

**WHEELS INDIA LIMITED**



**60<sup>th</sup> ANNUAL REPORT 2018-2019**



# WHEELS INDIA LIMITED

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

Website Address : www.wheelsindia.com

CIN : L35921TN1960PLC004175

## 60<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  
KANCHEEPURAM 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
- SURVEY NO. 281, PLOT NO. K-18/2, SIPCOT INDUSTRIAL  
PARK, PHASE - 2, MAMBAKKAM VILLAGE,  
SRIPERUMBUDUR 602105
- SURVEY NO. 91 (P), SIDCO INDUSTRIAL ESTATE,  
THIRUMUDIVAKKAM, CHENNAI - 600 132

### 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	
ARON RAMAN	
B SANTHANAM	
PAUL G REITZ	
C M B AKERS	
R RAGHUTTAMA RAO	
SUMITHRA GOMATAM	

### AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
ARON RAMAN	
R RAGHUTTAMA RAO	

### STAKEHOLDERS RELATIONSHIP COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

### NOMINATION & REMUNERATION COMMITTEE

S PRASAD	Chairman
ARON RAMAN	
R RAGHUTTAMA RAO	

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

SRIVATS RAM	Chairman
S VIJI	
S PRASAD	
ARON RAMAN	

### CHIEF FINANCIAL OFFICER

R RAGHUNATHAN

### COMPANY SECRETARY

K V LAKSHMI

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## Financial Summary - Last Ten Years

Rs. in Crores

	31.03.19**	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
<b>Operating Results</b>										
Total Revenue (Net off Excise duty)	3,188.84	2,469.51	2,176.06	1,989.10	1,982.54	1,825.16	1,927.34	2,079.83	1,703.36	1,253.00
Earnings before Interest Depreciation and Tax	240.63	200.55	188.91	174.36	152.75	149.55	153.64	165.98	132.28	91.16
Depreciation	70.21	67.05	63.92	60.45	54.14	55.34	53.59	50.47	46.08	33.16
Earnings before Finance costs and Tax	170.42	133.50	124.99	113.91	98.61	94.21	100.05	115.51	86.20	58.00
Finance costs*	62.00	44.54	48.16	57.58	59.07	55.35	55.50	61.35	53.62	37.77
Profit before tax before exceptional item	108.42	88.96	76.83	56.33	39.54	38.86	44.55	54.16	32.58	20.23
Exceptional Item	-	12.49	-	-	-	-	-	-	-	-
Profit before tax	108.42	101.45	76.83	56.33	39.54	38.86	44.55	54.16	32.58	20.23
<b>Financial Position</b>										
Equity Share capital	24.06	12.03	12.03	12.03	12.03	12.03	9.87	9.87	9.87	9.87
Reserves and Surplus	544.55	503.32	449.69	396.13	369.03	351.55	248.98	230.56	207.68	190.50
Shareholders' equity	568.61	515.35	461.72	408.16	381.06	363.58	258.85	240.43	217.55	200.37
Borrowings	452.88	358.57	369.07	386.13	389.23	331.66	419.57	387.68	329.75	374.02
Gross block (Includes Capital Work-in-Progress)	1320.35	1144.67	1186.12	1123.22	1054.67	989.07	922.93	816.68	759.47	710.64
Net block (Includes Capital Work-in-Progress)	642.12	527.11	548.27	535.15	522.04	512.89	493.30	440.01	429.51	426.23
Dividend - Amount	19.25	18.05	15.64	10.83	9.03	9.01	7.99	9.87	6.41	4.44
<b>Per equity Share (Rs.)</b>										
Dividend Per Share***	8.00	15.00	13.00	9.00	7.50	8.20	8.10	10.00	6.50	4.50
Book Value Per Share***	236.29	428.31	383.73	339.22	316.70	302.17	262.27	243.61	220.43	203.02
Earnings Per Share***	31.45	29.82	48.51	33.24	24.72	27.06	30.61	34.80	24.96	13.12

\* 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

\*\*\* Company issued 1:1 Bonus shares on 13.08.2018

## Notice to the Shareholders

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NOTICE is hereby given that the Sixtieth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, August 13, 2019, at 10.30 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 31<sup>st</sup> March, 2019 and the Board's and Auditor's 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. 3.25/- (32.5%) per equity share of Rs.10/- each, already paid on the paid-up capital of the Company amounting to Rs. 7,82,09,813.50 be and is hereby confirmed and recorded.

**RESOLVED FURTHER THAT**, as recommended by the Board, a Final dividend of Rs. 4.75/- per share (47.5%) on the paid-up capital consisting of 2,40,64,558 equity shares, absorbing Rs. 11,43,06,650.50, be approved and the same is hereby declared payable for the year ended 31<sup>st</sup> March, 2019 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 S Viji (DIN 00139043), 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 00044 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 31<sup>st</sup> March 2020, 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 modifications, the following resolution as a Special resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. S Prasad (DIN 00063667), Independent Director, whose first term of office as Independent Director of the Company is coming to a close on 7<sup>th</sup> September 2019, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation for a further term of five (5) consecutive years from the date of expiry of present term of office."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the



applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Aroon Raman (DIN 00201205), Independent Director, whose first term of office as Independent Director of the Company is coming to a close on 7<sup>th</sup> September 2019, be and is hereby re-appointed as an Independent Director of the Company, for a further term of five (5) consecutive years from the date of expiry of present term of office, not liable to retire by rotation.”

7. 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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. R Raghuttama Rao (DIN 00146230), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective November 13, 2018 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. R Raghuttama Rao (DIN 00146230), as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five (5) consecutive years with effect from November 13, 2018, not liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Srivats Ram, Managing Director, Mr. R Raghunathan, Chief Financial Officer, and Ms. K V Lakshmi, Company Secretary, be and are hereby severally authorized to file forms, returns, and memorandum of information

in respect of the above with the Registrar of Companies and other authorities concerned and to do all such acts, deeds and things, as may be required, considered necessary and incidental.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Sumithra Gomatam (DIN 07262602), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective April 24, 2019 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Sumithra Gomatam, (DIN 07262702), as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years with effect from April 24, 2019 and the term shall not be subject to retirement by rotation;

**RESOLVED FURTHER THAT** Mr. Srivats Ram, Managing Director Mr. R Raghunathan, Chief Financial Officer, and Ms. K V Lakshmi, Company Secretary, be and are severally authorized to file forms, returns, and memorandum of information in respect of the above with the Registrar of Companies and other authorities concerned and to do all such acts, deeds and things, as may be required, considered necessary and incidental.”

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

**“RESOLVED THAT** pursuant to the Regulation 17(6)(ca) and other Applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions, if any, of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded for payment of Commission to Mr. S Ram (DIN 00018309), Chairman (Non-Executive) during the financial year ending March 31, 2020 exceeding fifty percent of the total remuneration that may be payable to all Non executive Directors of the Company during the financial year 2020.

**RESOLVED FURTHER THAT** Mr. Srivats Ram, Managing Director Mr. R Raghunathan, Chief Financial Officer, and Ms. K V Lakshmi, Company Secretary, be and are severally authorized to file forms, returns, and memorandum of information in respect of the above with the Registrar of Companies and other authorities concerned and to do all such acts, deeds and things, as may be required, considered necessary and incidental.”

Regd. Office:  
21, Patullos Road  
Chennai - 600 002  
Date: 29.5.2019

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

#### NOTES:

1. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted at the meeting under item no. 4 to 9 is annexed hereto.
2. 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.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 07.08.2019 to 13.08.2019 (both days inclusive) for payment of final dividend on equity shares.
6. 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 06.08.2019 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.
7. 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.
8. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, as amended, dividends declared for the financial year ended 2011-12 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 (IEPF) 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.
9. 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.
  10. Members who have not encashed their dividend warrant(s) for any one or more of the financial year ended on 31<sup>st</sup> March, 2012 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 September 18, 2019.
  11. Pursuant to the aforesaid provisions, during the year under review, the Company has transferred 444 shares pertaining to the Financial Year 2010-11 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.
  12. 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.
  13. 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.
  14. 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.wheelsindia.com](http://www.wheelsindia.com) as well as website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).
  15. 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 Tuesday the 6<sup>th</sup> August 2019 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.
  16. 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.
  17. 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



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period: The e-voting period would commence on 10.08.2019 (Saturday) 9.00 A.M (IST) and ends on 12.08.2019 (Monday) 5.00 P.M (IST).

18. 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.
19. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 6, 2019 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.
20. 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)
21. 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.
22. 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.
23. 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.
24. With the aim of curbing fraud and manipulation risk in physical transfer of securities, we urge the shareholders holding shares in physical form to opt for dematerialization.

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## 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 31<sup>st</sup> March, 2020.

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 31<sup>st</sup> March, 2020.



The Board recommends the resolution set forth in the Notice for the approval of the Members.

The ordinary 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/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

#### **Item No 5 & 6**

Mr. S. Prasad (DIN 00063667) and Mr. Aroon Raman (DIN 00201205) were appointed as Independent Directors of the Company w.e.f. 8<sup>th</sup> September 2014 approved by the shareholders at the Annual General Meeting held on 8<sup>th</sup> September 2014 for a period of five years from 8<sup>th</sup> September 2014 till 7<sup>th</sup> September 2019, in accordance with the provisions of Section 149 (10) of the Companies Act, 2013, (the Act).

Mr. S Prasad (DIN 00063667) and Mr. Aroon Raman (DIN 00201205) fulfil the eligibility criteria laid down for Independent Directors under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, after consideration of the evaluation of their performance by the Nomination and Remuneration Committee and the Board of Directors, the Board has thought it fit to re-appoint them as Independent Directors for a further term of five (5) consecutive years from the date of expiry of their present term of office, subject to approval of the shareholders, in accordance with the provisions of Section 149 (10) of the Act.

Copies of the draft letters of reappointment of the Independent Directors, setting out the terms and conditions, would be available for inspection, without any fee, by the members at the Registered Office of the Company during normal business hours (9.00 A.M. to 5.30 P.M.) on any working day.

The Board considers that their reappointment would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors for a further period of five (5) years.

Accordingly, the Board recommends the resolutions in relation to appointment of Independent Directors, for approval by the shareholders of the Company.

The special resolution as set out under Item No. 5 & 6 of the Notice is accordingly submitted to the members for consideration.

Except Mr. S Prasad and Mr. Aroon Raman, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the respective resolutions

#### **Item No. 7**

The members are informed that Mr. Raghuttama Rao (DIN 00146230) has been appointed as Additional Director in the capacity of Non-executive and Independent Director on the Board of Company on 13<sup>th</sup> November 2018 and he holds office upto the ensuing Annual General Meeting of the Company. He is a member of the Nomination and Remuneration Committee and also a member of Audit Committee of the Board of Directors of the Company. The Nomination & Remuneration Committee at their meeting held on 30<sup>th</sup> October 2018 & Board of Directors at its meeting held on 13<sup>th</sup> November 2018 has recommended his appointment for approval of the shareholders.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing his candidature for the office of Independent Director of the Company. Mr. Raghuttama Rao (DIN 00146230) is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Raghuttama Rao is appointed as an Independent Director and the Board recommends the resolution for approval of the members.

Copy of the draft letter for appointment of Mr. Raghuttama Rao as an Independent Director setting out the terms and

conditions of his appointment is available for inspection by members at the Registered Office of the Company. Further, Mr. R Raghuttama Rao is not drawing any remuneration from this Company except the sitting fees for attending the meeting of the Board.

The ordinary resolution as set out under Item No. 7 of the Notice is accordingly submitted to the members for consideration.

Except Mr. R Raghuttama Rao, none of the other Directors, Manager, Key Managerial Personnel(s) and their relatives are concerned or interested in the above resolution.

#### **Item No. 8**

The members are informed that Ms. Sumithra Gomatam (DIN 07262602) has been appointed as Additional Director in the capacity of Non-executive and Independent Director on the Board of Company on 24<sup>th</sup> April 2019 and she holds office upto the ensuing Annual General Meeting of the Company. The Nomination & Remuneration Committee at their meeting held on 22<sup>nd</sup> March 2019 and the Board of Directors at its meeting held on 24<sup>th</sup> April 2019 has recommended her appointment for approval of the shareholders.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing her candidature for the office of Independent Director of the Company. Ms. Sumithra Gomatam (DIN 07262602) is not disqualified from being appointed as a Director in terms of Section 164 of the Act. She has given her consent to act as a Director and a declaration to the effect that she meets the criteria of Independence as provided in Section 149(6) of the Act.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Sumithra Gomatam (DIN 07262602) is appointed as an Independent Director and the Board recommends the resolution for approval of the members.

Copy of the draft letter for appointment of Ms. Sumithra Gomatam as an Independent Director setting out the terms and conditions of her appointment is available for inspection by members at the Registered Office

of the Company. Further, Ms. Sumithra Gomatam (DIN 07262602) is not drawing any remuneration from this Company except the sitting fees for attending the meeting of the Board.

The ordinary resolution as set out under Item No. 8 of the Notice is accordingly submitted to the members for consideration.

Except Ms. Sumithra Gomatam, none of the other Directors, Manager, Key Managerial Personnel(s) and their relatives are concerned or interested in the above resolution.

#### **Item No 9**

The payment of commission to Mr. S Ram, Chairman (Non-Executive) was approved by the Shareholders at their 57<sup>th</sup> Annual General meeting.

Pursuant to Regulation 17 (6) (ca) and other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s), variation(s) or re-enactment(s) therefore for the time being in force), the Board is of the view that the commission payable to Mr. S Ram, Chairman (Non Executive) during the financial year ending March 2020 may exceed fifty percent of the total remuneration payable to all non executive Directors of the Company and thus it is necessary to take approval of shareholders by way of special resolution.

The special resolution as set out under Item No. 9 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 and Key Managerial Personnel of the Company or their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution.

Regd. Office:

21, Patullos Road  
Chennai - 600 002

Date : 29.5.2019

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:**

<b>Name</b>	<b>Mr. S. Viji</b>	<b>Mr. S. Prasad</b>	<b>Mr. Aroon Raman</b>
DIN	00139043	00063667	00201205
Date of Birth	07.06.1946	30.05.1948	21.03.1960
Age	72 years	70 years	59 years
Profile	Mr. S. Viji holds Bachelor's degree in commerce from University of Madras, Master's degree in Commerce from the University of Michigan and member of ICAI. He has over four decades of experience in financial services and automotive industry.	Mr. S. Prasad is a Member of ICAI. He has ten years of experience in industry as finance professional and 37 years as a practicing Chartered Accountant.	Mr. Aroon Raman holds Master's degree in Economics from Jawaharlal Nehru University, New Delhi and Master's degree in Business administration from Wharton school, University of Pennsylvania. He has three decades of experience in manufacturing and marketing.
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.	Mr. S Viji being retiring Director, being eligible offer himself for reappointment	Re-appointment for another term of five (5) consecutive years from the date of expiry of present term of office.	Re-appointment for another term of five (5) consecutive years from the date of expiry of present term of office.
Remuneration last drawn by such person, if applicable	Entitled to get sitting fees only	Entitled to get sitting fees only	Entitled to get sitting fees only
Date of first appointment on the Board	July 31, 1986	March 22, 2004	April 15, 2011
Membership/Chairmanship of Committees of the Board of Directors of the Company	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report
Other directorships and membership/chairmanship of committees of other boards (Only Public Company) and (Audit Committee & Stakeholders Relationship Committee)	<p><b>(A) Other directorship:</b></p> <ol style="list-style-type: none"> <li>Sundaram Finance Limited</li> <li>Sundaram BNP Paribas Home Finance Ltd.</li> <li>Royal Sundaram General Insurance Co. Ltd.</li> <li>Sundaram Trustee Company Ltd</li> </ol> <p><b>(B) Chairmanship of committee of other Board:</b></p> <p>Nil.</p> <p><b>(C) Membership of committee of other Board:</b></p> <p>Nil</p>	<p><b>(A) Other Directorship:</b></p> <ol style="list-style-type: none"> <li>India Motor Parts and Accessories Ltd.</li> <li>Sundaram Finance Holding Ltd.</li> <li>Royal Sundaram General Insurance Ltd</li> <li>Sundaram Finance Ltd</li> <li>Wil Cars Wheels Ltd.</li> </ol> <p><b>(B) Chairmanship of Committee of Other Board:</b></p> <ol style="list-style-type: none"> <li>Audit Committee-India Motor Parts &amp; Accessories Ltd.</li> <li>Audit Committee-Sundaram Finance Ltd.</li> <li>Audit Committee-Royal Sundaram Alliance Insurance Company Ltd.</li> <li>Audit Committee-Wil Car Wheels Ltd.</li> <li>Stakeholder Relationship Committee-Sundaram Finance Ltd.</li> </ol> <p><b>(C) Membership of Committee of Other Board</b></p> <ol style="list-style-type: none"> <li>Audit Committee-Sundaram Finance Holding Ltd.</li> </ol>	<p><b>(A) Other Directorship:</b></p> <ol style="list-style-type: none"> <li>Carborundum Universal Ltd.</li> <li>Brigade Enterprise Limited</li> </ol> <p><b>(B) Chairmanship of Committee of Other Board:</b></p> <p>Nil</p> <p><b>(C) Membership of Committee of Other Board:</b></p> <ol style="list-style-type: none"> <li>Audit Committee-Brigade Enterprise Ltd.</li> </ol>
Number of shares held in the Company	Nil	3200	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Mr. S Ram, Non-Executive Director	Not applicable	Not applicable
Number of Meetings of the Board attended during the year	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report

Name	Mr.R.Raghuttama Rao	Ms. Sumithra Gomatam
DIN	00146230	07262602
Date of Birth	10.5.1963	7.8.1967
Age	55 years	51 years
Profile	Mr. Raghuttama Rao holds post graduate degree in diploma in management- IIM Ahmedabad, Bachelor of Technology in Mechanical engineering in IIT Madras. He has more than 30 years of experience of spanning manufacturing, financial marketing, public policy and management consulting.	Ms. Sumithra Gomatam holds B.E in Electronics and Communication Engineering from Anna University and completed the Advanced Management Programme at Harvard Business School. She is a Cognizant veteran of 24 years. Sumithra has held multiple strategic leadership roles in the company across industries, service lines and geographies. She is a member of the company's global executive committee, responsible for shaping the company's strategy, operations and culture.
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.	Appointment of Independent Director for the period of five years from 13.11.2018 to 12.11.2023	Appointment of Independent Director for the period of five years from 24.04.2019 to 23.04.2024
Remuneration last drawn by such person, if applicable	Entitled to get sitting fees only	Entitled to get sitting fees only
Date of first appointment on the Board	13.11.2018	24.4.2019
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 (Only Public Company) and (Audit Committee & Stakeholders Relationship Committee)	<b>(A) Other Directorship:</b> Nil <b>(B) Membership of Committees of other Boards:</b> Nil <b>(C) Chairmanship of Committees of other Boards:</b> Nil	<b>(A) Other directorship:</b> Nil <b>(B) Membership of committee of other boards:</b> Nil <b>(C) Chairmanship of committee of other board:</b> Nil
Number of shares held in the Company	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not applicable	Not applicable
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 Sixtieth Annual Report and the Audited Accounts of your Company for the year ended March 31, 2019.

### Performance

Sales (net of Indirect taxes) for the year were Rs.3151.70 crores compared to Rs. 2443.17 crores in the previous year showing an increase of 29%.

### 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 standalone financial results of your Company are as below:

Rs. in Crores

	2018-19	2017-18
Gross Profit before finance cost and depreciation	<b>240.63</b>	200.55
Finance cost	<b>62.00</b>	44.54
Depreciation	<b>70.21</b>	67.05
Add: Exceptional Item	-	12.49
Profit before tax	<b>108.42</b>	101.45
<b>Profit after tax</b>	<b>75.67</b>	71.77
<b>Total Comprehensive Income</b>	<b>75.74</b>	73.91
Transfer to General Reserves	<b>32.00</b>	30.00

### Dividend and transfer to General Reserve

The Board approved and paid an Interim Dividend of Rs 3.25/- per equity share (32.5%) in February 2019.

