Stock	-	0.90	1.18
	<u>83.93</u>	<u>13.87</u>	<u>14.60</u>
<b>24 PROVISIONS</b>			
a) Provision for employee benefits	18.18	18.84	18.98
b) Provision for Warranty (Refer Note below)	1.50	0.38	-
c) Due to Directors	2.85	2.46	0.99
	<u>22.53</u>	<u>21.68</u>	<u>19.97</u>

i) **Provision for Warranty claims:**

Provision for warranty related costs is an estimate made by the management based on possible future outflow on servicing the customer for any corrective action when the product is sold to the customer. Initial Recognition is based on historical experience. The estimate of warranty related costs is reviewed annually.

ii)	Movement in Provisions	As at 1st April, 2017	Additions	Amounts used	As at 31st March, 2018
	Warranties	0.38	1.50	0.38	1.50

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>25 CURRENT TAX LIABILITIES</b>			
Provision for Taxation less Advance Tax and Tax deducted at Source	10.45	-	3.40
Less: Minimum Alternate Tax credit entitlement set off	8.65	-	0.58
	<u>1.80</u>	<u>-</u>	<u>2.82</u>

		Rs. in Crores	
26	CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2018	As at 31.03.2017
i)	<b>Contingent Liabilities</b>		
	a) Bills discounted with Banks	240.73	117.20
	b) Disputed amounts in respect of sales tax, service tax, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. 0.34 crores (previous year Rs.0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	2.47	19.46
ii)	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	38.88	29.83

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

The term loans and other loans are repayable over a period of 1 to 5 years as per the terms of agreement entered into with the Banks / others.

- 28 Consequent to the applicability of Goods and Service Tax (GST) w.e.f Jul 01, 2017, revenue from the operations for the year ended March 31, 2018 are disclosed net of GST. However, revenue from the operations includes Excise duty of Rs 47.63 Crores for the period upto June 30, 2017 and Rs. 169.76 Crores for the year ended March 31, 2017. Hence not comparable.

		Rs. in Crores	
29	OTHER INCOME	2017-18	2016-17
a)	Interest on deposits and advances	2.58	1.58
b)	Profit on sale of fixed assets (Net)	1.21	0.06
c)	Dividend Received	0.44	0.36
d)	Other non-operating income	2.37	1.19
e)	Net Gain on foreign currency transactions and translation	2.67	-
		<u>9.27</u>	<u>3.19</u>
30	<b>RAW MATERIAL CONSUMPTION</b>		
	Raw Material	1,235.28	1,059.52
	Components	466.19	364.29
		<u>1,701.47</u>	<u>1,423.81</u>



Rs. in Crores

	2017-18	2016-17
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
a) Opening inventory of Finished Goods	41.56	55.60
Less: Closing inventory of Finished Goods	43.99	41.56
Net change in stock of Finished Goods	(2.43)	14.04
b) Opening inventory of Work in Progress	58.70	50.22
Less: Closing inventory of Work in Progress	72.75	58.70
Net change in stock of Work in Progress	(14.05)	(8.48)
Net change in Finished Goods and Work in Progress	(16.48)	5.56
<b>32 EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries, Wages, Bonus and Commission	226.87	220.46
b) Contribution to Provident and Other Funds	11.03	9.48
c) Staff Welfare expenses	21.97	22.79
	259.87	252.73
<b>33 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	82.73	78.13
Power and fuel	98.49	89.89
Rent including Lease Rent	9.63	7.64
Repairs to		
Buildings	10.52	9.52
Machinery	15.36	12.77
Insurance	2.72	3.12
Rates and taxes, excluding taxes on income	1.53	2.30
Directors sitting fees	0.15	0.12
Auditors' remuneration		
Statutory Audit	0.32	0.32
Taxation matters	0.05	0.13
(includes Rs.0.05 Crores for Tax Audit - Last year Rs.0.05 crores)		
VAT Audit fees	-	0.02
Certification fees	0.05	0.07
Reimbursement of expenses	- 0.42	0.08 0.62
Expenditure on Corporate Social Responsibility (CSR)	1.17	0.91
Freight	48.03	37.97
Net Loss on foreign currency transactions and translation	-	6.89
Bad debts written off	0.46	-
Miscellaneous expenses	52.89	55.17
	324.10	305.05

Rs. in Crores

**34 FINANCE COSTS**

	2017-18	2016-17
a) Interest expense	43.49	46.81
b) Interest on shortfall and other interests under Income Tax Act	0.01	0.17
c) Other borrowing costs	1.04	1.04
d) Net (gain)/Loss on foreign currency transactions and translation	-	0.14
	<u>44.54</u>	<u>48.16</u>

- 35** The Slump sale of the Passenger Car Steel Wheels Business (PCSW) undertaken at Padi, Tamil Nadu and Bawal, Haryana to WIL Car Wheels Limited (WCWL) have been effected on Sep 01, 2017. The profit of Rs.12.49 crores on the above sale is reflected as an Exceptional item in the Statement of Profit and Loss for the Year ended March 31, 2018.

**36 Income Tax Expenses****A. Components of Income Tax Expense****i) Tax Expenses recognised in Statement of Profit or Loss:**

a) Current Tax		
- on Current year Tax Income	34.24	18.21
b) Deferred Tax		
- on Origination and Reversal of Temporary Differences	(4.56)	0.25
	<u>29.68</u>	<u>18.46</u>

**ii) Tax Expenses recognised in Other Comprehensive Income:**

a) Current Tax on Remeasurement of Post Employment Benefit obligation	0.66	0.13
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**B. Reconciliation of Effective tax Rate**

Total Comprehensive Income before tax	104.25		76.38	
Income Tax Expense at 34.61%	36.08	34.61%	26.43	34.61%
Income not chargeable to tax	(0.46)		0.17	
Income Tax Incentives	(5.52)		(8.90)	
Adjustments due to Slump sale	(2.21)		-	
Expenses not admissible	0.28		0.26	
Others	1.56		0.63	
<b>Taxed at Differential Rate</b>				
- Effect on account of change in tax rate in the year of reversal	0.61		-	
Tax Expenses recognised in Profit or Loss Statement	<u>30.34</u>	<u>29.10%</u>	<u>18.59</u>	<u>24.34%</u>



Rs. in Crores

	2017-18	2016-17
<b>37. Earnings Per Share</b>		
Net profit as per P&L account	71.77	58.37
Weighted Average Number of Shares	120,32,279	120,32,279
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	59.65	48.51
<b>38. The Company has provided Excise duty on Stock of finished goods at the factory and included the same in the valuation of the said inventories. However this has got no impact on the profit for the year</b>	-	0.90
<b>39. Final dividend of Rs.9/- Per equity share amounting to Rs.10.83 Crores for the Financial year 2017-18 recommended by Board of Directors which is subject to the approval of shareholders at the ensuing Annual General meeting is not recognised as liability as at the date of Balance sheet.</b>		

Rs. in Crores

	2017-18	2016-17
<b>40. Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"</b>		
<b>Particulars</b>		
a. The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.01	0.01
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.01	0.01
This information has been given in respect of such vendors to the extent they could be identified as 'Micro, Small and Medium Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.		

		Rs. in Crores	
41	Expenditure incurred on Scientific Research and Development	2017-18	2016-17
a)	Revenue Expenditure	14.01	12.88
b)	Capital Expenditure	6.59	2.70

**42 Employee Benefits****Defined Contribution Plan****a) Provident Fund**

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 4.01 crores for the year ended 31st March 2018 (previous year Rs. 4.34 crores) to Provident fund Authorities. The company has no obligation towards the Interest accumulation thereon.

**b) Superannuation**

The Company has contributed Rs.0.62 crores for the period 2017-18 (previous year Rs. 0.68 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

**Defined Benefit Plan**

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 1.83 crores for the year ended 31st March,2018 (previous year Rs. 1.90 crores) to the Provident Fund Trust and based on the Certificate from Actuary, there is no Liability towards shortfall in interest for the year ended 31st March, 2018.

**d) Gratuity and Leave Salary**

Incase of the above Defined Benefit plans, the liability is determined on the basis of Actuarial valuation and provided for in the Statement of Profit and Loss/ Other Comprehensive Income which are disclosed as below:

**Rs. in Crores**

	Gratuity (funded)		Leave Salary (Partly funded)	
	2017-18	2016-17	2017-18	2016-17
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	20.88	20.43	8.27	6.39
Current service cost	4.47	1.63	-	0.12
Interest cost	1.67	1.40	0.60	0.51
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.50	(0.39)	(0.19)	0.38
Actuarial loss / (gain) arising from Experience adjustments	(2.62)	-	1.01	2.73
Benefits paid	(4.92)	(2.19)	(1.85)	(1.86)
Closing defined benefit obligation	19.98	20.88	7.84	8.27
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	19.71	16.60	2.75	2.53
Expected return on plan assets	1.60	1.47	0.19	0.20
Actuarial gain / (Loss) arising from Return on plan assets	(0.23)	-	0.01	0.02
Contribution by employer	2.18	3.83	1.85	1.86
Benefits paid	(4.92)	(2.19)	(1.85)	(1.86)
Closing fair value of plan assets	18.34	19.71	2.95	2.75



Rs. in Crores				
	Gratuity (funded)		Leave Salary (Partly funded)	
	2017-18	2016-17	2017-18	2016-17
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	19.98	20.88	7.84	8.27
Fair value of plan assets at year end	18.34	19.71	2.95	2.75
Net (liability) / asset recognised as on 31st March	(1.64)	(1.17)	(4.89)	(5.52)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	4.47	1.63	-	0.12
Interest on defined benefit obligation	1.67	1.40	0.60	0.51
Expected return on plan assets	(2.61)	(1.47)	(0.19)	(0.20)
Benefits transferred	-	-	1.35	-
Actuarial Gain/Loss (on Leave Salary)	-	-	0.81	3.09
Expenses recognised in the Profit & Loss A/c	3.53	1.56	2.57	3.52
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.50	(0.39)		
Actuarial loss / (gain) arising from Experience adjustments	(2.62)	-		
Actuarial gain / (Loss) arising from Return on plan assets	0.23	-		
<b>Expenses recognised in Other Comprehensive Income</b>	(1.89)	(0.39)		
<b>Principal actuarial assumptions used</b>				
Discount rate (p.a)	7.71%	8.00%	7.64%	7.20%
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans.				