Your Directors are pleased to recommend a final dividend of Rs. 4.75 per equity share (47.5%) for the year ended 31<sup>st</sup> March, 2019. The final dividend recommended, subject to approval at the 60<sup>th</sup> Annual

General Meeting, will be paid to all the shareholders as on 06.08.2019. The total dividend payout for the financial year is Rs. 19.25 crores on which dividend distribution tax aggregates to Rs. 3.96 crores.

The Company proposes to transfer an amount of Rs. 32.00 crores to the General Reserves. An amount of Rs. 86.21 crores is proposed to be as Retained Earnings.

### Management Discussion and Analysis

There was strong growth in the global economy in 2017 and the first half of 2018. Subsequently, a number of factors including the escalating US-China trade tensions and financial tightening in large economies, has notably slowed down the global economy. It is expected that global growth is projected to slow from 3.6% in 2018 to 3.3% in 2019. There was a slowdown in the economy in the latter part of 2018-19 affecting demand for your Company's customer's products.

The government in the latter part of 2018, increased the axle load rating on existing trucks. This has effectively increased the load that can be carried by the existing fleet of vehicles, and thereby effectively reducing the number of trucks for a given load. This has slowed down demand for medium and heavy vehicles in the haulage segment. The demand for tippers continues in line with infrastructural project developments.

India plans to introduce BS VI emission norms coming into effect from 1<sup>st</sup> April, 2020. This is likely to increase the cost of trucks by between 10-20% depending on vehicle size/configuration. It is expected that there could be a "pre-buy" of vehicles prior to the norms coming into effect. However, given the higher axle load rating and the slowdown in the economy, it is to be seen if there will be any growth in load haulage segment of commercial vehicles.

The last financial year saw strong growth in the demand for wheels for construction and mining equipment. In the latter part of the year, post trade tensions there has been slowing down of demand in



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this area. Your Company is a major supplier of wheels for construction and mining equipment globally. We believe that demand for wheels for construction and mining equipment will be muted in the coming year.

The market for agricultural tractors saw robust demand in the first half of the last financial year, slowed down considerably in the second half, as tighter money affected demand. The lower prices for produce was the main reason for the distress. The industry still managed reasonable growth last financial year thanks to various government subsidies aimed at the agricultural segment. It is likely that the issues that affected agricultural markets in the latter part of 2018-19 will persist in the coming year.

The passenger car market had a reasonable year in the last financial year, despite some headwinds in the latter part of the year. The market saw a continued trend away from cars towards sports utility and compact sports utility vehicles. There was increase in the cast aluminium wheel penetration in line with this trend. The consumer sentiment in the last quarter of the last financial year reduced demand towards the end of the year. The small commercial vehicle market saw strong growth in the year under review and growth is expected to continue in the coming year.

Your Company's unit that manufactures forged aluminium wheels saw growth particularly in the second half of the year, as increased capacity utilization, enabled us to meet growing demand from our customers. This business that is largely export oriented is likely to show some growth in the coming year.

Your Company is the leading manufacturer of air suspension systems for buses in India. A bulk of the buses for air suspension systems come from state government transport undertakings, whose demand tends to peak every four years. Your company benefited from the demand increase notably in the latter part of the last financial year. The volumes are

likely to continue in the coming year. In addition to bus air suspension systems, your Company is a supplier of lift air suspension systems for heavy commercial vehicles. Towards the end of the last financial year, your Company was able to win orders from a large commercial vehicle customer, that increased demand for our lift air suspension systems for trucks, despite the slowdown in the market. There is likely to be a full-year effect of this new business, despite muted growth in the overall market in the coming year.

Your Company has developed into a major supplier of parts for windmill manufacturers in the country. In the last financial year, we started export of parts to different plants of our multi-national customers in this segment. This business is likely to grow in the coming year. In addition, following the abrupt slowdown in the windmill industry in India in the last financial year after the introduction of the government's multi-giga-watt tendering process, domestic demand came back strongly in the last financial year. The coming year is also likely to remain strong, as our customers are likely to gain share of business.

Your Company had its first full year as a supplier of bogie suspension frames to Indian Railways, in the last financial year. We have gained from the move by Indian Railways to increase production of LHB coaches, for which we supply bogie suspension parts. The conversion to LHB coaches is a move by the government to improve railway safety. We should see demand continuing in the coming year as well. In addition, your Company is likely to start supplying bogie frames for Train 18 program of the Indian Railways, that will be used in future Shatabdi and sub-urban trains from the coming year.

The last financial year saw consolidation in the domestic steel industry, with Bhushan Steel being taken over by Tata Steel and Monnet Ispat being taken over by JSW Steel. There was also anxiety about the status of Essar Steel. This resulted in domestic





steel prices remained high despite international prices coming down. In the coming year, with limited prospects of growth, it is expected that steel prices will be stable.

In 2018-19, your Company saw a volume growth of around 20%, largely in wheels for trucks, construction & mining equipment and windmill parts. Your company was able to increase its exports by over 50%, with a significant growth in export of construction & mining wheels and windmill parts. The return on net worth for the year under review was 14% as against 14.7% in 2017-18. In 2017-18, there was an exceptional income of Rs.12 Crores from profit on slump sale of the passenger car steel wheel business to our subsidiary, WIL Car Wheels Ltd. If you exclude this extraordinary income in 2017-18, there is an increase in return on net worth through growth in operations.

The first half of the year saw very strong demand in most sectors, ahead of planned capacity expansions, resulting in significant inter-plant transfers and premium freight incurred by the Company to keep customer lines running. In the latter part of the year, a combination of reduced demand and our capacities coming on-stream reduced this kind of activity.

The demand fluctuations resulted in periods of higher inventory, increasing working capital utilization on top of which interest rates hardened towards the end of the year. There were also large fluctuations in the foreign exchange markets as there were trade tensions amongst large trading blocks.

During the year under review there were inflationary pressures with increase in minimum wages increasing costs, in segments where we had a ramp up. In addition, there was pressure on fuel costs as crude prices increased during the year. We expect to manage costs through sustained efforts in the coming year.

In the year under review, your Company started two plants - one at Thirumudivakkam for export of windmill components, and one at Mambakkam for lift

air suspension systems. Your Company is committed to investing in the state and signed a Memorandum of Understanding with the Government of Tamil Nadu towards its future plans.

The coming year is likely to be flat in most segments, barring the windmill segment. In this period, we hope to consolidate our recent expansions, and focus on improving the efficiency of our operations. Your company constantly strives to improve the quality and safety culture within its organization. There is a continuous effort to improve the performance of our products, system and services through audits and reviews. Your Company has been able to manage its operations in volatile times thanks to the efforts of its employees, suppliers, customers, bankers, and the communities around our plants.

### **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. 364.92 crores and loss after tax of Rs. 1.29 crores for the financial year 2018-19 as against Rs. 179.42 crores and profit after tax of Rs. 1.56 crores for the financial year 2017-18.

### **Associate Company**

Axles India Limited, an Associate Company has achieved a turnover of Rs. 621.05 crores and profit after tax of Rs 38.06 crores for the financial year 2018-19 as against the turnover of Rs. 483.86 crores and profit after tax of Rs. 22.31 crores for the financial year 2017-18.

### **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

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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 2018-19 is Rs.76.15 crores and the Consolidated Net worth is Rs. 640.34 crores as on 31.03.2019 as against Rs.75.49 crores and Rs. 586.62 crores as on 31.03.2018.

### **Fixed Deposits**

As at 31<sup>st</sup> March, 2019, fixed deposits accepted by the Company from public and shareholders aggregated to Rs. 139.26 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 recognized 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 criteria for evaluation of the Board and non-independent directors at a separate meeting of Independent Directors were in accordance with the Nomination & Remuneration Policy adopted by the Company. The evaluation was carried out, taking into consideration the 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 and commitment to corporate social responsibility.

The Board at its meeting carried out the evaluation of the Directors, performance of independent Directors, and Committees of the Board based on the guidelines prescribed by SEBI.

### **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 appointed / resigned during the year**

#### **Appointment of Independent Directors**

##### **Mr. R Raghuttama Rao**

Mr. R Raghuttama Rao has been appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company for a term of five years with effect from November 13, 2018 subject to regularization of such appointment by the shareholders of the Company. The Nomination and Remuneration Committee and the Board has recommended appointment of Mr. R Raghuttama Rao



(DIN 00146230) as an Independent Director of the Company to hold office for a term of five years with effect from November 13, 2018, in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In the opinion of the Board, Mr. R Raghuttama Rao fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as Independent Director and is independent of the management of the Company. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. R Raghuttama Rao as an Independent Director of the Company.

#### **Ms. Sumithra Gomatam**

Ms. Sumithra Gomatam has been appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company for a term of five years with effect from April 24, 2019 subject to regularization of such appointment by the shareholders of the Company. The Nomination and Remuneration Committee and the Board has recommended appointment of Ms. Sumithra Gomatam (DIN 07262602) as an Independent Director of the Company to hold office for a term of five years with effect from April 24, 2019, in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). In the opinion of the Board, Ms. Sumithra Gomatam fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as Independent Director and is independent of the management of the Company. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Sumithra Gomatam as an Independent Director of the Company.

#### **Re-appointment of Independent Directors (Second term)**

Mr. S. Prasad (DIN 00063667) and Mr. Aroon Raman (DIN 00201205), were appointed as Independent Directors of the Company with effect from 8<sup>th</sup> September 2014 approved by the shareholders for a period of five years from 8<sup>th</sup> September 2014 till 7<sup>th</sup> September 2019, in accordance with the provisions of Section 149 (10) of the Companies Act, 2013, (the Act).

Mr. S Prasad (DIN 00063667) and Mr. Aroon Raman (DIN 00201205) fulfil the eligibility criteria laid down for Independent Directors under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, after consideration of the evaluation of their performance by the Nomination and Remuneration Committee and the Board of Directors, the Board has thought it fit to re-appoint them as Independent Directors for a further term of five (5) consecutive years from the date of expiry of their present term of office, subject to approval of the shareholders, in accordance with the provisions of Section 149 (10) of the Act.

#### **Re-appointment of director retiring by rotation**

Under Article 94(3) of the Articles of Association of the Company, Mr. S Viji (DIN 00139043) retires by rotation and being eligible, offers himself for re-election.

#### **Profile of Directors seeking appointment / reappointment**

Profile of the directors seeking appointment / re-appointment as required to be given in terms of the Secretarial standards and per SEBI (LODR) Regulations, 2015, as amended forms part of the Notice convening the ensuing Annual General meeting of the Company.

All the Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended).

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## Cessation of Directors

Mr. T S Vijayaraghavan, Independent / Non-Executive Director had resigned from the Board of the Company with effect from 13<sup>th</sup> November 2018.

Ms. Bharati Rao Independent / Non-Executive Director had resigned from the Board of the Company with effect from 14<sup>th</sup> February 2019.

The above Directors have confirmed to the Company in writing that there are no material reasons for their resignation.

## Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Regulations and are independent of the Management.

## Key Managerial Personnel

During the year there is no change in the Key Managerial Personnel.

## 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 program.

Your Company has fulfilled its obligation towards CSR by spending a sum of Rs.153.96 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 program 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 acknowledges 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, 2019 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the 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 were in place and that the financial controls were 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 2018-19, were in the ordinary course of business and on arm's length basis. The Company did not enter into any material transaction with related parties, under 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) Regulations, 2015. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

## 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.

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

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), Regulations, 2015 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 (5) consecutive years

i.e. from the conclusion of the 58<sup>th</sup> Annual General Meeting till the conclusion of 63<sup>rd</sup> 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 31.3.2019.

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 2019-20 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 shareholders’ ratification of the remuneration payable to the Cost Auditor for the year 2019-20 is included in the Notice convening the 60<sup>th</sup> 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 2018-19.

### 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

Your Company has been working towards inculcating a safety-first culture by adopting a globally recognized safety recording and review system with a fortnightly review of safety performance across all its facilities. Your Company's employees capture near-misses, safety observations and corrective actions, and reports it to the safety committee. The actions are horizontally deployed across business units and across plants. Last year saw good progress towards this endeavor to keep our employees safe.

Employees are encouraged to adhere to safety in all their activities. 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 safety mind-set in the workplace and outside.

### 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, 2015.

### Extract of Annual Return

The details forming part of the extract of the Annual Return (MGT 9) in Annexure VIII forms part of this Report.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website and can be accessed at <https://wheelsindia.com/annual-report.html>

### 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.

### 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

Place : Chennai

Date : 29.05.2019

DIN 00018309



## 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 subsidiaries/associate 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	Not applicable
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	8296.31
7.	Total assets	22201.27
8.	Total Liabilities	13404.96
9.	Investments	Nil
10.	Turnover	36491.52
11.	Profit before taxation	(193.10)
12.	Provision for taxation	64.57
13.	Profit after taxation	(128.53)
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; 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 27209TN1981PLC008630
1.	Latest audited Balance Sheet Date	31.3.2019
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	i. Number	24,24,661
	ii. Amount of Investment in Associates/Joint Venture	Rs 2.72 crores
	iii. 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. 13.08 crores
6.	Profit / Loss for the year 2018-19:	Net profit of Rs. 37.28 crores
	i. Considered in Consolidation	Net profit of Rs. 1.68 crores
	ii. Not Considered in Consolidation	-

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

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

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : 29.05.2019

**K V LAKSHMI**  
Company Secretary

**L RAVI SANKAR**  
Partner  
Membership No. 025929



## 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	40.40
Remained unpaid or unclaimed as at the end of the year	0.92
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

## 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 SEBI (LODR) Regulations, 2015 (as amended).

#### Objective

- To lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.
- To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- 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” shall mean officers/ personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of the management one level below the Chief Executive Officer / Managing Director / Whole time Director/ manager (including Chief executive officer / Manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

#### 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 Committee shall recommend to the Board, all remuneration in whatever form payable to Senior Management.

The power to decide structure of remuneration for 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 practices 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 2018-19

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.7487.93 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :	Rs.149.76 Lakhs
5.	Details of CSR spent during the financial year:	(a) Total amount to be spent for the financial year: Rs.149.76 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.

Place : Chennai  
Date : 29.05.2019

**S Prasad**  
Director

**Srivats Ram**  
Chairman - CSR Committee



## Annexure to Annual Report on CSR Activities for the Financial year 2018-19

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	70.03	70.03	70.03	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) Eureka Superkidz Project -AID INDIA (F) Disha Foundation
2	Training of farmers/ Agriculture	Rural development projects	Maharashtra, Tamil Nadu and Telangana	38.93	38.93	108.96	Implementing agency
3	Promoting Health Care including Preventive Health Care and sanitation/ safe drinking water	Health	Rampur, Uttar Pradesh, Tamil Nadu	43.00	43.00	151.96	Direct and through implementing agency
4	Protection of National Heritage, Arts and Culture	National Heritage, Arts and Culture	Tamil Nadu	2.00	2.00	153.96	Direct
<b>TOTAL</b>				<b>153.96</b>	<b>153.96</b>		

Place : Chennai  
Date : 29.05.2019

**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*	21.83
b)	Mr. S Viji, Director**	0.46
c)	Mr. Srivats Ram, Managing Director	74.54
d)	Mr. S Prasad**	0.54
e)	Mr. T S Vijayaraghavan** (i)	0.42
f)	Mr. Aroon Raman**	0.27
g)	Mr. B Santhanam**	0.19
h)	Mr. Paul G Reitz**	0.07
i)	Mr. Christopher M B Akers**	0.07
j)	Ms. Bharati Rao** (ii)	0.19
k)	Mr. R Raghuttama Rao ** (iii)	0.20

\* The Remuneration paid to Chairman is as per the approval accorded by the shareholders at the Annual General Meeting held on 10.8.2016. The Commission payable to non-executive chairman will be subject to the approval of the members at the ensuing Annual General Meeting.

\*\* 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.

- i) Mr. T.S. Vijayaraghavan (Non-Executive and Independent Director) resigned from the Board of the Company with effect from 13.11.2018.
- ii) Ms. Bharati Rao (Non-Executive and Independent Director) resigned from the Board of the Company with effect from 14.2.2019.
- iii) Mr. Raghuttama Rao (Non-Executive and Independent Director) was inducted on the Board of the Company with effect from 13.11.2018.

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

Mr. Srivats Ram, Managing Director	29.19%
Mr. R. Raghunathan, Chief Financial Officer	8%
Ms. K V Lakshmi, Company Secretary	-

- c. **Percentage increase in the median remuneration of employees in the financial year** 5%

- d. **Number of permanent employees on the rolls of Company** As on 31.3.2019, the Company had 2319 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 7 % for Employees other than 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.





## Annexure VI

### Report on Corporate Governance

#### 1. Report on Corporate Governance

Your Company believes that effective Corporate Governance is a product of law, ethics, regulations 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") as amended.

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	2
2	Mr. S Viji	Non-Executive	4	Nil	Nil
3	Mr. Srivats Ram	Managing Director	6	2	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	1	1	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	4	10	1
11	Mr. Raghuttama Rao§	Independent	Nil	Nil	Nil
12	Ms. Sumithra Gomatam§	Independent	Nil	Nil	Nil

\* Only Audit Committee and Stakeholders Relationship Committee considered.

® Mr. T S Vijayaraghavan resigned from the Board of the Company with effect from 13.11.2018.

# Ms. Bharati Rao resigned from the Board of the Company with effect from 14.2.2019.

§ Mr. Raghuttama Rao and Ms. Sumithra Gomatam were inducted into the Board with effect from 13.11.2018 and 24.4.2019 respectively.

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 as amended, 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.

The names of the Listed entities and the category of directorship of existing Directors are as follows

Name of the Director	Name of the Listed entity		Category of directorship	
Mr. S Ram	i.	Wheels India Limited	i.	Non-Executive - Non Independent
	ii.	Sundaram Finance Limited	ii.	Non-Executive - Non Independent
	iii.	India Motor Parts & Accessories Limited	iii.	Non-Executive - Non Independent
Mr. S Viji	i.	Wheels India Limited	i.	Non-Executive - Non Independent
	ii.	Sundaram Finance Limited	ii.	Non-Executive - Non Independent
Mr. Srivats Ram	i.	Wheels India Limited	i.	Executive Director
	ii.	Sundaram Finance Holdings Limited	ii.	Non-Executive - Non Independent
Mr. S Prasad	i.	Wheels India Limited	i.	Non-Executive - Independent
	ii.	Sundaram Finance Limited	ii.	Non-Executive - Independent
	iii.	Sundaram Finance Holdings Limited	iii.	Non-Executive - Independent
	iv.	India Motor Parts & Accessories Limited	iv.	Non-Executive - Independent
Mr. Aroon Raman	i.	Wheels India Limited	i.	Non-Executive - Independent
	ii.	Carborundum Universal Limited	ii.	Non-Executive - Independent
	iii.	Brigade Enterprises Limited	iii.	Non-Executive - Independent
Mr. B Santhanam	i.	Wheels India Limited	i.	Non-Executive - Independent
	ii.	Titan Company Limited	ii.	Non-Executive - Independent
Mr. Paul G Reitz	i.	Wheels India Limited	i.	Non-Executive - Non-Independent
Mr. Christopher M B Akers	i.	Wheels India Limited	i.	Non-Executive - Non-Independent
Mr. Raghuttama Rao	i.	Wheels India Limited	i.	Non-Executive - Independent
Ms. Sumithra Gomatam	i.	Wheels India Limited	i.	Non-Executive - Independent

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

During the Financial Year 2018-19 under review, 6 Board Meetings of the Company were held on April 19, 2018, May 29, 2018, June 22, 2018, August 13, 2018, November 13, 2018 and February 6, 2019.