#### Risk Exposure:

Through its defined benefit plans, the Company is, exposed to some of the general risks such as Investment Risk, Interest rate risk, Longevity risk and Salary escalation risk and having no entity specific risks.



## Notes on Accounts (Contd.)

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

### a) Gratuity

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2017-18	2016-17	2017-18	2016-17
<b>Assumptions</b>					
Discount	0.50%	19.12	19.94	20.90	21.89
Salary escalation	0.50%	20.39	21.87	18.63	19.95
Mortality	5.00%	19.49	20.89	19.47	20.87
Attrition	5.00%	19.50	20.91	19.45	20.84

### b) Leave Salary

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2017-18	2016-17	2017-18	2016-17
Discount	0.50%	7.64	8.03	8.05	8.53
Salary escalation	0.50%	8.05	8.54	7.64	8.03
Mortality	5.00%	7.84	8.28	7.84	8.27
Attrition	5.00%	7.85	8.28	7.83	8.27

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

## 43 Financial Instruments

### A. Accounting classifications and fair values

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

Rs. In Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial assets:</b>			
Financial assets measured at Cost:			
i. Investment in Equity shares	6.42	2.72	2.72
<b>Financial assets measured at fair value:</b>			
i. Investment measured at Fair value through other comprehensive income	8.18	7.27	8.11
ii. Investment measured at Fair value through profit or loss	1.86	2.08	2.44
iii. Derivative financial instruments	-	1.52	(0.02)



	Rs. In Crores		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial assets measured at amortised cost:</b>			
Trade receivables	478.34	434.48	363.62
Cash and cash equivalents	2.05	3.31	2.11
Bank balances other than Cash and cash equivalents	5.14	6.06	2.72
Loans	8.67	9.82	6.08
Other financial assets	9.88	9.58	7.16
<b>Financial liabilities:</b>			
<b>Financial liabilities measured at fair value:</b>			
Borrowings	(1.08)	3.01	6.71
Derivative financial instruments	-	2.36	1.29
<b>Financial liabilities measured at amortised cost:</b>			
Borrowings	293.29	269.82	328.68
Trade payables	470.22	419.47	371.02
Other financial liabilities	77.39	108.71	61.23

## B. Fair value hierarchy

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

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

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

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

As at March 31, 2018	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			10.04
Derivative financial instruments		-	
Total			
<b>Financial Liabilities :</b>			
Derivative financial instruments		-	

As at March 31, 2017	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			9.35
Derivative financial instruments		1.52	
<b>Financial Liabilities :</b>			
Derivative financial instruments		2.36	
As at April 1, 2016	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			10.55
Derivative financial instruments		(0.02)	
<b>Financial Liabilities :</b>			
Derivative financial instruments		1.29	

- i) The Fair value of an Equity Instruments classified as at Fair value through profit or loss included under Level 3 Investments is determined using Cost approach.
- ii) The Fair value of an Equity Instrument classified as at Fair value through Other Comprehensive Income included under Level 3 Investments is determined using Discounted Cash flow technique.
- iii) Valuation inputs for Discounted Cash flow technique are as follows :

	For the year ended		
Significant Unobservable Input :	31.03.2018	31.03.2017	01.04.2016
a) Risk adjusted discount rate	10.39%	10.33%	11.97%
b) Earnings Growth rate	2.00%	1.00%	0.50%

- iv) There are no transfers between Level 2 and Level 3 during the year.

## C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

### a) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.



The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Rs. In Crores

	Payable within one year	More than one year	Total
<b>As at 31st March, 2018</b>			
<b>Non-derivative liabilities</b>			
Trade payable	470.22	—	470.22
Borrowings	158.49	133.72	292.21
Other Financial liabilities	76.39	1.00	77.39
<b>Derivative liabilities</b>			
Forward exchange contracts	—	—	—
<b>As at 31st March, 2017</b>			
<b>Non-derivative liabilities</b>			
Trade payable	419.47	-	419.47
Borrowings	146.26	126.57	272.83
Other Financial liabilities	107.51	1.20	108.71
<b>Derivative liabilities</b>			
Forward exchange contracts	2.36		2.36
<b>As at 01st April, 2016</b>			
<b>Non-derivative liabilities</b>			
Trade payable	371.02	—	371.02
Borrowings	147.49	187.90	335.39
Other Financial liabilities	59.20	2.03	61.23
<b>Derivative liabilities</b>			
Forward exchange contracts	1.29	—	1.29

**b) Management of Market risk:**

The Company is exposed to the following market risks which affects the value of the Financial instruments:

- Currency risk;
- Interest rate risk

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2018, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 55.81 Crores

The Company manages currency exposures by continuously monitoring the Foreign currency rates with the transaction rate and takes steps to mitigate the risk using Forward/Derivative contracts.

**Sensitivity to risk**

A 5% strengthening of the INR against foreign currencies to which the Company is exposed (net of hedge) would have led to approximately an additional Gain of Rs. 2.79 Crores in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2018 is "Nil" (31st March, 2017: 19 Nos. of Buy contracts and 21Nos. of Sell contracts).

**ii) Interest rate Risk**

Interest rate risk is the risk that the Fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company has Rs. 67.88 Crores Borrowings at Floating rate of Interest as at 31st March, 2018 (previous year Rs. 117.37 Crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 3.30 Crores and a decrease of 1% would have led to an equal impact but with opposite effect.

**c) Management of Credit risk**

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

**a) Trade receivables:**

Concentration of credit risk with respect to trade receivables are limited as the customers are predominately original equipment manufacturers (OEs). All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note (f) for accounting policy on Financial Instruments.

**b) Other financial assets:**

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2018 is the carrying value of each class of financial assets as on that date.

		Rs. in Crores	
		2017-18	2016-17
<b>44</b>	<b>Borrowing costs in accordance with IndAS23 :</b>		
	Borrowing costs capitalised during the year	0.62	1.40
	Capitalisation Rate used for Borrowing Costs	9.39%	10.09%

**45 Segment information for the year ended 31st March, 2018 in accordance with Ind AS 108 - Operating Segments**

- (i) The Company has determined that the Automotive components is the only reportable segment of the company based on the information reviewed by Chief Operating Decision Maker (CODM) of the Company.



## (ii) Geographical Information:

Rs. in Crores

	2017-18			2016-17		
	India*	Outside India	Total	India*	Outside India	Total
External	2,123.48	384.39	2,507.87	1,992.75	349.88	2,342.63
Inter-Segment	-	-	-	-	-	-
Total	2,123.48	384.39	2,507.87	1,992.75	349.88	2,342.63
Carrying amount of segment assets	1,507.51	14.90	1,522.41	1,352.04	10.29	1,362.33
Additions to fixed assets	96.06	-	96.06	75.15	-	75.15

\* Includes Sale of Rs. 343.34 Crores (previous year Rs. 220.39 Crores) made to one of the major customers.

**46 Related Party disclosures in accordance with Ind AS 24****i) Subsidiary :**

WIL Car Wheels Limited

**ii) a) Associates:**

Axles India Ltd.

**b) Associates by virtue of their shareholding in Wheels India Limited**

T.V. Sundram Iyengar &amp; Sons Private Ltd.

Titan Europe Limited., UK

**iii) Other Related parties and the relationship where transaction exists****a) Associate's Subsidiary**

Sundaram Industries Private Limited

Sundaram Fastners Ltd

The Associated Auto Parts Private Limited

TVS Automobile Solutions Private Limited

Sundram Fasteners Limited

SI Air Springs Private Limited

(formerly Firestone TVS Private Limited)

TVS Motors Limited

TVS Electronics Ltd

TVS Training &amp; Services Ltd

Titan Steel Wheels Ltd

Titan Wheels Corporation of Illinois

Titan Australia PTY Ltd

PT Titan Wheels Indonesia

**b) Subsidiary's Associate**

Topy Industries Limited, Japan

**iv) Key Managerial Personnel**

Mr S Ram

Mr Srivats Ram

**v) Post Employment Benefit plan entity**

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust

Nature of transactions	Rs. in Crores	
	2017-18	2016-17
<b>Subsidiary</b>		
Slump Sale Consideration	60.00	-
Sale of goods	15.15	-
Purchase of goods	71.90	-
Rendering of Services	10.57	-
Receiving of Services	0.36	-
Sale of Assets	14.93	-
Loan Paid & Received	2.00	-
Balance Payable	16.36	-
Balance Receivable	22.71	-
<b>Associates</b>		
Dividend Received	0.44	0.36
Dividend paid	9.21	6.91
Purchase of goods	0.08	0.03
Receiving of Services	0.36	0.36
Rendering of Services	0.30	0.11
Sale of goods	27.39	29.02
Balance Payable	0.01	0.00
Balance Receivable	3.25	1.91
<b>Associate's subsidiary</b>		
Purchase of goods	36.70	30.55
Receiving of Services	0.25	0.19
Rendering of Services	0.53	0.11
Sale of goods	39.30	25.44
Balance Payable	6.12	4.06
Balance Receivable	10.75	7.09
<b>Subsidiary's Associate</b>		
Royalty Paid	1.16	2.70

**Rs. in Crores**

	2017-18		2016-17	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
<b>Key Managerial Personnel</b>				
a) Short term employee benefits				
Remuneration, Perquisites and Commission	0.95	2.88	0.82	2.51
Commission outstanding	0.95	1.90	0.82	1.64
b) Post Employment Benefits*	-	0.16	-	0.15
c) Others				
Interest on fixed deposits	-	0.45	-	0.25
Dividend paid during the year	-	0.04	-	0.03
Deposits balance outstanding	-	3.48	-	2.60

\* As the Liabilities for defined benefit plans are provided on actuarial basis, the amounts pertaining to Key Managerial Personnel are not included.

**Rs. in Crores**

	2017-18		2016-17	
	Contribution	Payable	Contribution	Payable
<b>Employees Benefit Plans</b>				
Wheels India Employees Gratuity Trust	1.34	-	3.83	-
Wheels India Limited Staff Provident Fund	1.83	0.15	1.90	0.16
Wheels India Senior Officers Superannuation Trust	0.62	0.62	0.68	0.68

**Rs. in Crores**

	2017-18	2016-17
	Total Minimum Lease	Total Minimum Lease
<b>47 Disclosures relating to leases in accordance with IndAS17:</b>		
<b>Operating Lease</b>		
As at Balance Sheet date	2.25	1.89
Not later than 1 year	0.07	0.75
Later than 1 year and not later than 5 years	2.18	1.14
Later than 5 years	-	-
Lease rentals paid during the year	0.89	0.92



		Rs. In Crores	
		2017-18	2016-17
<b>48</b>	<b>Disclosure on Accounting for intangible assets in accordance with Ind AS 38 :</b>		
	<b>Computer software &amp; Technical know how - Refer to note 3</b>		
	Gross carrying amount at the beginning of the year	17.37	16.30
	Acquired during the year	2.08	1.07
	Deletion during the year	0.23	-
	Gross carrying amount at the end of the year	19.22	17.37
	Gross amortisation at the beginning of the year	15.53	14.71
	Amortised during the year	1.20	0.82
	Deletion during the year	0.07	-
	Gross amortisation at the end of the year	16.66	15.53
	Net carrying amount at the beginning of the year	1.84	1.59
	Net carrying amount at the end of the year	2.56	1.84

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

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

**Statement of Cash Flows in accordance with Ind AS 7**  
**Annexed to the Balance Sheet for the year ended 31st March, 2018**



	Rs. in Crores			
	2017-18		2016-17	
<b>A Cash Flow from Operating Activities</b>				
Total Comprehensive Income after tax		73.91		57.79
Add:				
Depreciation	67.05		63.92	
Obsolescence	0.93		1.26	
Lease Liabilities	1.43		1.32	
Taxes on Income	30.34		18.59	
Interest Expenses	44.54	144.29	48.16	133.25
		<u>218.20</u>		<u>191.04</u>
Less:				
Interest Income	2.58		1.58	
Gain/(Loss) on Fair Valuation of Investments	0.91		(0.84)	
Dividend Income	0.44		0.36	
Profit on Sale of Fixed Assets	1.21		0.06	
Effect of Exchange Rate Change	7.71		(3.11)	
Slump Sale Profit	12.49	25.34	-	(1.95)
Cash flow from Operation before Working Capital Changes		<u>192.86</u>		<u>192.99</u>
Cash flow from Working Capital :				
Trade Receivables	(62.75)		(73.66)	
Inventories	(89.16)		13.87	
Advances & Other Current Assets	(75.52)		(5.36)	
Trade Payables	101.59		47.68	
Other Payables & Provisions	79.89	(45.95)	(0.26)	(17.73)
Taxes paid		(29.87)		(20.03)
<b>Net Cash Flow from Operating Activities (A)</b>		<u>117.04</u>		<u>155.23</u>
<b>B Investing Activities</b>				
Purchase of Fixed Assets	(113.51)		(79.46)	
Sale of Fixed Assets	16.67		2.10	
Purchase of Investments	(3.73)		(0.47)	
Sale of Investments	57.50		0.83	
Dividend Received	0.44		0.36	
Interest Received	2.63		1.41	
<b>Net cash used in Investing Activities (B)</b>		<u>(40.00)</u>		<u>(75.23)</u>

## Statement of Cash Flows (Contd.)

		Rs. in Crores	
		2017-18	2016-17
<b>C Financing Activities</b>			
Proceeds from Long Term Borrowings	67.35	20.59	
Repayment of Long Term Borrowings	(90.62)	(35.35)	
Increase in Working Capital Borrowings	16.79	2.61	
Repayment of Lease Liabilities	(1.43)	(1.32)	
Dividend paid	(20.19)	(15.20)	
Interest paid	(46.11)	(46.43)	
<b>Net cash used in Financing Activities (C)</b>	<b>(74.21)</b>	<b>(75.10)</b>	
Net Increase in Cash & Cash Equivalents	2.83	4.90	
Closing Cash & Cash Equivalents	3.13	0.30	
Opening Cash & Cash Equivalents	0.30	(4.60)	
Net Increase in Cash and Cash Equivalents	2.83	4.90	
Closing Cash & Cash Equivalents as per Balance sheet	2.05	3.31	
(Add)/Less: Cash Credit as at the end of the year	(1.08)	3.01	
Cash & Cash Equivalents for the purpose of IndAS 7	3.13	0.30	

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2017-2018**

# Independent Auditors' Report on Consolidated Ind AS financial statements

## To the Members of Wheels India Limited

We have audited the accompanying Consolidated Ind AS financial statements of Wheels India Limited ("the Holding Company"), its subsidiary (together referred as "Group") and its associate which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (financial performance including other comprehensive income), its Cash Flows and the changes in equity for the year ended on that date.

## Other Matters

- a) The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2014 audited by previous auditors and their report for the year ended 31st March 2017 and 31st March 2016 dated 29th May 2017 and 25th May 2016 respectively, expressed an unmodified opinion on those Consolidated financial statements and management has restated to comply with Ind AS. Adjustments made to the previously issued said statutory financial information for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
- b) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of 172.50 crores as at 31st March, 2018, total revenues of 179.42 crores and net cash inflow amounting to 2.47 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures

included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- c) The consolidated financial statements also include the Holding company's share of net profit of 1.71 crores for the year ended 31st March, 2018, in respect of one associate, whose financial statements are unaudited. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

## Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting

Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Holding Company and its subsidiary incorporated in India are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act..
- f. With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer Note 27(i)(b) to the Consolidated Ind AS financial statements.
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses -
- (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No.000511S

**L. Ravi Sankar**

Partner

Place: Chennai

Date: 29th May 2018

Membership No. 025929

## **“Annexure A” to the Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Wheels India Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design,

implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of

internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India, while the internal financial controls over financial reporting relating to one associate company has been certified by the Management of the company.

For **BRAHMAYYA & Co**  
Chartered Accountants  
Firm Regn. No.000511S  
**L. Ravi Sankar**  
Partner  
Membership No. 025929

Place: Chennai  
Date: 29th May 2018



# Consolidated Balance Sheet as at

Rs. in Crores

PARTICULARS	Note No.	31st March 2018	31st March 2017	1st April 2016
<b>I ASSETS</b>				
<b>1. Non-current assets</b>				
a) Property, Plant and Equipment	1	554.68	524.50	516.82
b) Capital work-in-progress	2	64.62	21.93	21.24
c) Other Intangible Assets	3	2.68	1.84	1.59
d) Financial Assets				
i) Investments	4	21.44	19.04	19.29
ii) Loans	5	9.54	9.82	6.08
iii) Others	6	1.70	2.41	1.49
e) Other Non Current Assets	7	12.16	8.50	4.99
		<b>666.82</b>	<b>588.04</b>	<b>571.50</b>
<b>2. Current assets</b>				
a) Inventories	8	374.25	279.23	293.10
b) Financial Assets				
i) Trade receivables	9	483.39	436.00	363.60
ii) Cash and cash equivalents	10a	4.52	3.31	2.11
iii) Bank Balances other than (ii) above	10b	5.14	6.06	2.72
iv) Others	11	9.46	7.17	5.67
c) Current Tax Assets (Net)	12	-	0.58	-
d) Other current assets	13	117.75	48.91	52.64
		<b>994.51</b>	<b>781.26</b>	<b>719.84</b>
<b>TOTAL</b>		<b>1,661.33</b>	<b>1,369.30</b>	<b>1,291.34</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	14	12.03	12.03	12.03
b) Other Equity	15	574.59	456.66	413.13
<b>Equity attributable to the owners of the Company</b>		<b>586.62</b>	<b>468.69</b>	<b>425.16</b>
Non Controlling Interest	16	23.29		
<b>1. Non-current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	17	133.72	126.57	187.90
ii) Other Financial Liabilities	18	1.00	1.20	2.03
b) Provisions	19	4.06	3.72	3.86
c) Deferred tax liabilities (Net)	20	56.38	57.97	56.00
		<b>195.16</b>	<b>189.46</b>	<b>249.79</b>
<b>2. Current liabilities</b>				
a) Financial Liabilities				
i) Borrowings	21	158.49	146.26	147.49
ii) Trade payables	22	490.20	421.83	372.31
iii) Other Financial Liabilities	23	76.39	107.51	59.20
b) Other current liabilities	24	107.61	13.87	14.60
c) Short-term provisions	25	21.77	21.68	19.97
d) Current Tax Liabilities (Net)	26	1.80	-	2.82
		<b>856.26</b>	<b>711.15</b>	<b>616.39</b>
<b>TOTAL</b>		<b>1,661.33</b>	<b>1,369.30</b>	<b>1,291.34</b>
Significant Accounting Policies	B			

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

# Consolidated Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March



Rs. in Crores

	Note No.	2018	2017
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		2,382.27	2,168.31
Sale of Services		27.22	19.70
Other operating revenues		200.73	154.62
Revenue from Operations	29	2,610.22	2,342.63
Other income	30	8.02	3.19
<b>TOTAL REVENUE</b>		<b>2,618.24</b>	<b>2,345.82</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	1,766.99	1,423.81
Changes in inventories of finished goods, Work-in-progress	32	(18.93)	5.56
Excise Duty on Sale of Goods		47.63	169.76
Employee benefit expenses	33	275.28	252.73
Other Expenses	34	340.64	305.05
<b>TOTAL EXPENSES</b>		<b>2,411.61</b>	<b>2,156.91</b>
Earnings before Finance Costs, Tax, Depreciation and Amortisation expenses		206.63	188.91
Finance Costs	35	44.86	48.16
Depreciation and amortisation expenses	1&3	70.45	63.92
<b>Profit before exceptional items and tax</b>		<b>91.32</b>	<b>76.83</b>
Exceptional items	37	12.49	-
Add: Share of Profit in Associate (net of tax)		2.14	0.87
<b>Profit before tax</b>		<b>105.95</b>	<b>77.70</b>
Tax expense:	36		
Current tax		34.24	18.21
Deferred tax		(3.78)	0.25
<b>Profit (Loss) for the year</b>		<b>75.49</b>	<b>59.24</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified into profit or loss			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		0.91	(0.84)
- Remeasurements of post employment defined benefit plan		1.89	0.39
- Income tax relating to the remeasurements		(0.66)	(0.13)
- Share of OCI in Associate (net of tax)		(0.43)	0.08
<b>Total Comprehensive Income for the year</b>		<b>77.20</b>	<b>58.74</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		75.08	59.24
- Non Controlling Interest		0.41	-
<b>Other Comprehensive Income for the year attributable to</b>			
- Owners of the Company		1.71	(0.50)
- Non Controlling Interest		-	-
<b>Total Comprehensive Income attributable to</b>			
- Owners of the Company		76.79	58.74
- Non Controlling Interest		0.41	-
Earnings per equity share:	38		
1. Basic		62.41	49.23
2. Diluted		62.41	49.23
Significant Accounting Policies	B		