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	3	Yes
Mr. S Viji	6	6	Yes	Mr B Santhanam	6	4	No
Mr. Srivats Ram	6	6	Yes	Mr Christopher Akers	6	2	Yes
Mr. T S Vijayaraghavan@	6	5	Yes	Mr Paul Reitz	6	2	Yes
Mr. S Prasad	6	5	No	Ms Bharati Rao#	6	5	No
Mr. R Raghuttama Rao§	6	2	NA				

@resigned on 13.11.2018, #resigned on 14.2.2019, §appointed on 13.11.2018

The last Annual General Meeting was held on 14.8.2018



## 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 7 times during the year under review on 25.4.2018, 29.5.2018, 13.8.2018, 24.10.2018, 13.11.2018, 28.1.2019 and 6.2.2019. The attendance of each member of the Committee are given below:-

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Prasad, Chairman	Independent	7	6
Mr. S Viji	Non Executive	7	5
Mr. T S Vijayaraghavan <sup>@</sup>	Independent	7	5
Mr. Aroon Raman	Independent	7	2
Mr. R Raghuttama Rao <sup>§</sup>	Independent	7	2

<sup>@</sup>resigned on 13.11.2018, <sup>§</sup>appointed on 13.11.2018

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. Aroon Raman and Mr. R. Raghuttama Rao as the other Members.

The Committee so far met on 10.05.2018, 30.10.2018 and 22.3.2019.

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 2018-19, computed in accordance with the relevant provisions of the Act to Mr. S Ram, Chairman, subject to approval of the members of the Company at the ensuing Annual General Meeting.
- at 2% on the net profits of the Company for the financial year 2018-19, 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	
		Held	Attended
Mr. S Prasad, Chairman	Non-Executive and Independent	3	3
Mr. T S Vijayaraghavan <sup>@</sup>	Non-Executive and Independent	3	2
Mr. Aroon Raman	Non-Executive and Independent	3	2
Mr. R Raghuttama Rao <sup>§</sup>	Non-Executive and Independent	3	1

<sup>@</sup>resigned on 13.11.2018, <sup>§</sup>appointed on 13.11.2018

### Remuneration Policy

Remuneration of the Directors, KMPs shall be based on and taking into 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 remuneration for Senior Management and KMPs will be decided by the Committee and power to fix the remuneration to 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 2018-19 are given below:

Rs. In lakhs

Name of Directors	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees*	No. of Shares held
Mr. S Ram	-	-	113.72	-	1.35	Nil
Mr. S Viji	-	-	-	-	2.40	Nil
Mr. Srivats Ram	140.00	1.77	227.43	23.63	-	53072
Mr. T S Vijayaraghavan	-	-	-	-	2.20	Nil
Mr. S Prasad	-	-	-	-	2.85	3200
Mr. Aroon Raman	-	-	-	-	1.40	Nil
Mr. B Santhanam	-	-	-	-	1.00	Nil
Mr. Paul G Reitz	-	-	-	-	0.40	Nil
Mr. Christopher M B Akers	-	-	-	-	0.40	Nil
Ms. Bharati Rao	-	-	-	-	1.00	Nil
Mr. R Raghuttama Rao	-	-	-	-	1.05	Nil

\* Sitting fees for the Board/Audit Committee is Rs. 20,000, while other committee meetings and meeting for Independent Directors are Rs. 5,000 and Rs. 10,000 respectively for attending each meeting.



## 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 Annual Report, 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 11.04.2018, 31.10.2018 and 27.11.2018, which was attended by all the members of Committee.

The Board has authorized Ms. K V Lakshmi, Company Secretary 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 31.03.2019.

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 10.5.2018 and 13.8.2018. 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	1
Mr. Aroon Raman	2	2

The Board has accepted the recommendations of the Committee.

## 7. Familiarization Program

Pursuant to Regulation 25 of SEBI LODR, the Company is required to conduct various program 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 program for familiarization of the Independent Directors are hosted on the website of the Company at the following web-link:

<http://www.wheelsindia.com/pdf/familiarisation-programme-2018-19.pdf>

### Independent Directors' Meeting

During the year under review, the Independent Directors met on March 22, 2019 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 except Mr. Aroon Raman were present at the Meeting.

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

Year		
2017-18	Date	14.08.2018
	Location	"The Music Academy", 168 (Old No. 306), TTK Road, Chennai - 600 014
	Time	11.00 AM
	Special Resolution Passed	Shareholder's approval by way of special resolution for continuance of Directorship of Mr. S Ram as Non-Executive Director on the Board of the Company with effect from 1.4.2019.
2016-17	Date	10.8.2017
	Location	"The Music Academy", 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", 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.

### 9. Postal Ballot / E-voting

#### Postal Ballot:

During the year ended 31<sup>st</sup> March, 2019, the Company has passed the following Resolution through Postal Ballot (including e-voting), conducted in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard 2 on General Meetings and the Listing Regulations:



## 1. Ordinary Resolution for increase in Authorised Share Capital

Details of voting pattern:

	No. of Equity shares Voted			No. of Members voted		
	e-voting (electronic)	Physical Ballot Forms	Total	e-voting (electronic)	Physical Ballot Forms	Total
Total votes cast	10554532	41529	10596061	53	189	242
Less: invalid votes	–	2023	2023	–	5	5
Net valid votes cast	10554532	39506	10594038	53	184	237
Votes cast in favour	10554531	39506	10594037	52	184	236
Votes Cast against	1	–	1	1	–	1

% of total votes cast in favour of the resolution: 99.9999%

% of total votes cast against the resolution: 00.0001%

## 2. Ordinary Resolution for alteration of Capital Clause of Memorandum of Association

Details of voting pattern:

	No. of Equity shares Voted			No. of Members voted		
	e-voting (electronic)	Physical Ballot Forms	Total	e-voting (electronic)	Physical Ballot Forms	Total
Total votes cast	10554532	41529	10596061	53	189	242
Less: invalid votes	–	2023	2023	–	5	5
Net valid votes cast	10554532	39506	10594038	53	184	237
Votes cast in favour	10554531	39506	10594037	52	184	236
Votes Cast against	1	–	1	1	–	1

% of total votes cast in favour of the resolution: 99.9999%

% of total votes cast against the resolution: 00.0001%

## 3. Special Resolution for alteration of Articles of Association consequent to increase in Authorized Share Capital

Details of voting pattern:

	No. of Equity shares Voted			No. of Members voted		
	e-voting (electronic)	Physical Ballot Forms	Total	e-voting (electronic)	Physical Ballot Forms	Total
Total votes cast	10554532	41529	10596061	53	189	242
Less: invalid votes	–	2023	2023	–	5	5
Net valid votes cast	10554532	39506	10594038	53	184	237
Votes cast in favour	10554531	39506	10594037	52	184	236
Votes Cast against	1	–	1	1	–	1

% of total votes cast in favour the resolution: 99.9999%

% of total votes cast against the resolution: 00.0001%



#### 4. Ordinary Resolution for issue of Bonus Shares

Details of voting pattern:

	No. of Equity shares Voted			No. of Members voted		
	e-voting (electronic)	Physical Ballot Forms	Total	e-voting (electronic)	Physical Ballot Forms	Total
Total votes cast	10554532	41529	10596061	53	1891	242
Less: invalid votes	–	2023	2023	–	5	5
Net valid votes cast	10554532	39506	10594038	53	184	237
Votes cast in favour	10554532	39506	10594038	53	184	237
Votes Cast against	–	–	–	–	–	–

% of total votes cast in favour of the resolution: 100.00%

% of total votes cast against the resolution: 0.00%

The Company provided e-voting facility to all the shareholders, in respect of the business set out in the Postal Ballot Notice.

The Company has completed dispatch of Postal Ballot Notice and Postal Ballot Form to Members by permitted mode on Thursday the June 28, 2018. The said documents were sent to the Members whose names appear in the Register of Members/ Beneficial Owners received from the Registrar and Share Transfer Agent, “National Securities Depository Limited” (NSDL) and the “Central Depository Services (India) Limited” (CDSL).

The e-voting period commenced from June 29, 2018, 10.00 a.m. (IST) and ended on July 28, 2018, 5.00 p.m. (IST)

The cut-off date for reckoning the number of members eligible for voting was Tuesday, June 26, 2018.

Mr. S Dhanapal, Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, appointed as Scrutinizer carried out scrutiny of all the Postal Ballot forms and e-votes received up to the close of working hours i.e. at 5.00 P.M. (IST) on July 28, 2018, being the last date for e-voting and postal ballot form and submitted his consolidated report on Monday, July 30, 2018.

Mr. S Ram, Chairman announced that based on the scrutinizer’s report all the resolution as set out in the Postal Ballot Notice, were approved with requisite majority.

#### 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 14.8.2018. 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 e-voting process in a fair and transparent manner.

Results of the voting for the resolutions passed at the 59<sup>th</sup> 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 policies on Material Subsidiaries and Related Party Transactions are 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 is no non-compliance of any disclosure in 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 program imparted to Independent Directors are hosted on the website of the Company, [www.wheelsindia.com](http://www.wheelsindia.com);
- IX. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- a. number of complaints filed during the financial year - Nil
  - b. number of complaints disposed of during the financial year - Nil
  - c. number of complaints pending as on end of the financial year - Nil
- X. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is given below:

	Rs. in Lakhs
Audit Fees	46.00
Tax Audit Fees	8.00
Others	12.00
Reimbursement of expenses	7.00
<b>Total</b>	<b>73.00</b>

- XI. There is no such instance occurred where the board had not accepted any recommendation of committee of the board which is mandatorily required, during the financial year under review.

## 11. Disclosures regarding appointment / reappointment of Directors:

Please refer Annexure to the AGM notice.

## 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	8 and 957 equity shares of Rs.10/- each respectively.
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	8 and 1914 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 13, 2019
Time	10.30 AM
Venue	"The Music Academy", 168 (Old No. 306), T.T.K. Road, Chennai - 600 014
Date of Book Closure	7.8.2019 to 13.8.2019 (both days inclusive)
Dividend Payment Date	Will be paid on or before September 11 2019 - Rs. 4.75 per share (47.5%)
Approval of financial results for the:	Financial Year: April 1 to March 31
Quarter ending June 30, 2019	2 <sup>nd</sup> Week of August 2019
Quarter ending September 30, 2019	2 <sup>nd</sup> week of November, 2019
Quarter ending December 31, 2019	2 <sup>nd</sup> week of February 2020
Year ending March 31, 2020	Last week of May, 2020
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.

Dematerialization of shares and liquidity	<p>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.</p> <p>As on 31.03.2019, 98.75% of the equity shares are held in dematerialized form.</p>
Pattern of Shareholding as on March 31, 2019	Data in statement form - forming part of this Report
Distribution of Shareholding as on March 31, 2019	Data in statement form - forming part of this Report
Share Performance	NSE vs Index Graph form - forming part of this Report
Share Price Data - High/Low	NSE - Data in statement form - forming part of this Report
Address for Investors' correspondence	<p><b>Registrar and Share Transfer Agents:</b>  Cameo Corporate Services Limited,  "Subramanian Building", No. 1, Club House Road,  Chennai - 600 002, Phone: 044 - 28460390  Fax : 044 - 28460129  E-Mail : investor@cameoindia.com</p> <p><b>Investor Correspondence / Compliance Officer:</b>  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, Kancheepuram 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.
Survey No. 281, Plot No. K-18/2, SIPCOT Industrial Park, Phase - 2, Mambakkam Village, Sriperumbudur, Pin - 602105	Survey No. 91 (P), SIDCO Industrial Estate, Thirumudivakkam, Chennai - 600 132	



## 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	18048418	75.00
Directors/ Relatives	61482	0.26
Insurance Companies	350740	1.46
Investor Education and Protection Fund (IEPF)	29456	0.12
Corporate Bodies	1566612	6.51
Resident Individuals	2025871	8.42
Non-Resident Indians	82694	0.34
Hindu Undivided Families	77145	0.32
Clearing Member	2156	0.01
Banks	1735	0.01
Mutual Funds	1803132	7.49
Foreign Portfolio Investor	15117	0.06
<b>TOTAL</b>	<b>24064558</b>	<b>100.00</b>

## 19. Distribution pattern

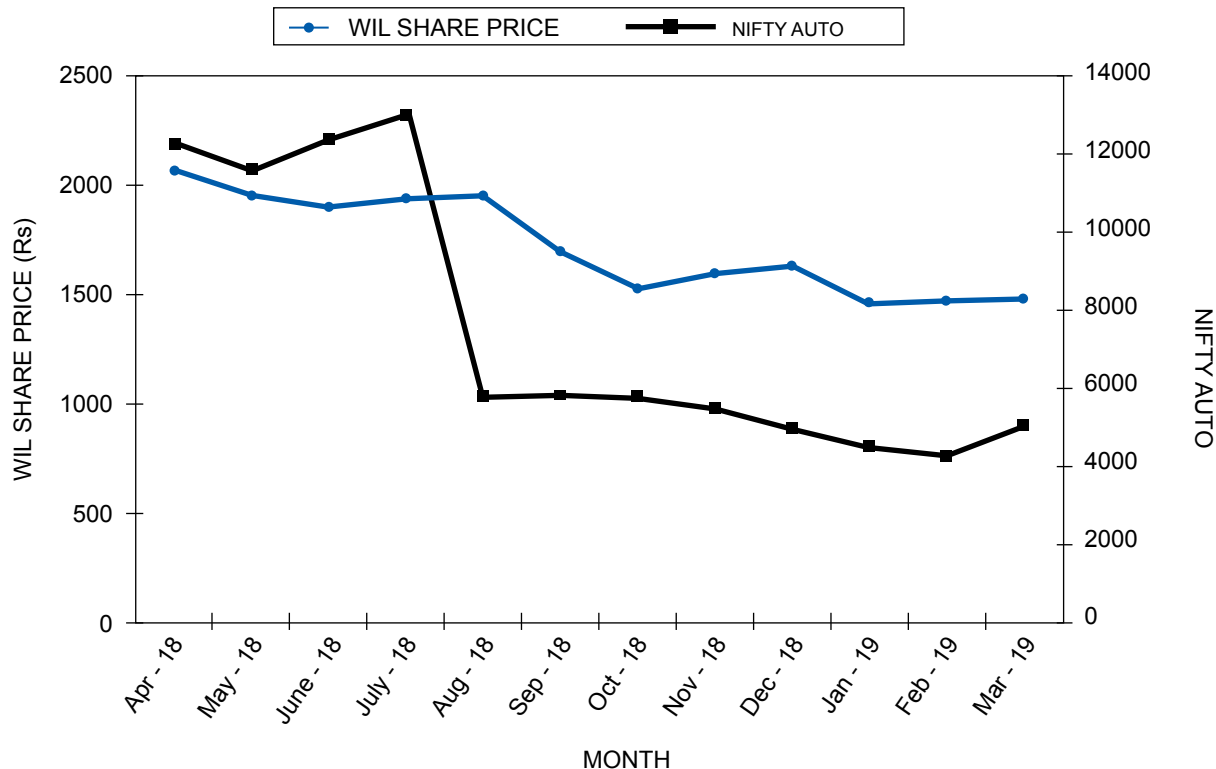
No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to - 500	7829	89.64	556169	2.31
501 - 1000	433	4.96	330032	1.37
1001 - 2000	224	2.56	327362	1.36
2001 - 3000	96	1.10	241520	1.00
3001 - 4000	58	0.66	197532	0.82
4001 - 5000	24	0.27	109032	0.45
5001 - 10000	43	0.49	311381	1.29
10001 and above	27	0.31	21991530	91.39
<b>Total</b>	<b>8734</b>	<b>100.00</b>	<b>24064558</b>	<b>100.00</b>

## 20. Market price data

FY 2018-19	Quotation at NSE (Rs)	
	High	Low
Apr-18	2,300.00	2,137.25
May-18	2,214.00	1,953.00
Jun-18	2,694.00	1,889.80
Jul-18	2,390.00	2,172.60
Aug-18*	2,375.00	1,034.75
Sep-18	1,060.00	987.00
Oct-18	1,105.00	996.60
Nov-18	1,071.65	965.60
Dec-18	1,003.75	861.00
Jan-19	916.00	801.00
Feb-19	872.80	741.00
Mar-19	1,067.95	774.05

\* The Company allotted bonus shares in the ratio of 1:1 on 13<sup>th</sup> August 2018.

## 21. Performance in Comparison to Broad Based Indices



Note: The Company allotted bonus shares in the ratio of 1:1 on 13<sup>th</sup> August 2018.

## 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 31.03.2019 in Rs.
First Interim Dividend 2011 - 12	19 <sup>th</sup> April, 2019	1,29,164.00
Final Dividend 2011 - 12	18 <sup>th</sup> September, 2019	1,81,074.00
Final Dividend 2012 - 13	17 <sup>th</sup> September, 2020	2,76,372.00
Interim Dividend 2013 - 14	29 <sup>th</sup> January, 2021	1,54,992.00
Final Dividend 2013 - 14	14 <sup>th</sup> October 2021	2,27,593.80
Interim Dividend 2014-15	11 <sup>th</sup> March 2022	1,55,850.00
Final Dividend 2014-15	18 <sup>th</sup> September 2022	2,32,362.00
Interim Dividend 2015-16	18 <sup>th</sup> March 2023	2,18,267.00
Final Dividend 2015-16	14 <sup>th</sup> September 2023	2,82,469.00
Interim Dividend 2016-17	16 <sup>th</sup> March 2024	3,65,530.00
Final Dividend 2016-17	14 <sup>th</sup> September 2024	5,43,912.00
Interim Dividend 2017-18	14 <sup>th</sup> March 2025	3,39,648.00
Final Dividend 2017-18	18 <sup>th</sup> March 2025	3,76,065.00
Interim Dividend 2018-19	14 <sup>th</sup> March 2026	3,93,591.25





### Certificate from Practising Company Secretary

The Company has received a certificate from the Practising Company Secretary that none of the directors of the Company have been debarred or disqualified from being appointed as Director by SEBI / MCA/ or any other statutory authority. The Certificate form part of the report.

### Details of Credit rating obtained by the Company

Name of the Instrument	Credit Rating by ICRA
Commercial Paper	A1+
Fixed Deposit	MA+
Term-loan facilities & Fund Based Facilities	A+
Non-fund based facilities	A1+

There has been no revision in the credit rating obtained by the Company.

### Chart / matrix setting out the skills / expertise/ competence of the directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Missions, Visions and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business.

## 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 2018-19.

Place : Chennai  
Date : 29.05.2019

**Srivats Ram**  
Managing Director  
(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 31<sup>st</sup> March, 2019, 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

Place : Chennai  
Date : 29.05.2019

Membership No. 025929

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

In pursuance to sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Wheels India Limited (CIN:L35921TN1960PLC004175), (hereinafter referred to as "Company"), we hereby certify that:

On the basis of the written representation / declaration received from Directors of the Company and taken on record by the Board of Directors / Company as on March 31, 2019, none of the Directors on the Board of the above said Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority.

For **S Dhanapal & Associates**

**S. Dhanapal**  
(Partner)

Place : Chennai  
Date : 29.05.2019

FCS 6881  
CP No. 7028



## Annexure VII

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2019**

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

To,

The Members,

WHEELS INDIA LIMITED, Chennai

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.

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 however subject to review of financial statements, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2019, appears to have complied with the statutory provisions listed hereunder and also in our limited review, 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 except financial statements, for the financial year ended on March 31, 2019 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) "The Securities Contracts (Regulation) Act", 1956 (SCRA) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') to the extent applicable during the year:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

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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.

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 other than transaction of ordinary business at the Annual General Meeting / Postal Ballot:

- Ratification of remuneration of M/s. Geeyes & Co. for audit of the Cost records of the Company for the year ending 31.03.2019;
- Re-appointment of Mr. Srivats Ram as Managing Director for a period of 5 years with effect from 01.05.2018 and payment of remuneration to him;
- Continuation of the Directorship of Mr. S. Ram pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Chairman and Non Executive Director with effect from 01.04.2019 till the date he becomes liable to retire by rotation;
- Increase in the authorized share capital of the company and alteration of Memorandum and Articles of Association;
- Issue of bonus shares.

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 : 29.05.2019

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 : 29.05.2019

## Annexure VIII

### Extract of Annual Return

as on the financial year ended on 31.3.2019

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

#### I. REGISTRATION AND OTHER DETAILS:

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	42%
2	Manufacture of Parts & Accessories for Machinery / Equipments used by construction and mining industries	28246	16%

#### 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. SHARE HOLDING 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	0	4905569	40.77	9811138	0	9811138	40.77	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	4905569	-	4905569	40.77	9811138	-	9811138	40.77	-
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	4118640	0	4118640	34.23	8237280	0	8237280	34.23	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	4118640	0	4118640	34.23	8237280	0	8237280	34.23	-
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	9024209	0	9024209	75.00	18048418	0	18048418	75.00	-
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	912864	0	912864	7.58	1803132	0	1803132	7.49	-0.09
(b) Banks/FI	890	0	890	0.01	1735	0	1735	0.01	0.00
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	175370	-	175370	1.46	350740	-	350740	1.46	0.00
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)									
Foreign Portfolio Investor	5267	0	5267	0.04	15117	0	15117	0.06	0.02
<b>Sub-Total (B)(1)</b>	1094391	0	1094391	9.09	2170724	0	2170724	9.02	-0.07



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>(2) Non-Institutions</b>										
(a) Bodies Corporate										
i. Indian	750330	36924	787254	6.54	1493014	73598	1566612	6.51	-0.03	
ii. Overseas	-	-	-	-	-	-	-	-	-	
(b) individuals										
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	845194	154036	999230	8.30	1665641	203174	1868815	7.77	-0.53	
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	11050	11050	0.09	133042	22100	155142	0.64	0.55	
(c) Others (Specify)										
i. Clearing member	1887	0	1887	0.02	2156	0	2156	0.01	-0.01	
ii. Directors and their relatives	30741	0	30741	0.26	61482	0	61482	0.26	0.00	
iii. Escrow Account - Clause 5A of the Listing Agreement	957	0	957	0.01	1914	0	1914	0.01	0.00	
iv. Hindu Undivided Families	38082	0	38082	0.32	77128	17	77145	0.32	0.00	
v. IEPF	14506	0	14506	0.12	29456	0	29456	0.12	0.00	
vi. Non-resident Indians	28398	1574	29972	0.25	79546	3148	82694	0.34	0.09	
<b>Sub-Total (B)(2)</b>	1710095	203584	1913679	15.91	3543379	302037	3845416	15.98	0.07	
<b>Total Public Shareholding = (B) (1) + (B) (2)</b>	2804486	203584	3008070	25.00	5714103	302037	6016140	25.00	-	
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	
<b>Grand Total(A+B+C)</b>	11828695	203584	12032279	100.00	23762521	302037	24064558	100.00	0.00	

**(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 Sundaram Iyengar & Sons Private Limited	2455514	20.41	Nil	4911028	20.41	Nil	Nil
2.	Southern Roadways Limited	1116314	9.28	Nil	2232628	9.28	Nil	Nil
3.	Sundaram Finance Holdings Limited	1333741	11.08	Nil	2667482	11.08	Nil	Ni
4.	Titan Europe Limited	4118640	34.23	Nil	8237280	34.23	Nil	Nil
	<b>Total</b>	<b>9024209</b>	<b>75.00</b>	<b>Nil</b>	<b>18048418</b>	<b>75.00</b>	<b>Nil</b>	<b>Nil</b>



(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	<b>TV Sundaram Iyengar &amp; Sons Private Limited</b>				
	At the beginning of the year	2455514	20.41	2455514	20.41
	Allotment of Bonus Shares by the Company in the ratio of 1:1 on 13-Aug-2018	2455514	20.41	4911028	20.41
	At the end of the Year 31-Mar-2019	4911028	20.41	4911028	20.41
2.	<b>Southern Roadways Limited</b>				
	At the beginning of the year	1116314	9.28	1116314	9.28
	Allotment of Bonus Shares by the Company in the ratio of 1:1 on 13-Aug-2018	1116314	9.28	2232628	9.28
	At the end of the Year 31-Mar-2019	2232628	9.28	2232628	9.28
3.	<b>Sundaram Finance Holdings Limited</b>				
	At the beginning of the year	1333741	11.08	1333741	11.08
	Allotment of Bonus Shares by the Company in the ratio of 1:1 on 13-Aug-2018	1333741	11.08	2667482	11.08
	At the end of the Year 31-Mar-2019	2667482	11.08	2667482	11.08
4.	<b>Titan Europe Limited</b>				
	At the beginning of the year	4118640	34.23	4118640	34.23
	Allotment of Bonus Shares by the Company in the ratio of 1:1 on 13-Aug-2018	4118640	34.23	8237280	34.23
	At the end of the Year 31-Mar-2019	8237280	34.23	8237280	34.23

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

SI No	Name of the Share holder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
1	<b>RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND</b>				
	At the beginning of the year 01-Apr-2018	912864	7.5867	912864	7.5867
	Purchase 06-Apr-2018	3715	0.0308	916579	7.6175
	Purchase 25-May-2018	440	0.0036	917019	7.6211
	Purchase 08-Jun-2018	981	0.0081	918000	7.6292
	Sale 22-Jun-2018	-16435	-0.1366	901565	7.4926
	Sale 27-Jul-2018	-6323	-0.0525	895242	7.4401
	Sale 03-Aug-2018	-12401	-0.1031	882841	7.3370
	Sale 09-Aug-2018	-17775	-0.1477	865066	7.1895

SI No	Name of the Share holder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	865066	7.1895	1730132	7.1895
	Purchase 17-Aug-2018	6239	0.0259	1736371	7.2154
	Sale 24-Aug-2018	-1965	-0.0081	1734406	7.2073
	Sale 31-Aug-2018	-3315	-0.0137	1731091	7.1935
	Purchase 14-Sep-2018	4000	0.0166	1735091	7.2101
	Purchase 21-Sep-2018	3949	0.0164	1739040	7.2265
	Purchase 28-Sep-2018	18114	0.0752	1757154	7.3018
	Purchase 05-Oct-2018	23917	0.0993	1781071	7.4012
	Purchase 12-Oct-2018	10702	0.0444	1791773	7.4456
	Purchase 19-Oct-2018	2590	0.0107	1794363	7.4564
	Purchase 26-Oct-2018	3963	0.0164	1798326	7.4729
	Purchase 02-Nov-2018	680	0.0028	1799006	7.4757
	Purchase 16-Nov-2018	3062	0.0127	1802068	7.4884
	Purchase 15-Feb-2019	1064	0.0044	1803132	7.4928
	At the end of the Year 31-Mar-2019	1803132	7.4928	1803132	7.4928
<b>2.</b>	<b>MAHAM HOLDINGS LIMITED</b>				
	At the beginning of the year 01-Apr-2018	190553	1.5836	190553	1.5836
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	190553	1.5836	381106	1.5836
	At the end of the Year 31-Mar-2019	381106	1.5836	381106	1.5836
<b>3.</b>	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year 01-Apr-2018	175370	1.4574	175370	1.4574
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	175370	1.4574	350740	1.4574
	At the end of the Year 31-Mar-2019	350740	1.4574	350740	1.4574
<b>4.</b>	<b>ABI SHOWATECH (INDIA) LIMITED</b>				
	At the beginning of the year 01-Apr-2018	144929	1.2045	144929	1.2045
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	144929	1.2045	289858	1.2045
	At the end of the Year 31-Mar-2019	289858	1.2045	289858	1.2045
<b>5.</b>	<b>PADMALAKSHMI HOLDINGS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	129645	1.0774	129645	1.0774
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	129645	1.0774	259290	1.0774
	At the end of the Year 31-Mar-2019	259290	1.0774	259290	1.0774



SI No	Name of the Share holder	No of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
6.	<b>SUNDHARAMS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	158808	1.3198	158808	1.3198
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	158808	1.3198	317616	1.3198
	At the end of the Year 31-Mar-2019	317616	1.3198	317616	1.3198
7.	<b>REVATHI HOLDINGS PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	103803	0.8627	103803	0.8627
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	103803	0.8627	207606	0.8627
	At the end of the Year 31-Mar-2019	207606	0.8627	207606	0.8627
8	<b>KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED</b>				
	At the beginning of the year 01-Apr-2018	23046	0.1915	23046	0.1915
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	23046	0.1915	46092	0.1915
	At the end of the Year 31-Mar-2019	46092	0.1915	46092	0.1915
9	<b>SAMUEL A W</b>				
	At the beginning of the year 01-Apr-2018	11050	0.0918	11050	0.0918
	Purchase 10-Aug-2018	11050	0.0918	22100	0.0918
	Sale 13-Aug-2018	-11050	0.0918	11050	0.0918
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	11050	0.0918	22100	0.0918
	At the end of the Year 31-Mar-2019	22100	0.0918	22100	0.0918
10	<b>S DAVID PADMANABAN</b>				
	At the beginning of the year 01-Apr-2018	1000	0.0083	1000	0.0083
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	1000	0.0083	2000	0.0083
	At the end of the Year 31-Mar-2019	2000	0.0083	2000	0.0083

**(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
<b>At the beginning of the year</b>					
1	Mr. S Ram	Nil	Nil	Nil	Nil
2	Mr. Srivats Ram	26536	0.220		
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	26536	0.220	53072	0.220
	At the end of the Year 31-Mar-2019	53072	0.220	53072	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		
	Allotment of Bonus shares by the Company at the ratio of 1:1 on 13-Aug-2018	3200	0.013	3200	0.013
	At the end of the Year 31-Mar-2019	3200	0.013	3200	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 Raghuttama Rao	Nil	Nil	Nil	Nil
12	Mr. R Raghunathan, Chief Financial Officer	Nil	Nil	Nil	Nil
13	Ms. K V Lakshmi, Company Secretary	Nil	Nil	Nil	Nil

**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	12,740.57	8,996.10	14,177.90	35,914.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	100.30	57.11	634.74	792.14
<b>Total (i+ii+iii)</b>	<b>12,840.87</b>	<b>9,053.21</b>	<b>14,812.64</b>	<b>36,706.71</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	17,769.24	-	-	17,769.24
Reduction	-	7,997.04	344.40	8,341.44
<b>Net Change</b>	<b>17,769.24</b>	<b>7,997.04</b>	<b>344.40</b>	<b>26,110.68</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	30,509.81	999.06	13,833.50	45,342.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	199.26	30.12	745.68	975.05
<b>Total (i+ii+iii)</b>	<b>30,709.06</b>	<b>1,029.18</b>	<b>14,579.18</b>	<b>46,317.42</b>



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

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

Rs. in lakhs

Sl. 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	140.00	
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.77	
(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	227.43	-
5	Others-Retirement Benefits	23.63	-
<b>Total (A)</b>			<b>392.83</b>
<b>Ceiling as per the Act (5% of the net profits)</b>			<b>568.58</b>

**B. Remuneration to other Directors:**

Rs. in lakhs

Sl. No	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / committee meetings	Commission	Others, please specify	
<b>Independent Directors</b>					
1	Mr. T S Vijayaraghavan	2.20	-	-	2.20
2	Mr. S Prasad	2.85	-	-	2.85
3	Mr. Aroon Raman	1.40	-	-	1.40
4	Mr. B Santhanam	1.00	-	-	1.00
5	Ms. Bharati Rao	1.00	-	-	1.00
6	Mr. R Raghuttama Rao	1.05	-	-	1.05
<b>Total (1)</b>		<b>9.50</b>	-	-	<b>9.50</b>
<b>Other Non-Executive Directors</b>					
1	Mr. S Ram	1.35	113.72	-	115.07
2	Mr. S Viji	2.40	-	-	2.40
3	Mr. CMB Akers	0.40	-	-	0.40
4	Mr. Paul G Reitz	0.40	-	-	0.40
<b>Total (2)</b>		<b>4.55</b>	<b>113.72</b>	-	<b>118.27</b>
<b>Total (B) = (1)+(2)</b>		<b>14.05</b>	<b>113.72</b>	-	<b>127.77</b>
<b>Total Managerial Remuneration (A+B)</b>					<b>520.60</b>
<b>Overall Ceiling as per the Act (11% of the net profits)</b>					<b>1250.88</b>

**C. Remuneration to key managerial personnel other than MD/MANAGER/WTD:**

Rs. in lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. R Raghunathan, CFO	Ms. K V Lakshmi, CS	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56.51	14.96	71.47
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(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	1.71	0.25	1.96
	<b>Total (C)</b>	<b>58.22</b>	<b>15.21</b>	<b>73.43</b>

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

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

On behalf of the Board of Directors

**S Ram**

Chairman

DIN 00018309

Place : Chennai

Date : 29.05.2019





## Annexure IX

### Annexure to the Directors' Report

#### Conservation of Energy

Your Company has implemented various energy conservation activities across all plant locations. The energy saving projects have been implemented on following themes:

There is a continuous focus on pneumatic systems within plants to identify and eliminate leakage points. Your Company is also substituting pneumatic hoists with electric hoists to reduce energy consumption. There is an increased usage of variable speed drives for motors and energy efficient motors and pumps for large equipment. This combined with the use of energy efficient lighting systems and increase of natural lighting during daytime, lowers the electricity consumption.

Your company extensively uses wind energy especially in Tamil Nadu, with close to 40% of the energy consumption in the plants within the state being powered by wind energy. There is also use of solar thermal energy and briquettes to fuel paint plant processes. Your company has started replacing diesel forklifts with electric forklifts and plans to stop usage of furnace oil from the coming year to improve air quality. There are also extensive efforts to reduce water consumption in our Tamil Nadu based plants in the coming year.

#### Technology Absorption

In Year 2018-19, your Company continues to focus on developing new products for its existing businesses and improve its current products to meet the evolving needs of its customers. Your Company is leveraging value engineering concepts and best-practice benchmarking to provide an optimized product to our customers. In the year under review, your Company has developed total of 414 new products and has been awarded 6

patents. The development of new products has been possible due to the new state-of-the-art Research and Development (R&D) facility. The R&D Test Center is equipped with international-grade testing equipment capable of validating wheels, suspension systems and fabricated parts.

R&D has kicked-off a new structured product development process to design, develop, validate wheels and handover to the production team. The process will ensure thorough design, simulation, and testing of products and a seamless transition to production. The special focus on field data gathering and validation has helped the team gather data on current operating conditions and improve the product performance to achieve first time right products for our customers. Your company is committed to designing end customer specific solutions to differentiate ourselves from competition.

#### Expenditure incurred on R & D development

Rs. in Crores

Capital	6.33
Revenue	15.61
Total as a percentage of turnover (%)	0.69

#### Foreign Exchange Earnings and Outgo:

The foreign exchange outgo to the Company during the year under review was Rs. 200.36 crores and the foreign exchange earned was Rs. 610.38 crores.

On behalf of the Board of Directors

**S Ram**

Place : Chennai

Chairman

Date : 29.05.2019

DIN 00018309

# INDEPENDENT AUDITOR'S REPORT

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## To the Members of Wheels India Limited

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the Ind AS financial statements of Wheels India Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss, statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit, changes in Equity and its Cash Flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## 5. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## 6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 7. Report on Other Legal and Regulatory Requirements

- i) 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 Companies Act, 2013, we give in the "Annexure A" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating



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

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26(i)(b) to the 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 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**

Place: Chennai  
Date: 29<sup>th</sup> May, 2019

Partner  
Membership No. 025929

## “Annexure - A” to the Auditors’ Report Referred to in Paragraph 7 of Our Report of Even Date

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) 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 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, duty of customs, 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, duty of customs, Goods and Service tax and other statutory dues outstanding as at 31 March 2019 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 income tax, 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 Service tax ,Sales tax which have not been deposited on account of dispute are as follows:

Nature of Dues	Amount (Rs.) in Crores	Period to which the amount relates	Forum where the dispute is pending
Service tax	5.55	Assessment Year 2008-09 to Assessment Year 2017-18	CESTAT
VAT - Tamilnadu	0.35	Assessment Year 2006-07 to Assessment Year 2012-13	Deputy 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 did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to information and explanations given to us, money raised through term loans during the year has been utilised for the purpose for which they were raised.

(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.

(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: 29<sup>th</sup> May, 2019

Membership No. 025929

## “Annexure - B” to the Auditors’ Report Referred to in Paragraph 7 of Our Report of Even Date

### 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 2019 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 includes 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 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 2019, 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**

Place: Chennai

Partner

Date: 29<sup>th</sup> May, 2019

Membership No. 025929



# **ACCOUNTS 2018-2019**

# Balance Sheet as at

Rs. in Crores

PARTICULARS	Note No.	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	594.84	488.28
b) Capital work-in-progress	2	41.68	36.27
c) Other Intangible Assets	3	5.60	2.56
d) Financial Assets			
i) Investments	4	16.70	16.46
ii) Loans	5	18.61	14.60
iii) Others	6	2.43	1.70
e) Other Non Current Assets	7	20.21	7.99
		<b>700.07</b>	<b>567.86</b>
<b>2. Current assets</b>			
a) Inventories	8	403.42	349.02
b) Financial Assets			
i) Trade receivables	9	558.36	478.34
ii) Cash and cash equivalents	10a	1.56	2.05
iii) Bank Balances other than (ii) above	10b	5.91	5.14
iv) Others	11	9.52	8.18
c) Current Tax Assets (Net)	12	3.01	-
d) Other Current Assets	13	121.12	113.36
		<b>1,102.90</b>	<b>956.09</b>
<b>TOTAL</b>		<b>1,802.97</b>	<b>1,523.95</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	14	24.06	12.03
b) Other Equity	15	544.55	503.32
		<b>568.61</b>	<b>515.35</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	16	168.38	133.72
ii) Others	17	-	1.00
b) Non Current Provisions	18	3.47	2.91
c) Deferred Tax Liabilities (Net)	19	70.78	56.07
		<b>242.63</b>	<b>193.70</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	216.75	158.49
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	21	29.25	14.86
B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	555.97	456.90
iii) Others	22	94.90	92.62
b) Other Current Liabilities	23	65.95	67.77
c) Short-term provisions	24	28.91	22.46
d) Current Tax Liabilities (Net)	25	-	1.80
		<b>991.73</b>	<b>814.90</b>
<b>TOTAL</b>		<b>1,802.97</b>	<b>1,523.95</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

Per our report of even date

For **BRAHMAYYA & Co.**

Chartered Accountants

Firm Registration No. 000511S

**L RAVI SANKAR**

Partner

Membership No. 025929

Chennai

29<sup>th</sup> May, 2019

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



Rs. in Crores

	Note No.	2019	2018
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		2,854.47	2,278.81
Sale of Services		44.59	34.67
Other operating revenues		281.97	194.39
Revenue from Operations	28	3,181.03	2,507.87
Other income	29	7.81	9.27
<b>TOTAL REVENUE</b>		<b>3,188.84</b>	<b>2,517.14</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	2,306.74	1,701.47
Changes in inventories of finished goods, Work-in-progress	31	(72.03)	(16.48)
Excise Duty on sale of goods		-	47.63
Employee benefit expense	32	307.63	259.87
Finance Costs	34	62.00	44.54
Depreciation and amortisation expenses	1 & 3	70.21	67.05
Other Expenses	33	405.87	324.10
<b>TOTAL EXPENSES</b>		<b>3,080.42</b>	<b>2,428.18</b>
Profit before exceptional items and tax		108.42	88.96
Exceptional items	35	-	12.49
<b>Profit before tax</b>		<b>108.42</b>	<b>101.45</b>
Tax expense:	36		
Current tax		24.83	34.24
Deferred tax		7.92	(4.56)
<b>Profit for the year</b>		<b>75.67</b>	<b>71.77</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		0.01	0.91
- Remeasurements of post employment defined benefit plan		0.09	1.89
Less: Income Tax relating to remeasurements		(0.03)	(0.66)
<b>Total Comprehensive Income for the year</b>		<b>75.74</b>	<b>73.91</b>
Earnings per equity share:	37		
1. Basic		31.45	29.82
2. Diluted		31.45	29.82
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  
29<sup>th</sup> May, 2019

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 025929

# Statement of changes in Equity

## A) EQUITY SHARE CAPITAL

Rs. in Crores

	As at 31.03.2019	As at 31.03.2018
Balance at the beginning of the year	12.03	12.03
Changes in Equity share capital during the year	12.03	-
<b>Balance at the end of the year</b>	<b>24.06</b>	<b>12.03</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI	
<b>A. Balance as at 31<sup>st</sup> March, 2017</b>	-	82.13	327.28	43.53	1.12	(4.37)	449.69
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>B. Total Comprehensive Income for the year 2017-18</b>	-	-	-	71.77	0.91	1.23	73.91
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>C. Total</b>	-	-	30.00	(50.28)	-	-	(20.28)
<b>D. Balance as at 31<sup>st</sup> March, 2018 (A+B+C)</b>	-	82.13	357.28	65.02	2.03	(3.14)	503.32
Profit for the year				75.67			75.67
Changes in Fair valuation of Equity Instrument					0.01		0.01
Remeasurement of defined benefit plans						0.06	0.06
<b>E. Total Comprehensive Income for the year 2018-19</b>	-	-	-	75.67	0.01	0.06	75.74
Bonus Issue during the year 2018-19**		(12.03)					(12.03)
Interim Dividend 2018-19 including Dividend Tax				(9.43)			(9.43)
Final Dividend 2017-18 including Dividend Tax				(13.05)			(13.05)
Transfer to General Reserve			32.00	(32.00)			-
<b>F. Total</b>	-	(12.03)	32.00	(54.48)	-	-	(34.51)
<b>G. Balance as at 31<sup>st</sup> March, 2019 (D+E+F)</b>	-	70.10	389.28	86.21	2.04	(3.08)	544.55

\* Capital Reserve is Rs. 1713/-

\*\* The Company allotted 1,20,32,279 equity shares as fully paid up bonus shares on August 13, 2018 by capitalisation of Rs. 12,03,22,790/- from Securities Premium Account.