**S RAM**  
Chairman

**R RAGHUNATHAN**  
Chief Financial Officer

Chennai  
29th May, 2018

**SRIVATS RAM**  
Managing Director

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

# Consolidated Statement of Changes in Equity

## A) EQUITY SHARE CAPITAL

	Rs. in Crores		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balance at the beginning of the reporting year	12.03	12.03	12.03
Changes in Equity share capital during the year	-	-	-
<b>Balance at the end of the reporting year</b>	<b>12.03</b>	<b>12.03</b>	<b>12.03</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Non Controlling Interest	Total
	Capital Reserve*	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI		
<b>A. Balance as at 1st April, 2016</b>	-	82.13	302.28	31.39	1.96	(4.63)		413.13
Profit for the year				59.24				59.24
Remeasurement of defined benefit plans						0.34		0.34
Changes in Fair Valuation of Equity Instruments					(0.84)			(0.84)
<b>B. Total Comprehensive Income for the year 2016-17</b>	-	-	-	59.24	(0.84)	0.34	-	58.74
Interim Dividend 2016-17 including Dividend Tax				(7.25)				(7.25)
Final Dividend 2015-16 including Dividend Tax				(7.96)				(7.96)
Transfer to General Reserve			25.00	(25.00)				-
<b>C. Total</b>	-	-	25.00	(40.21)	-	-	-	(15.21)
<b>D. Balance as at 31st March, 2017 (A+B+C)</b>	-	82.13	327.28	50.42	1.12	(4.29)	-	456.66
Share Capital of NCI							1.30	1.30
Premium on shares issued to NCI		61.42					21.58	83.00
Profit for the year				75.08			0.41	75.49
Remeasurement of defined benefit plans						0.80		0.80
Changes in Fair Valuation of Equity Instruments					0.91			0.91
<b>E. Total Comprehensive Income for the year 2017-18</b>	-	61.42	-	75.08	0.91	0.80	23.29	161.50
Interim Dividend 2017-18 including Dividend Tax				(8.69)				(8.69)
Final Dividend 2016-17 including Dividend tax				(11.59)				(11.59)
Transfer to General Reserve			30.00	(30.00)				-
<b>F. Total</b>	-	-	30.00	(50.28)	-	-	-	(20.28)
<b>G. Balance as at 31st March, 2018 (D+E+F)</b>	-	143.55	357.28	75.22	2.03	(3.49)	23.29	597.88

\* Capital Reserve is Rs. 1713/-

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929



## Consolidated - Notes on Accounts

### A. Principles of Consolidation

The Consolidated Financial Statements relate to Wheels India Limited ('the company') and the Company's subsidiary and the share of profit in its associate (jointly considered as "Group" hereinafter). The Consolidated financial Statements have been prepared on the following basis:

#### a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent (WIL) and its Subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of profit and loss, Consolidated statement of changes in equity and balance sheet respectively.

#### b) Associates

The Consolidated Financial Statements include the Share of profit of an Associate company which have been accounted for using equity method as per "Accounting Standard (Ind AS) 28 Investments in Associates and Joint ventures" in Consolidated Financial Statements. Accordingly, the share of profit of the associate company has been added to the cost of investments.

The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial statements as Goodwill or Capital Reserve as the case may be.

The financial statements of an Associate and Subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2018.

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

Following Entities have been considered in the preparation of the Consolidated Financial Statements:

Name of the Entity	Relationship	Country of Incorporation	% of Holding and Voting power
WIL Car Wheels Limited	Subsidiary	India	74.00%
Axles India Limited *	Associate	India	9.51%

\* By virtue of Articles of Association of Axles India Limited.

## B (i) Significant Accounting Policies

As set out in "Significant Accounting Policies" under Standalone Financial Statements.

## (ii) Reconciliation between Previous GAAP & Ind AS

	Rs. in Crores	
(i) Equity Reconciliation	As at 31st Mar 2017	As at 1st Apr 2016
<b>As reported under Previous GAAP</b>	<b>467.32</b>	414.18
Dividend (including Dividend Tax)	-	7.96
Gain/Loss in Revaluation of Forward contracts under Fair Value Hedging	(0.14)	0.65
Reversal of Foreign currency Monetary Item Translation Difference Account	-	-
Interest Cost Difference as per Effective Interest Rate Method	0.65	1.03
Change in Fair Valuation of Investments	1.12	1.96
Tax Adjustments on the above	(0.26)	(0.62)
<b>Equity under Ind AS</b>	<b>468.69</b>	<b>425.16</b>

## (ii) Total Comprehensive Income Reconciliation

	As at 31st Mar 2017
<b>Net Profit after Tax under Previous GAAP</b>	<b>60.26</b>
Gain/Loss in Revaluation of Forward contracts under Fair Value Hedging	(0.79)
Reversal of Foreign currency Monetary Item Translation Difference Account	0.12
Interest Cost Difference as per Effective Interest Rate Method	(0.37)
Tax Adjustments on the above	0.37
Actuarial Gain / Loss on Employee Benefits (Net of Tax) classified to OCI	(0.34)
<b>Net Profit after Tax under Ind AS</b>	<b>59.24</b>
Change in Fair Valuation of Investments	(0.84)
Actuarial Gain / Loss on Employee Benefits (Net of Tax) classified to OCI	0.34
<b>Total Comprehensive Income under Ind AS</b>	<b>58.74</b>



iii) **Reconciliation to Statement of Cash flow:** There are no material adjustments made to the Statement of Cash Flows as reported under the Previous GAAP.

iv) **Notes to Reconciliation between previous GAAP and Ind AS**

- a) Final dividend payable which was hitherto recorded as a Liability in the year in which it pertains to, has been recognized as Liability in the year in which the Obligation to pay is established.
- b) Outstanding Forward Contracts have been revalued under Marked to Market as per Ind AS. This has resulted in an increase in Equity as at 01st April 2016 by Rs 0.65 crore. For the year 2016-17, revaluation has resulted in decrease in Profit by Rs.0.79 crore. The net impact on Equity as at 31st March, 2017 is Rs.0.14 crore.
- c) The Retrospective effect of classifying the Term Loans under 'at Amortised Cost' by applying Effective Interest rate method has resulted in an increase in Equity as on the Transition date by Rs. 1.03 crores. This will be absorbed as Interest expense over the remaining period of such Term Loans. Accordingly, interest expenses of Rs 0.37 crore is absorbed in the Statement of Profit and Loss in the year 2016-17 and Net Increase of Rs.0.65 crore is disclosed in Equity as at 31st March, 2017.
- d) **Tax Adjustments :** Deferred Tax Impact on the above Adjustments are given as Tax Adjustments which resulted in decrease in Equity of Rs.0.62 crore and Rs. 0.26 crore as at 01.04.2016 and 31.03.2017 respectively.
- e) **Fair Valuation of Investment :** As per Ind AS 109, Investments in Other Entities have been fair valued as on the Transition date. This has resulted in an increase in Equity by Rs. 1.96 crores as at 1st April 2017. However, as at 31st March 2017, there has been a decrease in the Fair value by Rs. 0.84 crore. This has been disclosed under 'Other Comprehensive Income' in the year 2016-17.
- f) **Employee Benefits :** Actuarial Gain/Loss on Remeasurement of Gratuity Liability has been reclassified under 'Other Comprehensive Income' retrospectively as on 01.04.2016 which amounts to Rs. 4.63 crores (Net of Tax) and Rs.0.34 crore (Net of Tax) for the year ended 2016-17 including share of an Associate.
- g) **Excise Duty :** Revenue from Operation includes Excise Duty on Sale of Goods and the amount of Excise duty on sales is shown separately under 'Expenses' in the Statement of Profit and Loss. This classification has no impact on Profit/Loss for the year 2016-17.

NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT								Rs. in Crores	
Description	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As At 31.3.2017	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2018	As At 31.03.2017	Additions	Deletions	As At 31.3.2018	As At 31.03.2017
1 TANGIBLE ASSETS									
Land (Free hold)	4.40	13.03	7.27	10.16	0.00	0.00	0.00	0.00	4.40
Land (Lease hold)	5.22	0.00	0.00	5.22	0.69	0.05	0.00	0.74	4.53
Buildings	120.76	13.47	9.04	125.19	41.20	4.44	3.41	42.23	79.56
Plant and Equipment	993.31	135.87	133.46	995.72	564.16	62.46	82.03	544.59	429.15
Furniture and Fixtures	5.67	0.39	0.35	5.71	4.07	0.38	0.28	4.17	1.60
Vehicles	0.16	0.00	0.03	0.13	0.13	0.00	0.03	0.10	0.03
Office Equipment	17.30	1.34	1.84	16.80	12.07	1.89	1.54	12.42	5.23
	1146.82	164.10	151.99	1158.93	622.32	69.22	87.29	604.25	524.50
3. INTANGIBLE ASSETS									
Computer Software	15.35	2.23	0.23	17.35	13.69	1.14	0.07	14.76	1.66
Technical Know-how	2.02	0.00	0.00	2.02	1.84	0.09	0.00	1.93	0.18
	17.37	2.23	0.23	19.37	15.53	1.23	0.07	16.69	1.84
Total	1164.19	166.33	152.22	1178.30	637.85	70.45	87.36	620.94	557.36

**NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**
**Rs. in Crores**

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As At 01.04.2016	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2017	As At 01.04.2016	Additions	Deletions	As At 31.3.2017	As At 01.04.2016
1. TANGIBLE ASSETS									
Land (Free hold)	3.72	0.68	0.00	4.40	0.00	0.00	0.00	4.40	3.72
Land (Lease hold)	5.22	0.00	0.00	5.22	0.64	0.05	0.00	4.53	4.58
Buildings	118.04	2.88	0.16	120.76	36.79	4.56	0.15	79.56	81.25
Plant and Equipment	934.25	68.93	9.87	993.31	515.28	56.03	7.15	564.16	418.97
Furniture and Fixtures	5.38	0.29	0.00	5.67	3.64	0.43	0.00	4.07	1.74
Vehicles	0.16	0.01	0.01	0.16	0.13	0.00	0.00	0.13	0.03
Office Equipment	23.41	1.29	7.40	17.30	16.88	2.03	6.84	12.07	6.53
	1090.18	74.08	17.44	1146.82	573.36	63.10	14.14	622.32	516.82
3. INTANGIBLE ASSETS									
Computer Software	14.43	0.92	0.00	15.35	12.95	0.74	0.00	13.69	1.48
Technical Know-how	1.87	0.15	0.00	2.02	1.76	0.08	0.00	1.84	0.11
	16.30	1.07	0.00	17.37	14.71	0.82	0.00	15.53	1.59
Total	1106.48	75.15	17.44	1164.19	588.07	63.92	14.14	637.85	526.34
Previous year	1042.17	72.92	8.61	1106.48	532.63	60.45	5.01	588.07	518.41

**2. CAPITAL WORK IN PROGRESS**

	31.03.2018	31.03.2017	01.04.2016
a) Buildings	7.68	1.09	2.28
b) Plant and Machinery	56.94	20.84	18.96
	<u>64.62</u>	<u>21.93</u>	<u>21.24</u>



		Rs. in Crores			
NON CURRENT ASSETS					
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	
<b>4 INVESTMENTS</b>					
<b>Unquoted</b>					
Investment in Equity instruments					
i) In Associate company at Equity Method					
<b>Axles India Limited</b>	<b>2.72</b>		2.72		2.72
24,24,661 Equity Shares of Rs.10/- each fully paid-up (includes Goodwill on Acquisition of shares of Rs. 0.97 Crores)					
Add: Share of profit	<b>8.68</b>		6.97		6.02
	<b>11.40</b>		9.69		8.74
ii) In Other Entity at Fair Value through Other Comprehensive Income					
<b>Sundaram Hydraulics Limited</b>	<b>7.15</b>		7.15		7.15
71,50,000 Equity Shares of Rs.10/- each fully paid up					
Add: Addition due to Fair Valuation	<b>1.03</b>	<b>8.18</b>	0.12	7.27	0.96
					8.11
iii) In Other Entities at Fair Value through Profit or Loss					
<b>MEFCO Engineers Private Limited</b>	<b>0.20</b>		0.20		0.20
20,000 Equity Shares of Rs.100/- each fully paid up					
<b>Siva Electric Generation Private Limited</b>	<b>0.16</b>		0.16		0.16
1,62,172 Equity shares of Rs.10/- each fully paid up					
<b>Gamma Green Power Private Limited</b>	<b>1.00</b>		1.20		2.03
10,03,825 Equity shares of Rs.10/- each fully paid up (12,02,318 Nos. and 20,28,250 Nos. of Rs.10/- each fully paid up as at 31.03.2017 and 01.04.2016 respectively)					
<b>Saheli Exports Private Limited</b>	-		0.05		0.05
9,450 Equity Shares of Rs. 10/- each fully paid up					
<b>Coromandel Electric Company Limited</b>	-		0.01		-
10,000 Equity Shares of Rs. 10/- each fully paid up					
<b>Beta Wind Farm Private Limited</b>	<b>0.40</b>		0.36		
2,05,224 Equity Shares of Rs. 10/- each fully paid up(Previous year 1,89,991 Equity Shares of Rs. 10/- each fully paid up)					
<b>Siva Green Energy india Private Limited</b>	<b>0.10</b>	<b>1.86</b>	0.10	2.08	-
95,000 Equity Shares of Rs. 10/- each fully paid up					2.44
	<b>21.44</b>		19.04		19.29



## Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>5 LOANS</b>			
<b>Unsecured - Considered good</b>			
a) Security Deposits	9.54	9.81	6.07
b) Loans and advances due by an officer of the company	-	0.01	0.01
	<u>9.54</u>	<u>9.82</u>	<u>6.08</u>
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>			
a) Advances to employees	0.99	1.40	1.36
b) Fixed Deposits (as Guarantee to Commercial Taxes Department)	0.58	0.58	-
c) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	0.13	0.43	0.13
	<u>1.70</u>	<u>2.41</u>	<u>1.49</u>
<b>7 OTHER NON CURRENT ASSETS</b>			
a) Advances for Capital goods	12.09	8.36	4.72
b) Prepaid expenses	0.07	0.14	0.27
	<u>12.16</u>	<u>8.50</u>	<u>4.99</u>
<b>CURRENT ASSETS</b>			
<b>8 INVENTORIES</b>			
a) Raw Materials	186.68	122.51	135.40
(includes Goods in Transit Rs. 11.90 Crores (previous years Rs. 14.20 crores and Rs.6.28 crores))			
b) Work - in Progress	74.52	58.70	50.22
c) Finished goods	46.19	41.56	55.60
d) Stores and Spares	47.85	41.12	37.55
(includes Goods in Transit 'Nil' (previous years Rs. 0.05 crores and Rs.0.26 Crores))			
e) Loose tools	19.01	15.34	14.33
	<u>374.25</u>	<u>279.23</u>	<u>293.10</u>

**Rs. in Crores**

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>9 TRADE RECEIVABLES</b>			
Unsecured - Considered good	<b>483.39</b>	436.00	363.60
	<b>483.39</b>	<u>436.00</u>	<u>363.60</u>
<b>10 CASH AND CASH EQUIVALENTS</b>			
<b>a</b> i) Current Accounts	<b>3.32</b>	2.51	0.80
ii) Cash on hand	<b>0.05</b>	0.07	0.12
iii) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	<b>1.15</b>	0.73	1.19
	<b>4.52</b>	<u>3.31</u>	<u>2.11</u>
<b>b</b> Bank Balances with more than three months maturity			
i) Fixed Deposits (as Guarantee to Commercial Taxes Department)	<b>0.78</b>	-	0.47
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	<b>4.03</b>	5.81	2.02
iii) Unclaimed Dividend Accounts	<b>0.33</b>	0.25	0.23
	<b>5.14</b>	<u>6.06</u>	<u>2.72</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>			
Advances to employees	<b>2.55</b>	2.75	2.83
Duty Draw back receivable	<b>1.32</b>	0.57	0.87
Export Incentive License	<b>4.30</b>	3.35	1.65
Interest accrued on deposits and investments	<b>0.45</b>	0.50	0.32
Others	<b>0.84</b>	-	-
	<b>9.46</b>	<u>7.17</u>	<u>5.67</u>
<b>12 CURRENT TAX ASSETS (Net)</b>			
Provision for tax less Advance tax and Tax Deducted at Source	-	(1.14)	-
Less: Minimum Alternate Tax credit entitlement set off	-	1.72	-
	-	<u>0.58</u>	<u>-</u>



		Rs. in Crores					
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
<b>13 OTHER CURRENT ASSETS</b>							
<b>Unsecured - Considered good</b>							
a)	Advances other than Capital Advances						
	Advances to Vendors	12.69		9.84		7.61	
	Other Advances	2.84	15.53	0.53	10.37	0.99	8.60
b)	Balance with Central Excise authorities		15.15		22.53		25.18
c)	Balance with GST authorities		67.96		-		-
d)	VAT receivable		0.90		1.47		1.39
e)	Export incentives receivable		5.72		6.37		8.81
f)	Prepaid expenses		12.49		8.17		8.66
			117.75		48.91		52.64

**EQUITY AND LIABILITIES****14 EQUITY SHARE CAPITAL**

a) <b>Authorised</b>	20.00	20.00	20.00
2,00,00,000 Equity Shares of Rs.10/- each			
b) <b>Issued, Subscribed and Fully Paid-up</b>			
1,20,32,279 Equity Shares of Rs.10/- each	<u>12.03</u>	<u>12.03</u>	<u>12.03</u>

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

	31.03.2018		31.03.2017		01.04.2016	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
<b>Equity Shares of Rs.10/- each</b>						
Outstanding at the beginning and end of the year	120,32,279	12.03	120,32,279	12.03	120,32,279	12.03

**d) Rights, Preferences and restrictions**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.

## Consolidated - Notes on Accounts (Contd.)

	31.03.2018 (Number of shares)	31.03.2017 (Number of shares)	01.04.2016 (Number of shares)
<b>e) Shareholding of shareholders holding more than 5% of shares as at</b>			
T V Sundram Iyengar & Sons Private Limited	24,55,514	24,55,514	24,55,514
Southern Roadways Limited	11,16,314	11,16,314	11,16,314
Sundaram Finance Limited	–	13,33,741	13,33,741
Sundaram Finance Holdings Limited	13,33,741	–	–
Titan Europe Limited, UK	41,18,640	41,18,640	41,18,640

### 15 Other Equity

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
a) Capital Reserves	-	-	-
b) Securities Premium Reserve	143.55	82.13	82.13
c) General Reserves	357.28	327.28	302.28
d) Retained Earnings	75.22	50.42	31.39
e) Other Comprehensive Income	(1.46)	(3.17)	(2.67)
	<u>574.59</u>	<u>456.66</u>	<u>413.13</u>

Refer Note 40

### 16 Non Controlling Interest

Name of the Subsidiary	Place of Corporation	Ownership Interest held by Non controlling Interest (%)		
		31.03.2018	31.03.2017	01.04.2016
WIL Car Wheels Limited (WCWL)	India	26%	–	–

Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>NON CURRENT FINANCIAL LIABILITIES</b>			
<b>17 BORROWINGS</b>			
<b>A. SECURED BORROWINGS</b>			
a. Term Loans from Banks	22.88	44.96	86.89
By first Charge by way of hypothecation of specific machinery			
b. Term Loans from others	9.95	16.20	27.35
By first Charge by way of hypothecation of specific machinery			
<b>B. UNSECURED BORROWINGS</b>			
a. Deferred payment liabilities	-	-	0.59
From State Government under Interest Free Sales tax Deferral Scheme			
b. Fixed Deposits	100.89	65.41	73.07
(Includes Rs. 0.24 crores received from Directors (previous year Rs. 0.48 crores)			
	<u>133.72</u>	<u>126.57</u>	<u>187.90</u>
Terms of Repayment : Refer Note 28			



## Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>18 OTHER FINANCIAL LIABILITIES</b>			
Security Deposits	1.00	1.20	2.03
	<u>1.00</u>	<u>1.20</u>	<u>2.03</u>
<b>19 PROVISIONS</b>			
Provision for employee benefits	4.06	3.72	3.86
	<u>4.06</u>	<u>3.72</u>	<u>3.86</u>
<b>20 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities	68.53	71.06	69.81
Deferred Tax Assets	(4.87)	(3.63)	(2.63)
Minimum Alternate Tax credit entitlement	(7.28)	(9.46)	(11.18)
	<u>56.38</u>	<u>57.97</u>	<u>56.00</u>

Movement in Deferred Tax Assets and Liabilities	31.03.2018	Charge in Statement of Profit or Loss	31.03.2017	Charge in Statement of Profit or Loss	01.04.2016
<b>a) Deferred Tax Liability</b>					
i) Depreciation	66.33	(2.13)	68.46	2.79	65.67
ii) Export Incentives	2.00	(0.21)	2.21	(1.36)	3.57
iii) Remeasurement of Financial Liabilities	0.20	(0.02)	0.22	(0.13)	0.35
iv) Foreign Exchange Gain/Loss on MTM	-	0.05	(0.05)	(0.27)	0.22
v) Others	-	(0.22)	0.22	0.22	-
	<u>68.53</u>	<u>(2.53)</u>	<u>71.06</u>	<u>1.25</u>	<u>69.81</u>
Less:					
<b>b) Deferred Tax Asset</b>					
i) Expenses allowable for tax purpose on payment basis	3.84	0.21	3.63	1.00	2.63
ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	1.02	1.02	-	-	-
iii) Preliminary expenses to be claimed in subsequent years	0.01	0.01	-	-	-
c) Minimum Alternate Tax credit entitlement	7.28	(2.18)	9.46	(1.72)	11.18
<b>Net Deferred Tax Liability/ (Assets) (a-b-c)</b>	<u>56.38</u>	<u>(1.59)</u>	<u>57.97</u>	<u>1.97</u>	<u>56.00</u>

		Rs. in Crores		
CURRENT FINANCIAL LIABILITIES	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	
21 BORROWINGS				
A. SECURED BORROWINGS				
a. Loans repayable on demand from Banks	58.92	84.01		92.10
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.				
B. UNSECURED BORROWINGS				
a) Loans repayable on demand from Banks	90.00	50.00		45.00
b) Fixed Deposits	9.57	12.25		10.39
Includes Rs. 0.43 crores received from Directors (previous year Rs. 0.40 crores)				
	158.49	146.26		147.49
22 TRADE PAYABLES				
Dues to Micro Enterprises and Small Enterprises	14.95	9.29		11.23
Dues to others	475.25	412.54		361.08
	490.20	421.83		372.31
(Refer Note 41 for details of dues to Micro Enterprises and Small Enterprises)				
23 CURRENT FINANCIAL LIABILITIES - OTHERS				
a) Current maturities of long-term debt (Refer note 28)	66.36	96.24		49.67
Includes Rs. 0.92 crores received from Directors (previous year Rs. 2.67 crores)				
b) Interest accrued but not due on borrowings	6.73	8.52		6.66
c) Unpaid Dividends	0.33	0.24		0.23
d) Trade Deposits	0.90	0.78		0.84
e) Recovery from Employees	0.87	1.01		1.22
f) Unclaimed matured deposits and interest accrued thereon	1.20	0.72		0.58
	76.39	107.51		59.20



## Rs. in Crores

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>24 OTHER CURRENT LIABILITIES</b>			
Advance from Customers	3.29	0.39	2.54
Statutory dues	63.85	5.34	3.55
Creditors for capital goods (includes due to Micro enterprises and Small and medium enterprises Rs. 0.57 crores (previous years Rs. 0.63 crores and Rs. 0.62 crores)	32.56	3.36	5.35
Deferred Income arising out of Government Grant	-	0.01	0.06
Provision for expenses	7.91	3.87	1.92
Provision for Excise duty on Finished Goods Stock	-	0.90	1.18
	<u>107.61</u>	<u>13.87</u>	<u>14.60</u>
<b>25 PROVISIONS</b>			
a) Provision for employee benefits	17.42	18.84	18.98
b) Provision for Warranty (Refer Note below)	1.50	0.38	-
c) Due to Directors	2.85	2.46	0.99
	<u>21.77</u>	<u>21.68</u>	<u>19.97</u>

i) **Provision for Warranty claims:**

Provision for warranty related costs is an estimate made by the management based on possible future outflow on servicing the customer for any corrective action when the product is sold to the customer. Initial Recognition is based on historical experience. The estimate of warranty related costs is reviewed annually.

ii)	<b>Movement in Provisions</b>	<b>As at 1st April, 2017</b>	<b>Additions</b>	<b>Amounts used</b>	<b>As at 31st March, 2018</b>
	Warranties	0.38	1.50	0.38	1.50

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>26 CURRENT TAX LIABILITIES</b>			
Provision for Taxation less Advance Tax and Tax deducted at Source	10.45	-	3.40
Less: Minimum Alternate Tax credit entitlement set off	8.65	-	0.58
	<u>1.80</u>	<u>-</u>	<u>2.82</u>



		Rs. in Crores	
27	CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.3.2018	As at 31.03.2017
i)	<b>Contingent Liabilities</b>		
a)	Bills discounted with Banks	240.73	117.20
b)	Disputed amounts in respect of sales tax, service tax, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. 0.34 crores (previous year Rs.0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	2.47	19.46
ii)	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	58.31	29.83

**28 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS**

The term loans and other loans are repayable over a period of 1 to 5 years as per the terms of agreement entered into with the Banks / others.

- 29** Consequent to the applicability of Goods and Service Tax (GST) w.e.f Jul 01, 2017, revenue from the operations for the year ended March 31, 2018 are disclosed net of GST. However, revenue from the operations includes Excise duty of Rs 47.63 Crores for the period upto June 30, 2017 and Rs. 169.76 Crores for the year ended March 31, 2017. Hence not comparable.

		Rs. in Crores	
		2017-18	2016-17
<b>30</b>	<b>OTHER INCOME</b>		
a)	Interest on deposits and advances	2.74	1.58
b)	Profit on sale of fixed assets (Net)	1.36	0.06
c)	Dividend Received	0.44	0.36
d)	Other non-operating income	0.81	1.19
e)	Net Gain on foreign currency transactions and translation	2.67	-
		<u>8.02</u>	<u>3.19</u>
<b>31</b>	<b>RAW MATERIAL CONSUMPTION</b>		
	Raw Material	1,296.33	1,059.52
	Components	470.67	364.29
		<u>1,766.99</u>	<u>1,423.81</u>



## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores

	2017-18	2016-17
<b>32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
a) Opening inventory of Finished Goods	41.56	55.60
Less: Closing inventory of Finished Goods	46.19	41.56
Net change in stock of Finished Goods	(4.63)	14.04
b) Opening inventory of Work in Progress	58.70	50.22
Less: Closing inventory of Work in Progress	73.00	58.70
Net change in stock of Work in Progress	(14.30)	(8.48)
Net change in Finished Goods and Work in Progress	(18.93)	5.56
<b>33 EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries, Wages, Bonus and Commission	240.41	220.46
b) Contribution to Provident and Other Funds	11.54	9.48
c) Staff Welfare expenses	23.33	22.79
	275.28	252.73
<b>34 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	86.01	78.13
Power and fuel	104.98	89.89
Rent including Lease Rent	10.02	7.64
Repairs to		-
Buildings	10.55	9.52
Machinery	15.42	12.77
Insurance	2.84	3.12
Rates and taxes, excluding taxes on income	1.57	2.30
Directors sitting fees	0.16	0.12
Auditors' remuneration		
Statutory Audit	0.39	0.32
Taxation matters	0.07	0.13
(includes Rs.0.07 Crores for Tax Audit - Last year Rs.0.05 crores)		
VAT Audit fees	-	0.02
Certification fees	0.06	0.07
Reimbursement of expenses	-	0.08
Expenditure on Corporate Social Responsibility (CSR)	1.17	0.91
Freight	50.39	37.97
Net Loss on foreign currency transactions and translation	-	6.89
Bad debts written off	0.46	-
Miscellaneous expenses	56.55	55.17
	340.64	305.05

Rs. in Crores

### 35 FINANCE COSTS

	2017-18	2016-17
a) Interest expense	43.77	46.81
b) Interest on shortfall and other interests under Income Tax Act	0.01	0.17
c) Other borrowing costs	1.08	1.04
d) Net (gain)/Loss on foreign currency transactions and translation	-	0.14
	<u>44.86</u>	<u>48.16</u>

### 36 Income Tax Expenses

#### A Componets of Income Tax Expense

##### i) Tax Expenses recognised in Statement of Profit or Loss:

a) Current Tax		
- on Current year Tax Income	34.24	18.21
b) Deferred Tax		
- on Origination and Reversal of Temporary Differences	(3.78)	0.25
	<u>30.46</u>	<u>18.46</u>

##### ii) Tax Expenses recognised in Other Comprehensive Income:

a) Current Tax on Remeasurement of Post Employment Benefit obligation	0.66	0.13
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#### B. Reconciliation of Effective tax Rate

Total Comprehensive Income before tax	108.75		77.25	
Less: Share of Profit of an Associate	2.14		0.87	
Total Comprehensive Income before tax (excluding Share of an Associate)	<u>106.61</u>		<u>76.38</u>	
Income Tax Expense at 34.61%	36.89	34.61%	26.43	34.61%
Income not chargeable to tax	(0.46)		0.17	
Income Tax Incentives	(5.52)		(8.90)	
Adjustments due to Slump sale	(2.21)		-	
Expenses not admissable	0.28		0.26	
Others	1.56		0.63	
<b>Taxed at Differential Rate</b>				
- Effect of Differential Tax rate for Subsidiary	(0.04)		-	
- Effect on account of change in tax rate in the year of reversal	0.62		-	
<b>Tax Expenses recognised in Profit or Loss Statement</b>	<u>31.12</u>	<u>29.19%</u>	<u>18.59</u>	<u>24.34%</u>



37. The Exceptional item of Rs. 12.49 Crores represents the Profit from transfer of PCW Division Business to WIL Car Wheels Limited (a subsidiary of Wheels India Ltd.) during this Financial year 2017-18.