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

Per our report of even date  
For **BRAHMAYYA & Co.**

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chartered Accountants  
Firm Registration No. 000511S

**L RAVI SANKAR**

Chennai  
29<sup>th</sup> May, 2019

Partner  
Membership No. 025929



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

#### c) Property, Plant and Equipment

- a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) 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 IndAS 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 IndAS, the carrying value of all the assets as at Transition date i.e. 1<sup>st</sup> 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.

### e) Inventories

The stock of raw materials, stores, loose tools and goods in transit are valued at cost (net of GST credits) on weighted average basis. The stock of finished goods and work-in-process are valued at cost (net of GST credits including appropriate overheads) or 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)
- 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 method net of any expected credit losses. The Effective Interest Rate 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 control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate 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, Superannuation 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:**

Forward contracts are entered to hedge the 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 tax liability is settled.



Rs. in Crores

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

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As At 31.3.2018	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2019	As At 31.3.2018	Additions	Deletions	As At 31.3.2019	As At 31.3.2018
<b>1. TANGIBLE ASSETS</b>									
Land (Free hold)	0.94	-	-	<b>0.94</b>	-	-	-	<b>0.94</b>	0.94
Land (Lease hold)	5.22	12.10	-	<b>17.32</b>	0.74	0.06	-	<b>16.52</b>	4.48
Buildings	116.74	4.52	0.04	<b>121.22</b>	42.07	3.95	0.01	<b>75.21</b>	74.67
Plant and Equipment	943.99	164.19	16.93	<b>1091.25</b>	541.49	62.96	9.31	<b>496.11</b>	402.50
Furniture and Fixtures	5.65	0.72	-	<b>6.37</b>	4.16	0.31	-	<b>1.90</b>	1.49
Vehicles	0.13	0.01	0.01	<b>0.13</b>	0.10	-	-	<b>0.03</b>	0.03
Office Equipment	16.51	1.41	0.27	<b>17.65</b>	12.34	1.40	0.22	<b>4.13</b>	4.17
	1089.18	182.95	17.25	<b>1254.88</b>	600.90	68.68	9.54	<b>594.84</b>	488.28
<b>3. INTANGIBLE ASSETS</b>									
Computer Software	17.20	0.94	-	<b>18.14</b>	14.73	1.08	-	<b>2.33</b>	2.47
Technical Know-how	2.02	3.63	-	<b>5.65</b>	1.93	0.45	-	<b>3.27</b>	0.09
	19.22	4.57	-	<b>23.79</b>	16.66	1.53	-	<b>5.60</b>	2.56
Total	1108.40	187.52	17.25	<b>1278.67</b>	617.56	70.21	9.54	<b>600.44</b>	-
Previous year	1164.19	96.06	151.85	<b>1108.40</b>	637.85	67.05	87.34	<b>617.56</b>	490.84

**2. CAPITAL WORK IN PROGRESS**

<b>31.03.2019</b>	<b>31.03.2018</b>
<b>0.62</b>	0.02
<b>41.06</b>	36.25
<b>41.68</b>	<u>36.27</u>

a) Buildings

b) Plant and Machinery

Rs. in Crores

## NON CURRENT ASSETS

	As at 31.03.2019		As at 31.03.2018	
<b>4 INVESTMENTS</b>				
<b>Unquoted</b>				
Investment in Equity instruments				
i) In Subsidiary company at Cost				
<b>WIL Car Wheels Limited</b>				
37,00,000 Equity Shares of Rs.10/- each fully subscribed and paid-up	<u>3.70</u>	<u>3.70</u>	<u>3.70</u>	<u>3.70</u>
ii) In Associate company at Cost				
<b>Axles India Limited</b>				
24,24,661 Equity Shares of Rs.10/- each fully paid-up	<u>2.72</u>	<u>2.72</u>	<u>2.72</u>	<u>2.72</u>
iii) In Other Entity at Fair Value through Other Comprehensive Income				
<b>Sundaram Hydraulics Limited</b>	<u>7.15</u>		<u>7.15</u>	
71,50,000 Equity Shares of Rs.10/- each fully paid up				
<b>Add: Addition due to Fair Valuation</b>	<u>1.04</u>	<u>8.19</u>	<u>1.03</u>	<u>8.18</u>
iv) In Other Entities at Fair Value through Profit or Loss				
<b>MEFCO Engineers Private Limited</b>	<u>0.20</u>		<u>0.20</u>	
20,000 Equity Shares of Rs.100/- each fully paid up				
<b>Siva Electric Generation Private Limited</b>	<u>0.16</u>		<u>0.16</u>	
1,62,172 Equity shares of Rs.10/- each fully paid up				
<b>Gamma Green Power Private Limited</b>	<u>1.20</u>		<u>1.00</u>	
12,00,062 Equity shares of Rs.10/- each fully paid up (Previous year 10,03,825 Nos.of Rs.10/- each fully paid up)				
<b>Beta Wind Farm Private Limited</b>	<u>0.43</u>		<u>0.40</u>	
2,25,370 Equity Shares of Rs. 10/- each fully paid up (Previous year 2,05,224 Equity Shares of Rs. 10/- each fully paid up)				
<b>Siva Green Energy India Private Limited</b>	<u>0.10</u>	<u>2.09</u>	<u>0.10</u>	<u>1.86</u>
95,000 Equity Shares of Rs. 10/- each fully paid up				
		<u>16.70</u>		<u>16.46</u>



Rs. in Crores		
	As at 31.03.2019	As at 31.03.2018
<b>5 LOANS</b>		
<b>Unsecured - Considered good</b>		
Security Deposits	18.61	14.60
	<u>18.61</u>	<u>14.60</u>
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
a) Advances to employees	0.74	0.99
b) Fixed Deposits (as Guarantee to Commercial Taxes Department)	-	0.58
c) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	1.69	0.13
	<u>2.43</u>	<u>1.70</u>
<b>7 OTHER NON CURRENT ASSETS</b>		
a) Advances for Capital goods	20.08	7.93
b) Prepaid expenses	0.13	0.06
	<u>20.21</u>	<u>7.99</u>
<b>CURRENT ASSETS</b>		
<b>8 INVENTORIES</b>		
a) Raw Materials (includes Goods in Transit - Nil (previous year Rs. 11.90 crores))	144.40	171.46
b) Work - in - Progress	127.63	72.75
c) Finished goods	61.14	43.99
d) Stores and Spares	50.23	44.97
e) Loose tools	20.02	15.85
	<u>403.42</u>	<u>349.02</u>

## Notes on Accounts (Contd.)

	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
<b>9 TRADE RECEIVABLES</b>		
Unsecured - Considered good	558.36	478.34
	<u>558.36</u>	<u>478.34</u>
<b>10 CASH AND CASH EQUIVALENTS</b>		
a i) Current Accounts	1.36	0.86
ii) Cash on hand	0.07	0.04
iii) Fixed Deposits	0.13	1.15
	<u>1.56</u>	<u>2.05</u>
b Bank Balances with more than three months maturity		
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	1.40	0.78
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	4.12	4.03
iii) Unclaimed Dividend Accounts	0.39	0.33
	<u>5.91</u>	<u>5.14</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>		
Advances to employees	2.36	2.11
Duty Drawback Receivable	2.00	1.32
Export Incentive License	4.61	4.30
Interest accrued on deposits and investments	0.55	0.45
	<u>9.52</u>	<u>8.18</u>
<b>12 CURRENT TAX ASSETS (Net)</b>		
Advance tax and Tax Deducted at Source less Provision for tax	3.01	-
	<u>3.01</u>	<u>-</u>



Rs. in Crores

	As at 31.03.2019		As at 31.03.2018	
<b>13 OTHER CURRENT ASSETS</b>				
<b>Unsecured - Considered good</b>				
a) Advances other than Capital Advances				
Advances to Vendors	9.40		8.20	
Other Advances	2.57	11.97	3.83	12.03
b) Balance with GST/ Central Excise authorities		81.04		82.80
c) VAT receivable		0.90		0.90
d) Export Incentives Receivable		9.83		5.72
e) Prepaid expenses		17.38		11.91
		<u>121.12</u>		<u>113.36</u>
<b>EQUITY AND LIABILITIES</b>				
<b>14 EQUITY SHARE CAPITAL</b>				
a) <b>Authorised</b>		<u>50.00</u>		<u>20.00</u>
5,00,00,000 Equity Shares of Rs.10/- each (Previous year 2,00,00,000 Equity Shares of Rs. 10/- each)				
b) <b>Issued, Subscribed and Fully Paid-up</b>				
2,40,64,558 Equity Shares of Rs.10/- each (Previous year 1,20,32,279 Equity Shares of Rs. 10/- each)		<u>24.06</u>		<u>12.03</u>

	31.03.2019		31.03.2018	
	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 of the year	1,20,32,279	12.03	1,20,32,279	12.03
Change in Equity Share capital during the year	1,20,32,279	12.03	-	-
Outstanding at the end of the year	2,40,64,558	24.06	1,20,32,279	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.

## Notes on Accounts (Contd.)

	31.03.2019 (Number of shares)	31.03.2018 (Number of shares)
<b>e) Shareholding of shareholders holding more than 5% of shares as at</b>		
T V Sundram Iyengar & Sons Private Limited	49,11,028	24,55,514
Southern Roadways Limited	22,32,628	11,16,314
Sundaram Finance Holdings Limited	26,67,482	13,33,741
Titan Europe Limited, UK	82,37,280	41,18,640

### Rs. in Crores

	As at 31.03.2019	As at 31.03.2018
<b>15 OTHER EQUITY</b>		
a) Capital Reserves*	-	-
b) Securities Premium	70.10	82.13
c) General Reserves	389.28	357.28
d) Retained Earnings	86.21	65.02
e) Other Comprehensive Income Reserve	(1.04)	(1.11)
* Capital Reserve is Rs. 1713/-	<u>544.55</u>	<u>503.32</u>

Refer Note 38

## NON CURRENT FINANCIAL LIABILITIES

### 16 BORROWINGS

#### A. SECURED BORROWINGS

a) Term Loans from Banks		
By first Charge by way of hypothecation of specific machinery	47.78	22.88
b) Term Loans from others		
By first Charge by way of hypothecation of specific machinery	24.49	9.95

#### B. UNSECURED BORROWINGS

a) Fixed Deposits	96.11	100.89
(Includes Rs. 0.87 crores received from Directors (previous year Rs. 0.48 crores ))		
	<u>168.38</u>	<u>133.72</u>

Terms of Repayment : Refer Note 27



	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
<b>17 NON CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Security Deposits	-	1.00
	<u>-</u>	<u>1.00</u>
<b>18 NON CURRENT PROVISIONS</b>		
Provision for employee benefits	3.47	2.91
	<u>3.47</u>	<u>2.91</u>
<b>19 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	75.22	66.71
Deferred Tax Assets	(4.44)	(3.85)
Minimum Alternate Tax credit entitlement	-	(6.79)
	<u>70.78</u>	<u>56.07</u>

	Rs. in Crores			
Movement in Deferred Tax Assets and Liabilities	31.3.2019	Charge in Statement of Profit or Loss	31.3.2018	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	71.60	7.09	64.51	(3.95)
ii) Export Incentives	3.43	1.43	2.00	(0.21)
iii) Remeasurement of Financial Liabilities	0.19	(0.01)	0.20	(0.02)
iv) Foreign Exchange Gain/Loss on MTM	-	-	-	0.05
v) Others	-	-	-	(0.22)
	<u>75.22</u>	<u>8.51</u>	<u>66.71</u>	<u>(4.35)</u>
Less:				
b) Deferred Tax Asset				
Expenses allowable on payment basis	4.44	0.59	3.85	0.21
c) Minimum Alternate Tax credit entitlement	-	-	6.79	-
<b>Net Deferred Tax Liability/(Assets) (a-b-c)</b>	<u>70.78</u>	<u>7.92</u>	<u>56.07</u>	<u>(4.56)</u>



Rs. in Crores

CURRENT FINANCIAL LIABILITIES	As at 31.03.2019	As at 31.03.2018
<b>20 BORROWINGS</b>		
<b>A. SECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	<b>201.35</b>	58.92
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>9.99</b>	90.00
b) Fixed Deposits	<b>5.41</b>	9.57
(Includes Nil received from Directors (previous year Rs. 0.40 crores))		
	<b>216.75</b>	158.49
<b>21 TRADE PAYABLES</b>		
Dues to Micro Enterprises and Small Enterprises	<b>29.25</b>	14.86
Dues to Others	<b>555.97</b>	456.90
	<b>585.22</b>	471.76
(Refer Note 39 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)	<b>67.75</b>	66.36
(Includes Rs. 0.15 received from Directors (previous year Rs. 0.92 crores))		
b) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs. 1.73 crores (previous year Rs. 0.57 crores))	<b>14.88</b>	16.23
c) Interest accrued but not due on borrowings	<b>8.71</b>	6.73
d) Unclaimed Dividends	<b>0.39</b>	0.33
e) Trade Deposits	<b>1.08</b>	0.90
f) Recovery from Employees	<b>1.05</b>	0.87
g) Unclaimed matured deposits and interest accrued thereon	<b>1.04</b>	1.20
	<b>94.90</b>	92.62



Rs. in Crores

	As at 31.03.2019	As at 31.03.2018
<b>23 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	2.28	3.01
Statutory dues	59.62	62.13
Provision for expenses	4.05	2.63
	<u>65.95</u>	<u>67.77</u>
<b>24 SHORT TERM PROVISIONS</b>		
a) Provision for employee benefits	22.64	18.18
b) Provision for Warranty (Refer Note below)	2.86	1.43
c) Due to Directors	3.41	2.85
	<u>28.91</u>	<u>22.46</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 1 <sup>st</sup> April, 2018	Additions	Amounts used	As at 31 <sup>st</sup> March, 2019
Warranties	1.43	1.43	-	2.86

	As at 31.03.2019	As at 31.03.2018
<b>25 CURRENT TAX LIABILITIES</b>		
Provision for Taxation less Advance Tax and Tax deducted at Source	-	10.45
Less: Minimum Alternate Tax credit entitlement set off	-	8.65
	<u>-</u>	<u>1.80</u>

		Rs. in Crores	
26 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2019	As at 31.03.2018	
<b>i) Contingent Liabilities</b>			
a) Bills discounted with Banks	53.79		109.56
b) Disputed amounts in respect of sales tax, service 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)	6.59		2.47
<b>ii) Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for	37.31		38.88

## 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** In accordance with the requirements of IndAS 115 / IndAS 18, Revenue from operations for the year ended March 31, 2019 are shown net of Goods and Services Tax (GST). However, an amount of Rs. 47.63 Crores of Excise Duty is included in the revenue from operations for the previous financial year ended March 31, 2018, and hence is not comparable.

		Rs. in Crores	
29 OTHER INCOME	2018-19	2017-18	
a) Interest on deposits and advances	3.62		2.58
b) Profit on sale of fixed assets (Net)	-		1.21
c) Dividend Received	0.73		0.44
d) Other non-operating income	3.46		2.37
e) Net Gain on foreign currency transactions and translation	-		2.67
	7.81		9.27
<b>30 COST OF MATERIAL CONSUMED</b>			
Raw Material	1,706.63		1,235.28
Components	600.11		466.19
	2,306.74		1,701.47



Rs. in Crores

	2018-19	2017-18
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
a) Opening inventory of Finished Goods	43.99	41.56
Less: Closing inventory of Finished Goods	61.14	43.99
Net change in stock of Finished Goods	(17.15)	(2.43)
b) Opening inventory of Work in Progress	72.75	58.70
Less: Closing inventory of Work in Progress	127.63	72.75
Net change in stock of Work in Progress	(54.88)	(14.05)
Net change in Finished Goods and Work in Progress	(72.03)	(16.48)
<b>32 EMPLOYEE BENEFIT EXPENSE</b>		
a) Salaries, Wages, Bonus and Commission	273.11	226.87
b) Contribution to Provident and Other Funds	10.84	11.03
c) Staff Welfare expenses	23.68	21.97
	307.63	259.87
<b>33 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	101.68	82.73
Power and fuel	128.59	98.49
Rent including Lease Rent	16.39	9.63
Repairs to		
Buildings	9.02	10.52
Machinery	15.66	15.36
Insurance	3.31	2.72
Rates and taxes, excluding taxes on income	1.79	1.53
Directors sitting fees	0.14	0.15
Auditors' remuneration		
Statutory Audit	0.39	0.32
Tax Audit	0.06	0.05
Certification fees	0.11	0.05
Reimbursement of expenses	0.07	-
Expenditure on Corporate Social Responsibility	1.54	1.17
Freight	63.84	48.44
Net Loss on foreign currency transactions and translation	2.24	-
Bad debts written off	-	0.46
Miscellaneous expenses	61.04	52.48
	405.87	324.10

## Notes on Accounts (Contd.)

Rs. in Crores

	2018-19		2017-18
<b>34 FINANCE COSTS</b>			
a) Interest expense	60.70		43.49
b) Interest on shortfall and other interests under Income Tax Act	-		0.01
c) Other borrowing costs	1.30		1.04
	<u>62.00</u>		<u>44.54</u>
<b>35</b> 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 Previous Year ended March 31, 2018.			
	2018-19		2017-18
<b>36 INCOME TAX EXPENSES</b>			
<b>A. Components of Income Tax Expense</b>			
<b>i) Tax Expenses recognised in Statement of Profit or Loss:</b>			
(a) Current Tax			
- on Current year Tax Income	24.83		34.24
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences	7.92		(4.56)
	<u>32.75</u>		<u>29.68</u>
<b>ii) Tax Expenses recognised in Other Comprehensive Income :</b>			
(a) Current Tax on Remeasurement of Post Employment Benefit obligation	0.03		0.66
<b>B. Reconciliation of Effective tax Rate</b>			
Total Comprehensive Income before tax	108.52		104.25
Income Tax Expense	37.92	34.94%	36.08
Income not chargeable to tax	(0.25)		(0.46)
Income Tax Incentives	(5.71)		(5.52)
Adjustments due to Slump sale	-		(2.21)
Expenses not admissible	0.42		0.28
Write back of earlier years provision no longer required	(2.26)		-
Others	2.66		1.56
<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>32.78</u>	30.21%	<u>30.34</u>
			29.10%



Rs. in Crores

	2018-19	2017-18
<b>37 EARNINGS PER SHARE</b>		
Net profit as per P& L account	75.67	71.77
Weighted Average Number of Shares	240,64,558	240,64,558*
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	31.45	29.82

\* Weighted Average number of shares have been increased for the previous year on account of bonus issue made during the year for computation of EPS as per IndAS 33

**38** Final dividend of Rs.4.75 /- Per equity share amounting to Rs.11.43 Crores for the Financial year 2018-19 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

	2018-19	2017-18
<b>39 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	29.25	14.86
- 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.		