Rs. in Crores		
	2017-18	2016-17
<b>38. Earnings Per Share</b>		
Profit attributable to the owners of the Company	75.08	59.24
Weighted Average Number of Shares	120,32,279	120,32,279
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	62.41	49.23
<b>39. 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>	-	0.90

40. Final dividend of **Rs.9/-** Per equity share amounting to **Rs.10.83 Crores** for the Financial year 2017-18 recommended by Board of Directors which is subject to the approval of shareholders at the ensuing Annual General meeting is not recognised as liability as at the date of Balance sheet.

Rs. in Crores		
	2017-18	2016-17
<b>41 Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"</b>		
<b>Particulars</b>		
a. The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.01	0.01
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.01	0.01

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

		Rs. in Crores	
42	Expenditure incurred on Scientific Research and Development	2017-18	2016-17
a)	Revenue Expenditure	14.01	12.88
b)	Capital Expenditure	6.59	2.70

### 43 Employee Benefits

#### Defined Contribution plan

##### a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Group has contributed Rs. 4.42 crores for the year ended 31st March 2018 (previous year Rs. 4.34 crores) to Provident fund Authorities. Hence, the Group has no obligation towards the Interest accumulation thereon.

##### b) Superannuation:

The Group has contributed Rs.0.63 crores for the period 2017-18 (previous year Rs. 0.68 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

#### Defined Benefit plan

c) In case of Trust, the Group has contributed Rs. 1.83 crores (previous year : Rs. 1.90 crores) to the Provident Fund Trust and based on the Certificate from Actuary, there is no Liability towards shortfall in interest for the year ended 31st March, 2018.

##### d) Gratuity and Leave Salary

In case of the above Defined Benefit plans, the liability is determined on the basis of Actuarial valuation and provided for in the Statement of Profit and Loss/ Other Comprehensive Income which are disclosed as below:

#### Rs. in Crores

	Gratuity (funded)		Leave Salary (Partly funded)	
	2017-18	2016-17	2017-18	2016-17
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	20.88	20.43	8.27	6.39
Current service cost	6.51	1.63	1.39	0.12
Interest cost	1.67	1.40	0.60	0.51
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.50	(0.39)	(0.19)	0.38
Actuarial loss / (gain) arising from Experience adjustments	(2.62)	—	1.01	2.73
Benefits paid	(4.92)	(2.19)	(1.85)	(1.86)
Closing defined benefit obligation	22.02	20.88	9.23	8.27



## Consolidated - Notes on Accounts (Contd.)

	Gratuity (funded)		Leave Salary (Partly funded)	
	2017-18	2016-17	2017-18	2016-17
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	19.71	16.60	2.75	2.53
Expected return on plan assets	3.64	1.47	0.19	0.20
Actuarial gain / (Loss) arising from Return on plan assets	(0.23)	-	0.01	0.02
Contribution by employer	2.18	3.83	1.85	1.86
Benefits paid	(4.92)	(2.19)	(1.85)	(1.86)
Closing fair value of plan assets	20.38	19.71	2.95	2.75
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	22.02	20.88	9.23	8.27
Fair value of plan assets at year end	20.38	19.71	2.95	2.75
Net (liability) / asset recognised as on 31st March	(1.64)	(1.17)	(6.28)	(5.52)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	6.51	1.63	1.39	0.12
Interest on defined benefit obligation	1.67	1.40	0.60	0.51
Expected return on plan assets	(4.65)	(1.47)	(0.19)	(0.20)
Benefits transferred	-	-	1.35	-
Actuarial Gain/Loss (on Leave Salary)	-	-	0.81	3.09
<b>Expenses recognised in the Profit &amp; Loss A/c</b>	<u>3.53</u>	<u>1.56</u>	<u>3.96</u>	<u>3.52</u>
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.50	(0.39)		
Actuarial loss / (gain) arising from Experience adjustments	(2.62)	-		
Actuarial gain / (Loss) arising from Return on plan assets	0.23	-		
<b>Expenses recognised in Other Comprehensive Income</b>	<u>(1.89)</u>	<u>(0.39)</u>		
<b>Principal actuarial assumptions used</b>				
Discount rate (p.a)	7.71%	8.00%	7.64%	7.20%
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans				

### Risk Exposure :

Through its defined benefit plans, the Group is, exposed to some of the general risks such as Investment Risk, Interest rate risk, Longevity risk and Salary escalation risk and having no entity specific risks.

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

**Rs. in Crores**

<b>a) Gratuity</b>	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		<b>2017-18</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2016-17</b>
Discount	0.50%	<b>21.05</b>	19.94	<b>23.05</b>	21.89
Salary escalation	0.50%	<b>22.54</b>	21.87	<b>20.56</b>	19.95
Mortality	5.00%	<b>21.53</b>	20.89	<b>21.51</b>	20.87
Attrition	5.00%	<b>21.54</b>	20.91	<b>21.48</b>	20.84

<b>b) Leave Salary</b>	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		<b>2017-18</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2016-17</b>
Discount	0.50%	<b>8.97</b>	8.03	<b>9.49</b>	8.53
Salary escalation	0.50%	<b>9.49</b>	8.54	<b>8.97</b>	8.03
Mortality	5.00%	<b>9.23</b>	8.28	<b>9.23</b>	8.27
Attrition	5.00%	<b>9.24</b>	8.28	<b>9.21</b>	8.27

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

#### **44 Financial Instruments**

##### **A. Accounting classifications and fair values**

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

**Rs. In Crores**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Financial assets:</b>			
Financial assets measured under Equity Method:			
i. Investment in Equity shares of Associates	<b>11.40</b>	9.69	8.74
<b>Financial assets measured at fair value:</b>			
i. Investment measured at Fair value through other comprehensive income	<b>8.19</b>	7.27	8.11
ii. Investments measured at Fair value through profit or loss	<b>1.85</b>	2.08	2.44
iii. Derivative financial instruments	-	1.52	(0.02)
<b>Financial assets measured at amortised cost:</b>			
Trade receivables	<b>483.36</b>	434.48	363.62
Cash and cash equivalents	<b>4.52</b>	3.31	2.11
Bank balances other than Cash and cash equivalents	<b>5.14</b>	6.06	2.72



	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Loans	9.54	9.82	6.08
Other financial assets	11.16	9.58	7.16
<b>Financial liabilities:</b>			
<b>Financial liabilities measured at fair value:</b>			
Borrowings	(1.08)	3.01	6.71
Derivative financial instruments	-	2.36	1.29
<b>Financial liabilities measured at amortised cost:</b>			
Borrowings	293.29	269.82	328.68
Trade payables	490.20	419.47	371.02
Other financial liabilities	77.39	108.71	61.23

#### B. Fair value hierarchy

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

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

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

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

As at March 31, 2018	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			10.04
Derivative financial instruments		-	
<b>Financial Liabilities :</b>			
Derivative financial instruments		-	
As at March 31, 2017	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			9.35
Derivative financial instruments		1.52	
<b>Financial Liabilities :</b>			
Derivative financial instruments		2.36	
As at April 1, 2016	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares			10.55
Derivative financial instruments		(0.02)	
<b>Financial Liabilities :</b>			
Derivative financial instruments		1.29	



- i) The Fair value of an Equity Instruments classified as at Fair value through profit or loss included under Level 3 Investments is determined using Cost approach.
- ii) The Fair value of an Equity Instrument classified as at Fair value through Other Comprehensive Income included under Level 3 Investments is determined using Discounted Cash flow technique.
- iii) Valuation inputs for Discounted Cash flow technique are as follows :

Significant Unobservable Input :	For the year ended		
	31.03.2018	31.03.2017	01.04.2016
a) Risk adjusted discount rate	10.39%	10.33%	11.97%
b) Earnings Growth rate	2.00%	1.00%	0.50%

- iv) There are no transfers between Level 2 and Level 3 during the year.

### C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

#### a) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Rs. In Crores			
	Payable within one year	More than one year	Total
<b>As at 31st March, 2018</b>			
<b>Non-derivative liabilities</b>			
Trade payable	490.20		490.20
Borrowings	158.49	133.72	292.21
Other Financial liabilities	76.39	1.00	77.39
<b>Derivative liabilities</b>			
Forward exchange contracts	-		-



	Payable within one year	More than one year	Total
<b>As at 31st March, 2017</b>			
<b>Non-derivative liabilities</b>			
Trade payable	419.47		419.47
Borrowings	146.26	126.57	272.83
Other Financial liabilities	107.51	1.20	108.71
<b>Derivative liabilities</b>			
Forward exchange contracts	2.36		2.36
<b>As at 01st April, 2016</b>			
<b>Non-derivative liabilities</b>			
Trade payable	371.02		371.02
Borrowings	147.49	187.90	335.39
Other Financial liabilities	59.20	2.03	61.23
<b>Derivative liabilities</b>			
Forward exchange contracts	1.29		1.29

**b) Management of Market risk:**

The Company is exposed to the following market risks which affects the value of the Financial instruments :

- Currency risk;
- Interest rate risk

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2018, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 55.81 Crores

The Company manages currency exposures by continuously monitoring the Foreign currency rates with the transaction rate and takes steps to mitigate the risk using Forward/Derivative contracts.

**Sensitivity to risk**

A 5% strengthening of the INR against foreign currencies to which the Company is exposed (net of hedge) would have led to approximately an additional Gain of Rs.2.79 Crores in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2018 is "Nil" (31st March 2017: 19 Nos. of Buy contracts and 21Nos. of Sell contracts)

**ii) Interest rate risk**

Interest rate risk is the risk that the Fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company has Rs. 67.88 Crores Borrowings at Floating rate of Interest as at 31st March, 2018 (previous year Rs. 117.37 Crores).

### Sensitivity to risk

An increase in interest rate of 1% will likely to affect the profit negatively by 3.30 crores and a decrease of 1% would have led to an equal impact but with opposite effect.

### c) Management of Credit risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

#### a) Trade receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are predominately original equipment manufacturers (OEs). All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note .(f) for accounting policy on Financial Instruments in Standalone Financial Statements.

#### b) Other financial assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2018 is the carrying value of each class of financial assets as on that date.

### 45 Borrowing costs in accordance with IndAS23

Borrowing costs capitalised during the year

Capitalisation Rate used for Borrowing Costs

2017-18	2016-17
0.62	1.40
9.39%	10.09%

### 46 Segment information for the year ended 31st March, 2018 in accordance with Ind AS 108 - Operating Segments'

(i) The Group has determined that the Automotive components is the only reportable segment of the company based on the information reviewed by Group's Chief Operating Decision Maker.

(ii) Geographical Information:

Rs. In Crores

	2017-18			2016-17		
	India*	Outside India	Total	India*	Outside India	Total
External	2,225.82	384.40	2,610.22	1,992.75	349.88	2,342.63
Inter-Segment	–	–	–	–	–	–
<b>Total</b>	<b>2,225.82</b>	<b>384.40</b>	<b>2,610.22</b>	<b>1,992.75</b>	<b>349.88</b>	<b>2,342.63</b>
Carrying amount of segment assets	1,646.43	14.90	1,661.30	1,359.01	10.29	1,369.30
Additions to fixed assets	166.33	-	166.33	75.15	-	75.15

\* Includes Sale of Rs. 343.34 Crores (previous year Rs.220.39 Crores) made to one of the major customers.



**47 Related Party disclosures in accordance with Ind AS 24:**

**i) a) Associates**

Axles India Ltd.

**b) Associates by virtue of their shareholding in the Group**

T.V.Sundram Iyengar & Sons Private Ltd.

Titan Europe Limited., UK

Topy Industries Limited, Japan

**ii) Other Related parties and the relationship where transaction exists**

**Associate's Subsidiary**

Sundaram Industries Private Limited

Sundaram Fastners Ltd

The Associated Auto Parts Private Limited

TVS Automobile Solutions Private Limited

Sundram Fasteners Limited

SI Air Springs Private Limited (formerly Firestone TVS Private Limited)

TVS Motors Limited

TVS Electronics Ltd

TVS Training & Services Ltd

Titan Steel Wheels Ltd

Titan Wheels Corporation of Illinois

Titan Australia PTY Ltd

PT Titan Wheels Indonesia

**iii) Key Managerial Personnel**

Mr S Ram

Mr Srivats Ram

**iv) Post Employment Benefit plan entity**

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust

Nature of transactions	Rs. in Crores	
	2017-18	2016-17
<b>Associates</b>		
Dividend Received	0.44	0.36
Dividend paid	9.21	6.91
Purchase of goods	0.08	0.03
Receiving of Services	0.36	0.36
Rendering of Services	0.30	0.11
Sale of goods	27.39	29.02
Royalty Paid	2.63	2.70
Balance Payable	0.01	0.00
Balance Receivable	3.25	1.91
<b>Associate's subsidiary</b>		
Purchase of goods	36.70	30.55
Receiving of Services	0.25	0.19
Rendering of Services	0.53	0.11
Sale of goods	39.30	25.44
Balance Payable	6.12	4.06
Balance Receivable	10.75	7.09

	Rs. in Crores			
	2017-18		2016-17	
<b>Key Managerial Personnel</b>	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
<b>a) Short term employee benefits</b>				
Remuneration, Perquisites and Commission	0.95	2.88	0.82	2.51
Commission outstanding	0.95	1.90	0.82	1.64
<b>b) Post Employment Benefits*</b>	-	0.16	-	0.15
<b>c) Others</b>				
Interest on fixed deposits	-	0.45	-	0.25
Dividend paid during the year	-	0.04	-	0.03
Deposits balance outstanding	-	3.48	-	2.60

\* As the Liabilities for defined benefit plans are provided on actuarial basis, the amounts pertaining to Key Managerial Personnel are not included.



Rs. in Crores

**Employees Benefit Plans**

	2017-18		2016-17	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	1.34	—	3.83	—
Wheels India Limited Staff Provident Fund	1.83	0.15	1.90	0.16
Wheels India Senior Officers Superannuation Trust	0.62	0.62	0.68	0.68

Rs. in Crores

**48 Disclosures relating to leases in accordance with IndAS 17 :****Operating Lease**

	2017-18 Total Minimum Lease	2016-17 Total Minimum Lease
As at Balance Sheet date	2.92	1.89
Not later than 1 year	0.23	0.75
Later than 1 year and not later than 5 years	2.69	1.14
Later than 5 years	-	-
Lease rentals paid during the year	1.04	0.92

**49 Disclosure on Accounting for intangible assets in accordance with Ind AS 38 :**

Rs. In Crores

**Computer software & Technical know how - Refer note 3**

	2017-18	2016-17
Gross carrying amount at the beginning of the year	17.37	16.30
Acquired during the year	2.23	1.07
Deletion during the year	0.23	-
Gross carrying amount at the end of the year	19.37	17.37
Gross amortisation at the beginning of the year	15.53	14.71
Amortised during the year	1.23	0.82
Deletion during the year	0.07	-
Gross amortisation at the end of the year	16.69	15.53
Net carrying amount at the beginning of the year	1.84	1.59
Net carrying amount at the end of the year	2.68	1.84

## Consolidated - Notes on Accounts (Contd.)

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

2017-18

Rs. in Crores

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent: Wheels India Limited	84.05%	512.64	95.07%	71.77	125.15%	2.14	95.74%	73.91
I. Subsidiary								
Indian:								
WIL Car Wheels Limited	10.26%	62.57	1.56%	1.17	-	-	1.52%	1.17
Non Controlling Interest in Subsidiary	3.82%	23.29	0.54%	0.41	-	-	0.53%	0.41
II. Associates: (Investments as per Equity method)								
Indian:								
Axles India Limited	1.87%	11.40	2.83%	2.14	-25.15%	-0.43	2.21%	1.71
Total	100%	609.91	100%	75.49	100%	1.71	100%	77.20

2016-17

Rs. in Crores

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of Consolidated profit	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent: Wheels India Limited	97.93%	459.00	98.52%	58.37	116%	(0.58)	98.38%	57.79
I. Associates: (Investments as per Equity method)								
Indian:								
Axles India Limited	2.07%	9.69	1.48%	0.87	(0.16)	0.08	1.62%	0.95
Total	100%	468.69	100%	59.24	100%	(0.50)	100%	58.74

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

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K.V. LAKSHMI**  
Company Secretary

Chennai  
29th May, 2018

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 25929

**Consolidated Statement of Cash Flows in accordance with Ind AS 7  
Annexed to the Balance Sheet for the year ended 31st March, 2018**



	Rs. in Crores			
	2017-18		2016-17	
<b>A Cash Flow from Operating Activities</b>				
Total Comprehensive Income after tax		77.20		58.74
Add:				
Depreciation	70.45		63.92	
Obsolescence	0.93		1.26	
Lease Liabilities	1.58		1.32	
Taxes on Income	31.12		18.59	
Interest Expenses	44.86	148.94	48.16	133.25
		226.14		191.99
Less:				
Share of an Associate	1.71		0.95	
Interest Income	2.74		1.58	
Gain/(Loss) on Fair Valuation of Investments	0.91		(0.84)	
Dividend Income	0.44		0.36	
Profit on Sale of Fixed Assets	1.36		0.06	
Effect of Exchange Rate Change	7.71		(3.11)	
Slump Sale Profit	12.49	27.36	-	(1.00)
Cash flow from Operation before Working Capital Changes		198.78		192.99
Cash flow from Working Capital:				
Trade Receivables	(67.79)		(73.66)	
Inventories	(114.40)		13.87	
Advances & Other Current Assets	(80.73)		(5.36)	
Trade Payables	121.58		47.68	
Other Payables & Provisions	103.98	(37.36)	(0.26)	(17.73)
Taxes paid		(30.34)		(20.03)
<b>Net Cash Flow from Operating Activities (A)</b>		131.08		155.23
<b>B Investing Activities</b>				
Purchase of Fixed Assets	(212.13)		(79.46)	
Sale of Fixed Assets	17.17		2.10	
Purchase of Investments	(0.03)		(0.47)	
Sale of Investments	57.50		0.83	
Dividend Received	0.44		0.36	
Interest Received	1.95		1.41	
<b>Net cash used in Investing Activities (B)</b>		(135.10)		(75.23)



## Consolidated Statement of Cash Flows (Contd.)

		Rs. in Crores	
		2017-18	2016-17
<b>C Financing Activities</b>			
Proceeds from Long Term Borrowings	67.35	20.59	
Repayment of Long Term Borrowings	(90.62)	(35.35)	
Increase in Working Capital Borrowings	16.79	2.61	
Repayment of Lease Liabilities	(1.58)	(1.32)	
Capital Infusion in Subsidiary	84.30	-	
Dividend paid	(20.19)	(15.20)	
Interest paid	(46.73)	(46.43)	
<b>Net cash used in Financing Activities (C)</b>	<b>9.32</b>	<b>(75.10)</b>	
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>5.30</b>	<b>4.90</b>	
Closing Cash and Cash Equivalents	5.60	0.30	
Opening Cash and Cash Equivalents	0.30	(4.60)	
Net Increase in Cash and Cash Equivalents	5.30	4.90	
Closing Cash & Cash Equivalents as per Balance sheet	4.52	3.31	
(Add)/Less: Cash Credit as at the end of the year	(1.08)	3.01	
Cash & Cash Equivalents for the purpose of IndAS 7	5.60	0.30	

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

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Company Secretary

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