## Notes on Accounts (Contd.)

40 Expenditure incurred on Scientific Research and Development	Rs. in Crores	
	2018-19	2017-18
a) Revenue Expenditure	15.61	14.01
b) Capital Expenditure	6.33	6.59

### 41 EMPLOYEE BENEFITS

#### Defined Contribution Plan

##### a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 3.66 crores for the year ended 31<sup>st</sup> March, 2019 (previous year Rs. 4.01 crores) to Provident fund Authorities. The Company has no obligation towards the Interest accumulation thereon.

##### b) Superannuation :

The Company has contributed Rs. 0.64 crores for the period 2018-19 (previous year Rs. 0.62 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expense.

#### Defined Benefit Plan

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 2.12 crores for the year ended 31<sup>st</sup> March, 2019 (previous year Rs. 1.83 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 31<sup>st</sup> March, 2019.

##### 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)	
	2018-19	2017-18	2018-19	2017-18
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	19.98	20.88	7.84	8.27
Current service cost	3.00	4.47	-	-
Interest cost	1.47	1.67	0.52	0.60
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.25	0.50	0.11	(0.19)
Actuarial loss / (gain) arising from Experience adjustments	(0.23)	(2.62)	2.29	1.01
Benefits paid	(2.01)	(4.92)	(1.98)	(1.85)
Closing defined benefit obligation	22.46	19.98	8.78	7.84
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	18.34	19.71	2.95	2.75
Expected return on plan assets	1.37	1.60	0.23	0.19
Actuarial gain / (Loss) arising from Return on plan assets	0.11	(0.23)	0.00	0.01
Contribution by employer	1.56	2.18	1.98	1.85
Benefits paid	(2.01)	(4.92)	(1.98)	(1.85)
Closing fair value of plan assets	19.37	18.34	3.18	2.95



Rs. in Crores

	Gratuity (funded)		Leave Salary (Partly funded)	
	2018-19	2017-18	2018-19	2017-18
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	22.46	19.98	8.78	7.84
Fair value of plan assets at year end	19.37	18.34	3.18	2.95
Net (liability) / asset recognised as on 31 <sup>st</sup> March	(3.09)	(1.64)	(5.60)	(4.89)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	3.00	4.47	-	-
Interest on defined benefit obligation	1.47	1.67	0.52	0.60
Expected return on plan assets	(1.29)	(2.61)	(0.23)	(0.19)
Benefits transferred	-	-	-	1.35
Actuarial Gain/Loss (on Leave Salary)	-	-	2.39	0.81
Expenses recognised in the Profit & Loss A/c	3.18	3.53	2.69	2.57
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.25	0.50		
Actuarial loss / (gain) arising from Experience adjustments	(0.23)	(2.62)		
Actuarial gain / (Loss) arising from Return on plan assets	(0.11)	0.23		
<b>Expenses recognised in Other Comprehensive Income</b>	(0.09)	(1.89)	NA	NA
<b>Principal actuarial assumptions used</b>				
Discount rate (p.a)	7.58%	7.71%	7.40%	7.64%
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	
		2018-19	2017-18	2018-19	2017-18
<b>Assumptions</b>					
Discount	0.50%	21.51	19.12	23.46	20.90
Salary escalation	0.50%	23.48	20.39	21.48	18.63
Mortality	5.00%	22.46	19.49	22.44	19.47
Attrition	5.00%	22.48	19.50	22.43	19.45

### b) Leave Salary

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2018-19	2017-18	2018-19	2017-18
Discount	0.50%	8.56	7.64	9.03	8.05
Salary escalation	0.50%	9.03	8.05	8.55	7.64
Mortality	5.00%	8.79	7.84	8.79	7.84
Attrition	5.00%	8.80	7.85	8.78	7.83

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.

## 42 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 31.03.2019	As at 31.03.2018
<b>Financial assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	6.42	6.42
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	8.19	8.18
ii. Investment measured at Fair value through profit or loss	2.09	1.86
iii. Derivative financial instruments	-	-



Rs. In Crores

	As at 31.03.2019	As at 31.03.2018
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	558.36	478.34
Cash and cash equivalents	1.56	2.05
Bank balances other than Cash and cash equivalents	5.91	5.14
Loans	18.61	14.60
Other financial assets	11.95	9.88
<b>Financial liabilities:</b>		
<b>Financial liabilities measured at fair value:</b>		
Borrowings	6.34	(1.08)
Derivative financial instruments	-	-
<b>Financial liabilities measured at amortised cost:</b>		
Borrowings	378.79	293.29
Trade payables	585.22	471.76
Other financial liabilities	94.90	93.62

**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, 2019	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares	-	-	10.28
Derivative financial instruments	-	-	-
<b>Financial Liabilities :</b>			
Derivative financial instruments	-	-	-
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	-	-	-

## Notes on Accounts (Contd.)

- 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 :	31.03.2019	31.03.2018
a) Risk adjusted discount rate	10.04%	10.39%
b) Earnings Growth rate	2.00%	2.00%

- iv) There are no transfers between Level 2 and Level 3 during the year.
- v) Trade Receivables, Trade Payables, Cash and Cash Equivalents and Other Financial Assets and Liabilities are stated at amortized cost which approximates their fair value.

### 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 31<sup>st</sup> March, 2019</b>			
<b>Non-derivative liabilities</b>			
Trade payable	585.22	-	585.22
Borrowings	224.71	178.03	402.74
Other Financial liabilities	94.90	-	94.90
<b>Derivative liabilities</b>			
Forward exchange contracts	-	-	-



	Payable within one year	More than one year	Total
<b>As at 31<sup>st</sup> March, 2018</b>			
<b>Non-derivative liabilities</b>			
Trade payable	471.76	-	471.76
Borrowings	158.49	133.72	292.21
Other Financial liabilities	92.62	1.00	93.62
<b>Derivative liabilities</b>			
Forward exchange contracts	-	-	-

**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 31<sup>st</sup> March, 2019, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 135.25 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.6.76 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 31<sup>st</sup> March, 2019 is "6"(No of Buy Contracts - 6) (31<sup>st</sup> March, 2018 NIL)

**ii) Interest rate Risk**

Interest rate 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. 314.55 Crs Borrowings at Floating rate of Interest as at 31<sup>st</sup> March 2019 (previous year Rs. 216.79 Crs).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by 3.15 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.

## Notes on Accounts (Contd.)

### a) Trade receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are predominantly 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 31<sup>st</sup> March, 2019 is the carrying value of each class of financial assets as on that date.

		Rs. In Crores	
43 Borrowing costs in accordance with IndAS 23 :		2018-19	2017-18
Borrowing costs capitalised during the year		2.02	0.62
Capitalisation Rate used for Borrowing Costs		8.15%	9.39%

### 44 Segment information for the year ended 31<sup>st</sup> March, 2019 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						
	2018-19			2017-18		
	India*	Outside India	Total	India*	Outside India	Total
External	2,571.36	609.67	3,181.03	2,123.48	384.39	2,507.87
Inter-Segment	-	-	-	-	-	-
Total	2,571.36	609.67	3,181.03	2,123.48	384.39	2,507.87
Carrying amount of segment assets	1,786.52	16.45	1,802.97	1,509.05	14.90	1,523.95
Additions to fixed assets	187.52	-	187.52	96.06	-	96.06

\* Includes Sale of Rs. 440.14 and 350.91 Crores (previous year Rs. 343.34 Crores made to one customer) made to two of the major customers.



**45 Disclosure on Accounting for revenue from customers in accordance with IndAS 115**

<b>Disaggregated revenue information</b>		<b>Rs. In Crores</b>
<b>A</b>	<b>Type of goods and service</b>	<b>31 March 2019 *</b>
	a) Sale of products	2854.47
	b) Sale of services	44.59
	c) Other operating revenues	281.97
	Total operating revenue	3181.03
	In India	2,571.36
	Outside India	609.67

<b>B</b>	<b>Timing of revenue recognition</b>	<b>At a point of time</b>	<b>Over a period of time</b>
	Sale of products and other operating income	3181.03	-

<b>C</b>	<b>Revenue recognised in relation to contract liabilities</b>	Nil
<b>D</b>	<b>Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>	
	Revenue at contracted prices	3181.03
	Revenue from contract with customers	3181.03
	Difference	-
<b>E</b>	<b>Unsatisfied or partially satisfied performance obligation</b>	Nil

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

**46 Related Party disclosures in accordance with IndAS 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 & 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  
The Associated Auto Parts Private Limited  
Sundaram Clayton Limited  
SI Air Springs 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  
Lucas TVS Limited

**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	
	2018-19	2017-18
<b>Subsidiary</b>		
Slump Sale Consideration	-	60.00
Sale of goods	10.48	15.15
Purchase of goods	81.21	71.90
Rendering of Services	19.98	10.57
Receiving of Services	0.04	0.36
Sale of Assets	1.99	14.93
Loan paid & received	-	2.00
Balance Payable	11.58	16.36
Balance Receivable	5.09	22.71
<b>Associates</b>		
Dividend Received	0.73	0.44
Dividend paid	10.19	9.21
Purchase of goods	0.05	0.08
Receiving of Services	1.22	0.36
Rendering of Services	0.25	0.30
Sale of goods	28.17	27.39
Balance Payable	0.02	0.01
Balance Receivable	2.35	3.25
<b>Associate's subsidiary</b>		
Purchase of goods	32.30	28.19
Receiving of Services	1.35	0.25
Rendering of Services	0.10	0.25
Sale of goods	67.41	33.83
Balance Payable	4.78	4.86
Balance Receivable	22.73	10.50
<b>Subsidiary's Associate</b>		
Royalty Paid	-	1.16



## Notes on Accounts (Contd.)

Rs. in Crores

Key Managerial Personnel	2018-19		2017-18	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
a) Short term employee benefits				
Remuneration, Perquisites and Commission	1.14	3.69	0.95	2.88
Commission outstanding	1.14	2.27	0.95	1.90
b) Post Employment Benefits*		0.24		0.16
c) Others				
Interest on fixed deposits	-	0.07	-	0.22
Dividend paid during the year	-	0.04	-	0.04
Deposits balance outstanding	-	0.87	-	0.91

\* 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	2018-19		2017-18	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	1.56	3.09	2.18	1.64
Wheels India Limited Staff Provident Fund	2.12	0.19	1.83	0.15
Wheels India Senior Officers Superannuation Trust	0.64	0.64	0.62	0.62

Rs. in Crores

47 Disclosures relating to leases in accordance with IndAS17:	2018-19		2017-18	
	Total Minimum Lease		Total Minimum Lease	
<b>Operating Lease</b>				
As at Balance Sheet date		2.21		2.25
Not later than 1 year		0.06		0.07
Later than 1 year and not later than 5 years		2.15		2.18
Later than 5 years		-		-
Lease rentals paid during the year		0.86		0.89



Rs. In Crores

	2018-19	2017-18
<b>48 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	19.22	17.37
Acquired during the year	4.57	2.08
Deletion during the year	-	0.23
Gross carrying amount at the end of the year	23.79	19.22
Gross amortisation at the beginning of the year	16.66	15.53
Amortised during the year	1.53	1.20
Deletion during the year	-	0.07
Gross amortisation at the end of the year	18.19	16.66
Net carrying amount at the beginning of the year	2.56	1.84
Net carrying amount at the end of the year	5.60	2.56

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  
29<sup>th</sup> May, 2019

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 025929

**Statement of Cash Flows in accordance with Ind AS 7**  
**Annexed to the Balance Sheet for the year ended 31<sup>st</sup> March, 2019**

Rs. in Crores

	2018-19	2017-18
<b>A Cash Flow from Operating Activities</b>		
Total Comprehensive Income after tax	75.74	73.91
Add:		
Depreciation	70.21	67.05
Obsolescence	0.48	0.93
Lease Liabilities	1.47	1.43
Effect of Exchange Rate Change	4.89	-
Loss on Sale of Fixed Assets	0.20	-
Taxes on Income	32.78	30.34
Interest Expenses	62.00	44.54
	<u>172.03</u>	<u>144.29</u>
	247.77	218.20
Less:		
Interest Income	3.62	2.58
Gain/(Loss) on Fair Valuation of Investments	0.01	0.91
Dividend Income	0.73	0.44
Profit on Sale of Fixed Assets	-	1.21
Effect of Exchange Rate Change	-	7.71
Slump Sale Profit	-	12.49
	<u>4.36</u>	<u>25.34</u>
Cash flow from Operation before Working Capital Changes	243.41	192.86
Cash flow from Working Capital :		
Trade Receivables	(86.49)	(62.75)
Inventories	(54.40)	(89.16)
Advances & Other Current Assets	(22.53)	(77.06)
Trade Payables	115.04	103.13
Other Payables & Provisions	3.20	79.89
Taxes paid	(22.88)	(29.87)
<b>Net Cash Flow from Operating Activities (A)</b>	<u>175.35</u>	<u>117.04</u>
<b>B Investing Activities</b>		
Purchase of Fixed Assets	(192.92)	(113.51)
Sale of Fixed Assets	7.03	16.67
Purchase of Investments	(0.24)	(3.73)
Sale of Investments	-	57.50
Dividend Received	0.73	0.44
Interest Received	2.48	2.63
<b>Net cash used in Investing Activities (B)</b>	<u>(182.92)</u>	<u>(40.00)</u>



## Statement of Cash Flows (Contd.)

Rs. in Crores

	2018-19	2017-18
<b>C Financing Activities</b>		
Proceeds from Long Term Borrowings	110.41	67.35
Repayment of Long Term Borrowings	(74.36)	(90.62)
Increase in Working Capital Borrowings	50.68	16.79
Repayment of Lease Liabilities	(1.47)	(1.43)
Dividend paid	(22.42)	(20.19)
Interest paid	(63.18)	(46.11)
<b>Net cash used in Financing Activities (C)</b>	<b>(0.34)</b>	<b>(74.21)</b>
Net Increase in Cash & Cash Equivalents	(7.91)	2.83
Closing Cash & Cash Equivalents	(4.78)	3.13
Opening Cash & Cash Equivalents	3.13	0.30
Net Increase in Cash and Cash Equivalents	(7.91)	2.83
Closing Cash & Cash Equivalents as per Balance sheet	1.56	2.05
(Add)/Less: Cash Credit as at the end of the year	6.34	(1.08)
Cash & Cash Equivalents for the purpose of IndAS 7	(4.78)	3.13

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29<sup>th</sup> May, 2019

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 025929





**CONSOLIDATED  
FINANCIAL STATEMENTS  
2018-2019**





# INDEPENDENT AUDITOR'S REPORT

## To the Members of Wheels India Limited

### Report on the Audit of the Consolidated Ind AS financial statements

#### 1. Opinion

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, 2019, 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”).

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, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics

issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report in respect of Wheels India Limited.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.



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Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Responsibilities of Management for the Consolidated Ind AS financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

#### **6. Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

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

- a) Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis

of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision

and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## 7. Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 222.01 crores as at 31<sup>st</sup> March, 2019, total revenues of Rs. 364.92 crores and net cash

outflow amounting to 1.12crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Holding company's share of net profit of 1.68 crores for the year ended 31<sup>st</sup> March, 2019, in respect of one associate, whose financial statements have not been audited by us. These financial statements of the subsidiary and associate companies have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS 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.

## 8. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the afore said Consolidated Ind AS financial



statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group 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 the

requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) 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: 29<sup>th</sup> May, 2019

Membership No. 025929

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

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### Referred to in Paragraph 8 of Our Report of Even Date

#### 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2019, 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 includes 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, 2019, 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**

Place: Chennai

Partner

Date: 29<sup>th</sup> May, 2019

Membership No. 025929

# Consolidated Balance Sheet as at

Rs. in Crores

PARTICULARS	Note No.	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	704.18	554.68
b) Capital work-in-progress	2	65.38	64.62
c) Other Intangible Assets	3	6.25	2.68
d) Financial Assets			
i) Investments	4	23.36	21.44
ii) Loans	5	19.67	15.47
iii) Others	6	2.43	1.70
e) Other Non Current Assets	7	22.48	12.16
		<b>843.75</b>	<b>672.75</b>
<b>2. Current assets</b>			
a) Inventories	8	435.17	374.25
b) Financial Assets			
i) Trade receivables	9	586.47	483.39
ii) Cash and cash equivalents	10a	2.91	4.52
iii) Bank Balances other than (ii) above	10b	6.02	5.14
iv) Others	11	10.04	9.46
c) Current Tax Assets (Net)	12	3.60	-
d) Other Current Assets	13	126.86	113.36
		<b>1,171.07</b>	<b>990.12</b>
<b>TOTAL</b>		<b>2,014.82</b>	<b>1,662.87</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	14	24.06	12.03
b) Other Equity	15	616.28	574.59
<b>Equity attributable to the owners of the Company</b>		<b>640.34</b>	<b>586.62</b>
Non Controlling Interest	16	22.85	23.29
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	200.45	133.72
ii) Others	18	-	1.00
b) Non Current Provisions	19	5.00	4.06
c) Deferred Tax Liabilities (Net)	20	70.44	56.38
		<b>275.89</b>	<b>195.16</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	21	221.57	158.49
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	22	29.67	14.95
B) total outstanding dues of creditors other than micro enterprises and small enterprises	22	615.41	476.86
iii) Others	23	104.08	108.95
b) Other Current Liabilities	24	75.97	75.05
c) Short-term provisions	25	29.04	21.70
d) Current Tax Liabilities (Net)	26	-	1.80
		<b>1,075.74</b>	<b>857.80</b>
<b>TOTAL</b>		<b>2,014.82</b>	<b>1,662.87</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  
29<sup>th</sup> May, 2019

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 025929



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



Rs. in Crores

	Note No.	2019	2018
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		3,113.85	2,382.27
Sale of Services		30.40	27.22
Other operating revenues		297.08	200.73
Revenue from Operations	29	3,441.33	2,610.22
Other income	30	5.68	8.02
<b>TOTAL REVENUE</b>		<b>3,447.01</b>	<b>2,618.24</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	2,494.23	1,766.99
Changes in inventories of finished goods, Work-in-progress	32	(75.48)	(18.93)
Excise Duty on sale of goods		-	47.63
Employee benefit expense	33	339.20	275.28
Finance Costs	35	65.91	44.86
Depreciation and amortisation expenses	1 & 3	78.65	70.45
Other Expenses	34	438.07	340.64
<b>TOTAL EXPENSES</b>		<b>3,340.59</b>	<b>2,526.92</b>
Profit before exceptional items and tax		106.42	91.32
Exceptional items	36	-	12.49
Add: Share of Profit in Associate (Net of Tax)		1.83	2.14
<b>Profit before tax</b>		<b>108.25</b>	<b>105.95</b>
Tax expense:	37		
Current tax		24.83	34.24
Deferred tax		7.27	(3.78)
<b>Profit for the year</b>		<b>76.15</b>	<b>75.49</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		0.01	0.91
- Remeasurements of post employment defined benefit plan		(0.22)	1.89
- Income tax relating to the remeasurements		(0.03)	(0.66)
- Share of OCI in Associate (net of tax)		(0.15)	(0.43)
<b>Total Comprehensive Income for the year</b>		<b>75.76</b>	<b>77.20</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		76.51	75.08
- Non Controlling Interest		(0.36)	0.41
<b>Other Comprehensive Income for the year attributable to</b>			
- Owners of the Company		(0.31)	1.71
- Non Controlling Interest		(0.08)	-
<b>Total Comprehensive Income attributable to</b>			
- Owners of the Company		76.20	76.79
- Non Controlling Interest		(0.44)	0.41
Earnings per equity share:	38		
1. Basic		31.64	31.37
2. Diluted		31.64	31.37
Significant Accounting Policies	B		

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

**L RAVI SANKAR**  
Partner  
Membership No. 025929

Chennai  
29<sup>th</sup> May, 2019



# Consolidated Statement of Changes in Equity

## A) EQUITY SHARE CAPITAL

	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
Balance at the beginning of the year	12.03	12.03
Changes in Equity share capital during the year	12.03	-
<b>Balance at the end of the year</b>	<b>24.06</b>	<b>12.03</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Non Controlling Interest	Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI		
<b>A. Balance as at 31<sup>st</sup> March, 2017</b>	-	82.13	327.28	50.42	1.12	(4.29)	-	<b>456.66</b>
Share Capital of NCI							1.30	1.30
Premium on shares issued to NCI		61.42		75.08			21.58	83.00
Profit for the year							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>B. Total Comprehensive Income for the year 2017-18</b>	-	61.42	-	75.08	0.91	0.80	23.29	<b>161.50</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>C. Total</b>	-	-	<b>30.00</b>	<b>(50.28)</b>	-	-	-	<b>(20.28)</b>
<b>D. Balance as at 31<sup>st</sup> March, 2018 (A+B+C)</b>	-	143.55	357.28	75.22	2.03	(3.49)	23.29	<b>597.88</b>
Share Capital of NCI								-
Premium on shares issued to NCI								-
Profit for the year				76.51			(0.36)	76.15
Changes in Fair valuation of Equity Instrument					0.01			0.01
Remeasurement of defined benefit plans						(0.32)	(0.08)	(0.40)
<b>E. Total Comprehensive Income for the year 2018-19</b>	-	-	-	76.51	0.01	(0.32)	(0.44)	<b>75.76</b>
Bonus Issue during the year 2018-19**		(12.03)						(12.03)
Interim Dividend 2018-19 including Dividend Tax				(9.43)				(9.43)
Final Dividend 2017-18 including Dividend Tax				(13.05)				(13.05)
Transfer to General Reserve			32.00	(32.00)				-
<b>F. Total</b>	-	<b>(12.03)</b>	<b>32.00</b>	<b>(54.48)</b>	-	-	-	<b>(34.51)</b>
<b>G. Balance as at 31<sup>st</sup> March, 2019 (D+E+F)</b>	-	<b>131.52</b>	<b>389.28</b>	<b>97.25</b>	<b>2.04</b>	<b>(3.81)</b>	<b>22.85</b>	<b>639.13</b>

\* Capital Reserve is Rs. 1713/-

\*\* The Company allotted 1,20,32,279 equity shares as fully paid up bonus shares on August 13, 2018 by capitalisation of Rs.12,03,22,790/- from Securities Premium Account

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

Per our report of even date  
For **BRAHMAYYA & Co.**

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chartered Accountants  
Firm Registration No. 000511S

Chennai  
29<sup>th</sup> May, 2019

**L RAVI SANKAR**  
Partner  
Membership No. 025929



### A. Principles of Consolidation

The Consolidated Financial Statements (CFS) 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 CFS 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 CFS 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 CFS include the Share of profit of an associate company which have been accounted for using equity method as per "Accounting Standard (IndAS) 28 Investments in Associates and Joint ventures" in CFS. 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 CFS as Goodwill or Capital Reserve as the case may be.

The financial statements of an Associate and Subsidiary used in the CFS are drawn upto the same reporting date as that of the Company i.e. 31<sup>st</sup> March, 2019.

The CFS 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. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

The 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 Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group'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) These financial statements are prepared under the historical cost convention unless otherwise indicated.**

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

- a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) 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 IndAS, the carrying value of all the assets as at Transition date i.e. 1<sup>st</sup> April 2016 has been considered as its Deemed cost.

#### **d) Inventories**

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

#### **e) 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)
- 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 method net of any expected credit losses. The Effective Interest Rate 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) 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.

### **f) Provisions and Contingent liabilities:**

Provisions are recognised when the Group 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 Group 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.

### **g) Revenue recognition:**

Revenue from the sale of goods is recognised when the control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate 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.

### **h) Employee Benefits**

#### **Provident Fund:**

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Group make monthly contributions to the regional provident fund authorities/ Wheels India Employees Provident Fund Trust. The Group 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 Group 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 Group 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, Superannuation are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Group has no obligation beyond what has been recognised as expense in the Statement of profit and loss.

**i) Research & Development expenses:**

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

**j) 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.

**k) 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.

**l) Derivative contracts:**

Forward contracts are entered to hedge the 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.

**m) Earnings per share:**

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

**n) Income taxes**

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

Deferred tax is recognised using the Balance sheet approach. Deferred tax assets and liabilities are recognised for 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 tax liability is settled.

## Consolidated - Notes on Accounts (Contd.)

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

Rs. in Crores

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block		
	As At 31.3.2018	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2019	As At 31.3.2018	Additions	Deletions	As At 31.3.2019	As At 31.3.2018
<b>1. TANGIBLE ASSETS</b>									
Land (Free hold)	10.16	4.29	-	14.45	-	-	-	14.45	10.16
Land (Lease hold)	5.22	12.10	-	17.32	0.74	0.06	-	16.52	4.48
Buildings	125.19	19.94	0.04	145.09	42.23	4.56	0.01	98.31	82.96
Plant and Equipment	995.72	194.57	17.46	1172.83	544.59	70.37	9.37	567.24	451.13
Furniture and Fixtures	5.71	1.13	-	6.84	4.17	0.34	-	2.33	1.54
Vehicles	0.13	0.01	0.01	0.13	0.10	-	-	0.03	0.03
Office Equipment	16.80	2.54	0.27	19.07	12.42	1.57	0.22	5.30	4.38
	1158.93	234.58	17.78	1375.73	604.25	76.90	9.60	704.18	554.68
<b>3. INTANGIBLE ASSETS</b>									
Computer Software	17.35	1.69	-	19.04	14.76	1.30	-	2.98	2.59
Technical Know-how	2.02	3.63	-	5.65	1.93	0.45	-	3.27	0.09
	19.37	5.32	-	24.69	16.69	1.75	-	6.25	2.68
Total	1178.30	239.90	17.78	1400.42	620.94	78.65	9.60	710.43	-
Previous year	1164.19	166.33	152.22	1178.30	637.85	70.45	87.36	-	557.36

### 2. CAPITAL WORK IN PROGRESS

	31.03.2019	31.03.2018
a) Buildings	15.23	7.68
b) Plant and Machinery	50.15	56.94
	<u>65.38</u>	<u>64.62</u>



Rs. in Crores

## NON CURRENT ASSETS

## 4 INVESTMENTS

## Unquoted

Investment in Equity instruments

i) In Associate company at Equity Method

**Axles India Limited**

24,24,661 Equity Shares of Rs.10/- each fully paid-up  
(includes Goodwill on Acquisition of shares of Rs.0.97 crores)

2.72

2.72

Add: Share of profit

10.36

13.08

8.68

11.40

ii) 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

Add: Addition due to Fair Valuation

7.15

7.15

1.04

8.19

1.03

8.18

iii) 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

**Siva Electric Generation Private Limited**

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

0.20

0.20

0.16

0.16

**Gamma Green Power Private Limited**

12,00,062 Equity shares of Rs.10/- each fully paid up  
(Previous year 10,03,825 Nos.of Rs.10/- each fully paid up)

1.20

1.00

**Beta Wind Farm Private Limited**

2,25,370 Equity Shares of Rs. 10/- each fully paid up  
(Previous year 2,05,224 Equity Shares of Rs. 10/- each fully paid up)

0.43

0.40

**Siva Green Energy India Private Limited**

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

0.10

2.09

0.10

1.86

23.36

21.44



## Consolidated - Notes on Accounts (Contd.)

	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
<b>5 LOANS</b>		
<b>Unsecured - Considered good</b>		
Security Deposits	19.67	15.47
	<u>19.67</u>	<u>15.47</u>
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
a) Advances to employees	0.74	0.99
b) Fixed Deposits (as Guarantee to Commercial Taxes Department)	-	0.58
c) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	1.69	0.13
	<u>2.43</u>	<u>1.70</u>
<b>7 OTHER NON CURRENT ASSETS</b>		
a) Advances for Capital goods	22.35	12.09
b) Prepaid expenses	0.13	0.07
	<u>22.48</u>	<u>12.16</u>
<b>CURRENT ASSETS</b>		
<b>8 INVENTORIES</b>		
a) Raw Materials (includes Goods in Transit - Nil (previous year Rs. 11.90 crores))	161.36	186.68
b) Work - in - Progress	128.99	74.52
c) Finished goods	65.68	46.19
d) Stores and Spares	53.92	47.85
e) Loose tools	25.22	19.01
	<u>435.17</u>	<u>374.25</u>



	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
<b>9 TRADE RECEIVABLES</b>		
Unsecured - Considered good	586.47	483.39
	<u>586.47</u>	<u>483.39</u>
<b>10 CASH AND CASH EQUIVALENTS</b>		
<b>a</b>		
i) Current Accounts	2.70	3.32
ii) Cash on hand	0.08	0.05
iii) Fixed Deposits	0.13	1.15
	<u>2.91</u>	<u>4.52</u>
<b>b</b>		
Bank Balances with more than three months maturity		
i) Fixed Deposits	1.40	0.78
(as Guarantee to Commercial Taxes Department)		
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	4.12	4.03
iii) Unclaimed Dividend Accounts	0.39	0.33
iv) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed	0.11	-
	<u>6.02</u>	<u>5.14</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>		
Advances to employees	2.88	2.55
Duty Draw back receivable	2.00	1.32
Export Incentive License	4.61	4.30
Interest accrued on deposits and investments	0.55	0.45
Others	-	0.84
	<u>10.04</u>	<u>9.46</u>
<b>12 CURRENT TAX ASSETS (Net)</b>		
Advance tax and Tax Deducted at Source less Provision for tax	3.60	-
	<u>3.60</u>	<u>-</u>

## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores

	As at 31.03.2019		As at 31.03.2018	
<b>13 OTHER CURRENT ASSETS</b>				
<b>Unsecured - Considered good</b>				
a) Advances other than Capital Advances				
Advances to Vendors	9.53		8.30	
Other Advances	2.59	12.12	2.84	11.14
b) Balance with GST/ Central Excise authorities		85.32		83.11
c) VAT receivable		0.90		0.90
d) Export incentives receivable		10.18		5.72
e) Prepaid expenses		18.34		12.49
		<u>126.86</u>		<u>113.36</u>

## EQUITY AND LIABILITIES

### 14 EQUITY SHARE CAPITAL

a) <b>Authorised</b>	50.00	20.00
5,00,00,000 Equity Shares of Rs.10/- each (Previous year 2,00,00,000 Equity Shares of Rs. 10/- each)		
b) <b>Issued, Subscribed and Fully Paid-up</b>	24.06	12.03
2,40,64,558 Equity Shares of Rs.10/- each (Previous year 1,20,32,279 Equity Shares of Rs. 10/- each)		

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

	31.03.2019		31.03.2018	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
<b>Equity Shares of Rs.10/- each</b>				
Outstanding at the beginning of the year	12,032,279	12.03	12,032,279	12.03
Change in Equity Share capital During the year	12,032,279	12.03	-	-
Outstanding at the end of the year	24,064,558	24.06	12,032,279	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.)

	31.03.2019 (Number of shares)	31.03.2018 (Number of shares)
<b>e) Shareholding of shareholders holding more than 5% of shares as at</b>		
T V Sundram Iyengar & Sons Private Limited	4,911,028	2,455,514
Southern Roadways Limited	2,232,628	1,116,314
Sundaram Finance Holdings Limited	2,667,482	1,333,741
Titan Europe Limited, UK	8,237,280	4,118,640

### 15 OTHER EQUITY

	As at 31.03.2019	As at 31.03.2018
a) Capital Reserves*	-	-
b) Securities Premium	131.52	143.55
c) General Reserves	389.28	357.28
d) Retained Earnings	97.25	75.22
e) Other Comprehensive Income Reserve	(1.77)	(1.46)
	<u>616.28</u>	<u>574.59</u>

\* Capital Reserve is Rs. 1713/-  
Refer Note 39

### 16 NON CONTROLLING INTEREST

Name of the Subsidiary	Place of Incorporation	Ownership Interest held by Non controlling Interest (%)	
		31.03.2019	31.03.2018
WIL Car Wheels Limited (WCWL)	India	26%	26%

Rs. in Crores

### NON CURRENT FINANCIAL LIABILITIES

#### 17 BORROWINGS

##### A. SECURED BORROWINGS

	As at 31.03.2019	As at 31.03.2018
a. Term Loans from Banks		
By first Charge by way of hypothecation of specific machinery	79.85	22.88
b. Term Loans from others		
By first Charge by way of hypothecation of specific machinery	24.49	9.95

##### B. UNSECURED BORROWINGS

Fixed Deposits	96.11	100.89
(Includes Rs. 0.87 crores received from Directors (previous year Rs. 0.48 crores))		
	<u>200.45</u>	<u>133.72</u>

## Consolidated - Notes on Accounts (Contd.)

	Rs. in Crores	
	As at 31.03.2019	As at 31.03.2018
<b>18 NON CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Security Deposits	-	1.00
	-	1.00
<b>19 NON CURRENT PROVISIONS</b>		
Provision for employee benefits	5.00	4.06
	5.00	4.06
<b>20 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	79.23	68.53
Deferred Tax Assets	(8.31)	(4.88)
Minimum Alternate Tax credit entitlement	(0.48)	(7.27)
	70.44	56.38

<b>Movement in Deferred Tax Assets and Liabilities</b>	31.03.2019	Charge in Statement of Profit or Loss	31.03.2018	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	75.61	9.28	66.33	(2.13)
ii) Export Incentives	3.43	1.43	2.00	(0.21)
iii) Remeasurement of Financial Liabilities	0.19	(0.01)	0.20	(0.02)
iv) Foreign Exchange Gain/Loss on MTM	-	-	-	0.05
v) Others	-	-	-	(0.22)
	79.23	10.70	68.53	(2.53)
Less:				
b) Deferred Tax Assets				
i) Expenses allowable for tax purpose on payment basis	4.53	0.68	3.85	0.22
ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	3.77	2.75	1.02	1.02
iii) Preliminary expenses to be claimed in subsequent years	0.01	-	0.01	0.01
c) Minimum Alternate Tax credit entitlement	0.48	-	7.27	-
<b>Net Deferred Tax Liability/ (Assets) (a-b-c)</b>	70.44	7.27	56.38	(3.78)



Rs. in Crores

CURRENT FINANCIAL LIABILITIES	As at 31.03.2019	As at 31.03.2018
<b>21 BORROWINGS</b>		
<b>A. SECURED BORROWINGS</b>		
a. Loans repayable on demand from Banks	<b>206.17</b>	58.92
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>		
Loans repayable on demand from Banks	<b>9.99</b>	90.00
Fixed Deposits (Includes NIL received from Directors (previous year Rs. 0.43 crores))	<b>5.41</b>	9.57
	<b>221.57</b>	158.49
<b>22 TRADE PAYABLES</b>		
Dues to Micro Enterprises and Small Enterprises	<b>29.67</b>	14.95
Dues to others	<b>615.41</b>	476.86
	<b>645.08</b>	491.81
(Refer Note 40 for details of dues to Micro Enterprises and Small Enterprises)		
<b>23 CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
a) Current maturities of long-term debt (Refer note 28) (Includes Rs. 0.15 received from Directors (previous year Rs. 0.92 crores))	<b>72.75</b>	66.36
b) Creditors for capital goods (includes due to Micro enterprises and Small and medium enterprises Rs. 1.73 crores (previous year Rs. 0.92 crores))	<b>18.58</b>	32.56
c) Interest accrued but not due on borrowings	<b>9.02</b>	6.73
d) Unclaimed Dividends	<b>0.39</b>	0.33
e) Trade Deposits	<b>1.26</b>	0.90
f) Recovery from Employees	<b>1.04</b>	0.87
g) Unclaimed matured deposits and interest accrued thereon	<b>1.04</b>	1.20
	<b>104.08</b>	108.95

## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores

	As at 31.03.2019	As at 31.03.2018
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	2.28	3.29
Statutory dues	64.33	63.85
Provision for expenses	9.36	7.91
	75.97	75.05
<b>25 SHORT TERM PROVISIONS</b>		
a) Provision for employee benefits	22.77	17.42
b) Provision for Warranty (Refer Note below)	2.86	1.43
c) Due to Directors	3.41	2.85
	29.04	21.70

### 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 1 <sup>st</sup> April, 2018	Additions	Amounts used	As at 31 <sup>st</sup> March,2019
Warranties	1.43	1.43	-	2.86

	As at 31.03.2019	As at 31.03.2018
<b>26 CURRENT TAX LIABILITIES</b>		
Provision for Taxation less Advance Tax and Tax deducted at Source	-	10.45
Less: Minimum Alternate Tax credit entitlement set off	-	8.65
	-	1.80



Rs. in Crores

27 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.3.2019	As at 31.3.2018
<b>i) Contingent Liabilities</b>		
a) Bills discounted with Banks	53.79	109.56
b) Disputed amounts in respect of sales tax, service 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)	6.59	2.47
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	53.15	58.31

**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** In accordance with the requirements of Ind AS 115 / Ind AS 18, Revenue from operations for the Year ended March 31, 2019 are shown net of Goods and Services Tax (GST). However, an amount of Rs. 47.63 Crores of Excise Duty is included in the revenue from operations for the previous financial year ended March 31, 2018, and hence is not comparable.

Rs. in Crores

30 OTHER INCOME	2018-19	2017-18
a) Interest on deposits and advances	3.67	2.74
b) Profit on sale of fixed assets (Net)	0.06	1.36
c) Dividend Received	0.73	0.44
d) Other non-operating income	1.22	0.81
e) Net Gain on foreign currency transactions and translation	-	2.67
	5.68	8.02
<b>31 COST OF MATERIAL CONSUMED</b>		
Raw Material	1,887.76	1,296.32
Components	606.47	470.67
	2,494.23	1,766.99



## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores

	2018-19	2017-18
<b>32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
a) Opening inventory of Finished Goods	46.19	41.56
Less: Closing inventory of Finished Goods	65.68	46.19
Net change in stock of Finished Goods	<u>(19.49)</u>	<u>(4.63)</u>
b) Opening inventory of Work in Progress	73.00	58.70
Less: Closing inventory of Work in Progress	128.99	73.00
Net change in stock of Work in Progress	<u>(55.99)</u>	<u>(14.30)</u>
Net change in Finished Goods and Work in Progress	<u>(75.48)</u>	<u>(18.93)</u>
<b>33 EMPLOYEE BENEFIT EXPENSE</b>		
a) Salaries, Wages, Bonus and Commission	300.93	240.41
b) Contribution to Provident and Other Funds	11.98	11.54
c) Staff Welfare expenses	26.29	23.33
	<u>339.20</u>	<u>275.28</u>
<b>34 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	109.60	86.01
Power and fuel	140.83	104.98
Rent including Lease Rent	16.65	10.02
Repairs to		
Buildings	9.23	10.55
Machinery	15.91	15.42
Insurance	3.59	2.84
Rates and taxes, excluding taxes on income	1.83	1.57
Directors sitting fees	0.16	0.16
Auditors' remuneration		
Statutory Audit	0.46	0.39
Tax Audit	0.08	0.07
Certification fees	0.12	0.06
Reimbursement of expenses	0.07	-
Expenditure on Corporate Social Responsibility	1.54	1.17
Freight	67.67	50.39
Net Loss on foreign currency transactions and translation	2.29	-
Bad debts written off	-	0.46
Miscellaneous expenses	68.04	56.55
	<u>438.07</u>	<u>340.64</u>



Rs. in Crores

**35 FINANCE COSTS**

	2018-19	2017-18
a) Interest expense	64.61	43.77
b) Interest on shortfall and other interests under Income Tax Act	-	0.01
c) Other borrowing costs	1.30	1.08
	<b>65.91</b>	<b>44.86</b>

**36** 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 Previous Year ended March 31, 2018.

**37 INCOME TAX EXPENSES**

**A. A. Componets of Income Tax Expense**

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

(a) Current Tax		
- on Current year Tax Income	24.83	34.24
(b) Deferred Tax		
- on Origination and Reversal of Temporary Differences	7.27	(3.78)
	<b>32.10</b>	<b>30.46</b>

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

(a) Current Tax on Remeasurement of Post Employment Benefit obligation	0.03	0.66
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**B. Reconciliation of Effective tax Rate**

Total Comprehensive Income before tax	108.04		108.75	
Less: Share of Profit of an Associate	1.83		2.14	
Total Comprehensive Income before tax (excluding Share of an Associate)	<b>106.21</b>		<b>106.61</b>	
Income Tax Expense	<b>37.12</b>	<b>34.94%</b>	36.89	34.60%
Income not chargeable to tax	<b>(0.19)</b>		(0.46)	
Income Tax Incentives	<b>(5.71)</b>		(5.52)	
Adjustments due to Slump sale	-		(2.21)	
Expenses not admissible	<b>0.40</b>		0.28	
Write back of earlier years provision no longer required	<b>(2.26)</b>		-	
Others	<b>2.66</b>		1.56	
Taxed at Differential Rate				
- Effect of Differential Tax rate for Subsidiary	<b>0.11</b>		(0.04)	
- Effect on account of change in tax rate in the year of reversal	-		0.62	
Tax Expenses recognised in Profit or Loss Statement	<b>32.13</b>	<b>29.74%</b>	<b>31.12</b>	<b>29.19%</b>

## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores

	2018-19	2017-18
<b>38 Earnings Per Share</b>		
Net profit as per P& L account	76.15	75.49
Weighted Average Number of Shares	240,64,558	240,64,558*
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	31.64	31.37

\* Weighted Average number of shares have been increased for the previous year on account of bonus issue made during the year for computation of EPS as per INDAS 33.

- 39** Final dividend of Rs. 4.75 Per equity share amounting to Rs.11.43 Crores for the Financial year 2018-19 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

	2018-19	2017-18
<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	29.67	14.95
- 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	
	2018-19	2017-18
<b>41 Expenditure incurred on Scientific Research and Development</b>		
a) Revenue Expenditure	<b>15.61</b>	14.01
b) Capital Expenditure	<b>6.33</b>	6.59

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

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 4.43 crores for the year ended 31<sup>st</sup> March, 2019 (previous year Rs. 4.42 crores) to Provident fund Authorities. The company has no obligation towards the Interest accumulation thereon.

**b) Superannuation:**

The Company has contributed Rs.0.64 crores for the period 2018-19 (previous year Rs. 0.63 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expense.

**Defined Benefit Plan:**

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 2.12 crores for the year ended 31<sup>st</sup> March, 2019 (previous year Rs. 1.83 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 31<sup>st</sup> March, 2019.

**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)	
	2018-19	2017-18	2018-19	2017-18
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	<b>22.02</b>	20.88	<b>9.23</b>	8.27
Current service cost	<b>3.22</b>	6.51	-	1.39
Interest cost	<b>1.62</b>	1.67	<b>0.62</b>	0.60
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	<b>0.26</b>	0.50	<b>0.13</b>	(0.19)
Actuarial loss / (gain) arising from Experience adjustments	<b>(0.12)</b>	(2.62)	<b>2.81</b>	1.01
Benefits paid	<b>(2.10)</b>	(4.92)	<b>(2.33)</b>	(1.85)
Closing defined benefit obligation	<b>24.90</b>	22.02	<b>10.46</b>	9.23

## Consolidated - Notes on Accounts (Contd.)

	Gratuity (funded)		Leave Salary (Partly funded)	
	2018-19	2017-18	2018-19	2017-18
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	20.38	19.71	2.95	2.75
Expected return on plan assets	1.37	3.64	0.23	0.19
Actuarial gain / (Loss) arising from Return on plan assets	0.12	(0.23)	0.00	0.01
Contribution by employer	2.06	2.18	1.98	1.85
Benefits paid	(2.10)	(4.92)	(1.98)	(1.85)
Closing fair value of plan assets	21.83	20.38	3.18	2.95
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	24.90	22.02	10.46	9.23
Fair value of plan assets at year end	21.83	20.38	3.18	2.95
Net (liability) / asset recognised as on 31 <sup>st</sup> March	(3.07)	(1.64)	(7.28)	(6.28)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	3.22	6.51	-	1.39
Interest on defined benefit obligation	1.62	1.67	0.62	0.60
Expected return on plan assets	(1.79)	(4.65)	(0.23)	(0.19)
Benefits transferred	-	-	-	1.35
Actuarial Gain/Loss (on Leave Salary)	-	-	2.94	0.81
<b>Expenses recognised in the Profit &amp; Loss A/c</b>	<b>3.05</b>	<b>3.53</b>	<b>3.33</b>	<b>3.96</b>
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	0.26	0.50		
Actuarial loss / (gain) arising from Experience adjustments	(0.12)	(2.62)		
Actuarial gain / (Loss) arising from Return on plan assets	(0.12)	0.23		
<b>Expenses recognised in Other Comprehensive Income</b>	<b>0.02</b>	<b>(1.89)</b>	<b>NA</b>	<b>NA</b>
<b>Principal actuarial assumptions used</b>				
Discount rate (p.a)	7.58%	7.71%	7.40%	7.64%
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 .



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

Rs. in Crores

a) Gratuity	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2018-19	2017-18	2018-19	2017-18
Discount	0.50%	23.83	21.05	26.04	23.05
Salary escalation	0.50%	26.06	22.54	23.80	20.56
Mortality	5.00%	24.91	21.53	24.89	21.51
Attrition	5.00%	24.93	21.54	24.87	21.48

b) Leave Salary	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2018-19	2017-18	2018-19	2017-18
Discount	0.50%	10.17	8.97	10.77	9.49
Salary escalation	0.50%	10.77	9.49	10.15	8.97
Mortality	5.00%	10.46	9.23	10.46	9.23
Attrition	5.00%	10.45	9.24	10.45	9.21

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 31.03.2019	As at 31.03.2018
<b>Financial assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	13.08	11.40
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	8.19	8.18
ii. Investment measured at Fair value through profit or loss	2.09	1.86
iii. Derivative financial instruments	-	-

	Rs. In Crores	
	As at 31.03.2019	As at 31.03.2018
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	586.47	483.39
Cash and cash equivalents	2.91	4.52
Bank balances other than Cash and cash equivalents	6.02	5.14
Loans	19.67	15.47
Other financial assets	12.47	11.16
<b>Financial liabilities:</b>		
<b>Financial liabilities measured at fair value:</b>		
Borrowings	6.34	(1.08)
Derivative financial instruments	-	-
<b>Financial liabilities measured at amortised cost:</b>		
Borrowings	415.68	293.29
Trade payables	645.08	491.81
Other financial liabilities	104.08	109.95

**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, 2019	Level 1	Level 2	Level 3
<b>Financial assets :</b>			
Equity shares	-	-	10.28
Derivative financial instruments	-	-	
<b>Financial Liabilities :</b>			
Derivative financial instruments	-	-	-



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	-	-	-

- 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	
	31.03.2019	31.03.2018
a) Risk adjusted discount rate	10.04%	10.39%
b) Earnings Growth rate	2.00%	2.00%

- iv) There are no transfers between Level 2 and Level 3 during the year.
- v) Trade Receivables, Trade Payables, Cash and Cash Equivalents and Other Financial Assets and Liabilities are stated at amortized cost which approximates their fair value.

**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.



## Consolidated - Notes on Accounts (Contd.)

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 31<sup>st</sup> March, 2019</b>			
Non-derivative liabilities			
Trade payable	645.08	-	645.08
Borrowings	229.53	210.10	439.63
Other Financial liabilities	104.08	-	104.08
<b>Derivative liabilities</b>			
Forward exchange contracts	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>			
Non-derivative liabilities			
Trade payable	491.81	-	491.81
Borrowings	158.49	133.72	292.21
Other Financial liabilities	108.95	1.00	109.95
<b>Derivative liabilities</b>			
Forward exchange contracts	-	-	-

### 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 31<sup>st</sup> March, 2019, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 135.25 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.6.76 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 31<sup>st</sup> March, 2019 is "6"(No of Buy Contracts - 6) (31<sup>st</sup> March, 2018 NIL)



## ii) Interest rate Risk

Interest rate 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. 314.55 Crs Borrowings at Floating rate of Interest as at 31<sup>st</sup> March, 2019 (previous year Rs. 216.79 Crs).

### Sensitivity to risk

An increase in interest rate of 1% will likely to affect the profit negatively by 3.15 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 predominantly 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 (e) 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 31<sup>st</sup> March, 2019 is the carrying value of each class of financial assets as on that date.

	Rs. In Crores	
	2018-19	2017-18
<b>44 Borrowing costs in accordance with IndAS23</b>		
Borrowing costs capitalised during the year	2.92	0.62
Capitalisation Rate used for Borrowing Costs	8.15%	9.39%

## 45 Segment information for the year ended 31<sup>st</sup> March, 2019 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 Chief Operating Decision Maker (CODM) of the Company.

## Consolidated - Notes on Accounts (Contd.)

(ii) Geographical Information:

Rs. In Crores

	2018-19			2017-18		
	India*	Outside India	Total	India*	Outside India	Total
External	2,820.58	620.75	3,441.33	2,225.82	384.40	2,610.22
Inter-Segment	-	-	-	-	-	-
<b>Total</b>	<b>2,820.58</b>	<b>620.75</b>	<b>3,441.33</b>	<b>2,225.82</b>	<b>384.40</b>	<b>2,610.22</b>
Carrying amount of segment assets	1,996.55	18.27	2,014.82	1,647.97	14.90	1,662.87
Additions to fixed assets	239.90	-	239.90	166.33	-	166.33

\* Includes Sale of Rs. 440.14 and 350.91 Crores (previous year Rs.343.34 Crores made to one customer) made to two of the major customers.

### 46 Disclosure on Accounting for revenue from customers in accordance with IND AS 115

#### Disaggregated revenue information

Rs. In Crores

A	Type of goods and service	31 March 2019 *
	a) Sale of products	3113.85
	b) Sale of services	30.40
	c) Other operating revenues	297.08
	Total operating revenue	3441.33
	In India	2820.58
	Outside India	620.75

B	Timing of revenue recognition	At a point of time	Over a period of time
	Sale of products and other operating income	3441.33	-

C	Revenue recognised in relation to contract liabilities	Nil
D	Reconciliation of revenue recognised in the statement of profit and loss with the contracted price	
	Revenue at contracted prices	3441.33
	Revenue from contract with customers	3441.33
	Difference	-
E	Unsatisfied or partially satisfied performance obligation	Nil

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



**47 Related Party disclosures in accordance with Ind AS 24:**

**i) a) Associates:**

Axles India Ltd.

**b) Associates by virtue of their shareholding in 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

The Associated Auto Parts Private Limited

Sundaram Clayton Limited

SI Air Springs 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

Lucas TVS Limited

**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

## Consolidated - Notes on Accounts (Contd.)

Nature of transactions	Rs. in Crores	
	2018-19	2017-18
<b>Associates</b>		
Dividend Received	0.73	0.44
Dividend paid	10.19	9.21
Purchase of goods	0.05	0.08
Receiving of Services	1.30	0.36
Rendering of Services	0.25	0.30
Sale of goods	28.17	27.39
Royalty Paid	2.83	2.63
Balance Payable	2.85	1.48
Balance Receivable	2.35	3.25
<b>Associate's subsidiary</b>		
Purchase of goods	32.30	36.70
Receiving of Services	1.35	0.25
Rendering of Services	0.10	0.53
Sale of goods	67.41	39.30
Balance Payable	4.78	6.12
Balance Receivable	22.73	10.75

Key Managerial Personnel	Rs. in Crores			
	2018-19		2017-18	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
<b>a) Short term employee benefits</b>				
Remuneration, Perquisites and Commission	1.14	3.69	0.95	2.88
Commission outstanding	1.14	2.27	0.95	1.90
<b>b) Post Employment Benefits*</b>		0.24		0.16
<b>c) Others</b>				
Interest on fixed deposits	-	0.07	-	0.22
Dividend paid during the year	-	0.04	-	0.04
Deposits balance outstanding	-	0.87	-	0.91

\* 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	2018-19		2017-18	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	2.06	3.07	2.18	1.64
Wheels India Limited Staff Provident Fund	2.12	0.19	1.83	0.15
Wheels India Senior Officers Superannuation Trust	0.64	0.64	0.62	0.62

Rs. in Crores

	2018-19		2017-18	
	Total Minimum Lease		Total Minimum Lease	
<b>48 Disclosures relating to leases in accordance with IndAS 17 :</b>				
<b>Operating Lease</b>				
As at Balance Sheet date		2.52		2.92
Not later than 1 year		0.17		0.23
Later than 1 year and not later than 5 years		2.35		2.69
Later than 5 years		-		-
Lease rentals paid during the year		1.02		1.04

**49 Disclosure on Accounting for intangible assets in accordance with Ind AS 38 :**

Rs. In Crores

**Computer software & Technical know how - Refer to note 3**

	2018-19	2017-18
Gross carrying amount at the beginning of the year	19.37	17.37
Acquired during the year	5.32	2.23
Deletion during the year	-	0.23
Gross carrying amount at the end of the year	24.69	19.37
Gross amortisation at the beginning of the year	16.69	15.53
Amortised during the year	1.75	1.23
Deletion during the year	-	0.07
Gross amortisation at the end of the year	18.44	16.69
Net carrying amount at the beginning of the year	2.68	1.84
Net carrying amount at the end of the year	6.25	2.68

## 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

2018-19

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	84.77%	562.19	99.26%	75.67	-17.95%	0.07	99.87%	75.74
I. Subsidiary								
Indian:								
WIL Car Wheels Limited	9.81%	65.07	(1.22%)	(0.93)	59.63%	(0.23)	(1.53%)	(1.16)
Non Controlling Interest in Subsidiary	3.45%	22.85	(0.44%)	(0.34)	20.88%	(0.08)	(0.55%)	(0.42)
II. Associates: (Investments as per Equity method)								
Indian:								
Axles India Limited	1.97%	13.08	2.40%	1.83	37.44%	(0.15)	2.22%	1.68
Total	100%	663.19	100%	76.23	100%	(0.39)	100%	75.84

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	95.08%	71.77	125.15%	2.14	95.74%	73.91
I. Subsidiary								
Indian:								
WIL Car Wheels Limited	10.26%	62.57	1.55%	1.17	-	-	1.51%	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)	2.22%	1.71
Total	100%	609.91	100%	75.49	100%	1.71	100%	77.20

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

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants

**R RAGHUNATHAN**  
Chief Financial Officer

**K.V. LAKSHMI**  
Company Secretary

Firm Registration No. 000511S  
**L RAVI SANKAR**

Chennai  
29<sup>th</sup> May, 2019

Partner  
Membership No. 025929

**Consolidated Statement of Cash Flows in accordance with Ind AS 7  
Annexed to the Balance Sheet for the year ended 31<sup>st</sup> March, 2019**



Rs. In Crores

	2018-19	2017-18
<b>A Cash Flow from Operating Activities</b>		
Total Comprehensive Income after tax	75.76	77.20
Add:		
Depreciation	78.65	70.45
Obsolescence	0.48	0.93
Lease Liabilities	1.62	1.58
Effect of Exchange Rate Change	4.89	-
Loss on Sale of Fixed Assets	0.14	-
Taxes on Income	32.78	31.12
Interest Expenses	65.91	44.86
	<u>184.47</u>	<u>148.94</u>
	260.23	226.14
Less:		
Share of an Associate	1.68	1.71
Interest Income	3.67	2.74
Gain/(Loss) on Fair Valuation of Investments	0.32	0.91
Dividend Income	0.73	0.44
Profit on Sale of Fixed Assets	-	1.36
Effect of Exchange Rate Change	-	7.71
Slump Sale Profit	-	12.49
	6.40	27.36
Cash flow from Operation before Working Capital Changes	<u>253.83</u>	<u>198.78</u>
Cash flow from Working Capital :		
Trade Receivables	(87.67)	(67.79)
Inventories	(61.75)	(114.40)
Advances & Other Current Assets	(24.91)	(80.73)
Trade Payables	133.77	121.58
Other Payables & Provisions	(6.31)	103.98
Taxes paid	(23.46)	(30.34)
<b>Net Cash Flow from Operating Activities (A)</b>	<u>183.51</u>	<u>131.08</u>
<b>B Investing Activities</b>		
Purchase of Fixed Assets	(240.92)	(212.13)
Sale of Fixed Assets	7.57	17.17
Purchase of Investments	(0.24)	(0.03)
Sale of Investments	-	57.50
Dividend Received	0.73	0.44
Interest Received	2.53	1.95
<b>Net cash used in Investing Activities (B)</b>	<u>(230.33)</u>	<u>(135.10)</u>



## Consolidated Statement of Cash Flows (Contd.)

	Rs. In Crores	
	2018-19	2017-18
<b>C Financing Activities</b>		
Proceeds from Long Term Borrowings	<b>147.48</b>	67.35
Repayment of Long Term Borrowings	<b>(74.36)</b>	(90.62)
Increase in Working Capital Borrowings	<b>55.50</b>	16.79
Repayment of Lease Liabilities	<b>(1.63)</b>	(1.58)
Capital Infusion in Subsidiary		84.30
Dividend paid	<b>(22.42)</b>	(20.19)
Interest paid	<b>(66.78)</b>	(46.73)
<b>Net cash used in Financing Activities (C)</b>	<b>37.79</b>	<u>9.32</u>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(9.03)</b>	5.30
Closing Cash & Cash Equivalents	<b>(3.43)</b>	5.60
Opening Cash & Cash Equivalents	<b>5.60</b>	0.30
Net Increase in Cash and Cash Equivalents	<b>(9.03)</b>	5.30
Closing Cash & Cash Equivalents as per Balance sheet	<b>2.91</b>	4.52
(Add)/Less: Cash Credit as at the end of the year	<b>6.34</b>	(1.08)
Cash & Cash Equivalents for the purpose of IndAS 7	<b>(3.43)</b>	<u>5.60</u>

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
29<sup>th</sup> May, 2019

Per our report of even date  
For **BRAHMAYYA & Co.**  
Chartered Accountants  
Firm Registration No. 000511S  
**L RAVI SANKAR**  
Partner  
Membership No. 025929



# WHEELS INDIA LIMITED



## Automotive Wheels



## Energy & Railway Components



## Air Suspension



## Construction Wheels

