

Telephone Nos. :  
Regd. Office : (044) 28522745  
Factory : (044) 26234300  
(044) 26258511



Telefax : 044 - 26257121  
Web : www.wheelsindia.com

## **WHEELS INDIA LIMITED**

Corporate Identity Number : L35921TN1960PLC004175

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

Factory :  
Padi, Chennai - 600 050.

**July 07, 2020**

To,  
The Manager  
Listing Department,  
National Stock Exchange of India Limited  
"Exchange Plaza", C-1, Block G  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051.

To,  
BSE Limited  
The Corporate Relationship Department  
1st Floor New Trading Wing, Rotunda Building  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001

**Scrip Code: WHEELS**

**Scrip Code: 590073**

Dear Sir/Madam,

**Sub: Notice of 61<sup>st</sup> Annual General Meeting and Book Closure**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulation), we wish to inform you that:

1. The 61<sup>st</sup> Annual General Meeting (AGM) of the Company will be held on Thursday, July 30, 2020, at 10.00 A.M. through Video Conferencing (VC/ Other Audio Visual Means (OAVM));
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 24, 2020 to Thursday, July 30, 2020 (both days inclusive) for Annual General Meeting and payment of final dividend on equity shares;
3. The cut-off date for reckoning the eligibility of the members for voting and dividend is Thursday, July 23, 2020;
4. The e-voting period will commence on Monday, July 27, 2020, 9.00 A.M. (IST) and ends on Wednesday, July 29, 2020, 5.00 P.M. (IST).

Further, we wish to inform you that the Annual Report along with Notice of 61<sup>st</sup> AGM has been sent to the shareholders of the Company today (i.e. 07.07.2020) through electronic mode.

In this connection, in terms of Regulations 30 and 34 of the Listing Regulation, we enclose the aforesaid documents for your perusal and also hosted on the website of the Company at [www.wheelsindia.com](http://www.wheelsindia.com).

Kindly take into your record, disseminate on your website and oblige us.

**PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY**

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Thanking you,

Yours faithfully,

**For WHEELS INDIA LIMITED**

*K. V. Lakshmi*

**K V Lakshmi**  
**Company Secretary & Compliance Officer**

Encl.: As above

CC:

1. National Securities Depository Limited, Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.
2. Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013.
3. Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai – 600002.

**PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY**

**WHEELS INDIA LIMITED**



**61<sup>st</sup> ANNUAL REPORT 2019-2020**



# WHEELS INDIA LIMITED

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

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

CIN : L35921TN1960PLC004175

## 61<sup>ST</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
- SURVEY NO. 147/2B & 147/3, GST ROAD, PUKKATHURAI  
VILLAGE, MADURANTHAGAM TALUK, KANCHEEPURAM  
DISTRICT, PIN - 603308

### 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	
AROON RAMAN	
PAUL G REITZ	
C M B AKERS	
R RAGHUTTAMA RAO	
SUMITHRA GOMATAM	
RISHIKESHA T KRISHNAN	

### AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
AROON RAMAN	
R RAGHUTTAMA RAO	

### STAKEHOLDERS RELATIONSHIP COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

### NOMINATION & REMUNERATION COMMITTEE

S PRASAD	Chairman
AROON RAMAN	
R RAGHUTTAMA RAO	

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

SRIVATS RAM	Chairman
S VIJI	
S PRASAD	
AROON RAMAN	

### CHIEF FINANCIAL OFFICER

R RAGHUNATHAN

### COMPANY SECRETARY

K V LAKSHMI

CONTENTS	PAGE
Financial Summary	3
Notice to the Shareholders	4
Directors' Report	21
Form AOC 1	31
Details of Deposit, Nomination and Remuneration Policy	32
Annual Report on CSR Activities	35
Disclosure on Remuneration	37
Report on Corporate Governance	38
Secretarial Audit Report	52
Extract of Annual Return	55
Conservation of Energy, Tech. Absorption	63
Business Responsibility Report	65
Independent Auditor's Report on the Financial Statements	75
Balance Sheet	84
Profit & Loss Statement	85
Statement of changes in Equity	86
Notes on Accounts	87
Cash Flow Statement	116
<b>Consolidated Financial Statements</b>	
Independent Auditor's Report	119
Balance Sheet	126
Statement of Profit and Loss	127
Statement of Changes in Equity	128
Notes on Accounts	129
Cash Flow Statement	162



## Financial Summary - Last Ten Years

Rs. in Crores

	31.03.20**	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
<b>Operating Results</b>										
Total Revenue (Net off Excise duty)	<b>2,438.72</b>	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
Earnings before Interest Depreciation and Tax	<b>176.33</b>	240.63	200.55	188.91	174.36	152.75	149.55	153.64	165.98	132.28
Depreciation	<b>70.20</b>	70.21	67.05	63.92	60.45	54.14	55.34	53.59	50.47	46.08
Earnings before Finance costs and Tax	<b>106.13</b>	170.42	133.50	124.99	113.91	98.61	94.21	100.05	115.51	86.20
Finance costs*	<b>61.53</b>	62.00	44.54	48.16	57.58	59.07	55.35	55.50	61.35	53.62
Profit before tax before exceptional item	<b>44.60</b>	108.42	88.96	76.83	56.33	39.54	38.86	44.55	54.16	32.58
Exceptional Item	<b>-</b>	-	12.49	-	-	-	-	-	-	-
Profit before tax	<b>44.60</b>	108.42	101.45	76.83	56.33	39.54	38.86	44.55	54.16	32.58
<b>Financial Position</b>										
Equity Share capital	<b>24.06</b>	24.06	12.03	12.03	12.03	12.03	12.03	9.87	9.87	9.87
Reserves and Surplus	<b>573.41</b>	544.55	503.32	449.69	396.13	369.03	351.55	248.98	230.56	207.68
Shareholders' equity	<b>597.47</b>	568.61	515.35	461.72	408.16	381.06	363.58	258.85	240.43	217.55
Borrowings	<b>574.80</b>	452.88	358.57	369.07	386.13	389.23	331.66	419.57	387.68	329.75
Gross block (includes Capital Work-in-Progress)	<b>1526.36</b>	1320.35	1144.67	1186.12	1123.22	1054.67	989.07	922.93	816.68	759.47
Net block (includes Capital Work-in-Progress)	<b>781.57</b>	642.12	527.11	548.27	535.15	522.04	512.89	493.30	440.01	429.51
Dividend - Amount	<b>13.60</b>	19.25	18.05	15.64	10.83	9.03	9.01	7.99	9.87	6.41
<b>Per equity Share (Rs.)</b>										
Dividend Per Share***	<b>5.65</b>	8.00	15.00	13.00	9.00	7.50	8.20	8.10	10.00	6.50
Book Value Per Share***	<b>248.28</b>	236.29	428.31	383.73	339.22	316.70	302.17	262.27	243.61	220.43
Earnings Per Share***	<b>22.49</b>	31.45	29.82	48.51	33.24	24.72	27.06	30.61	34.80	24.96

\* As per revised Schedule VI of Companies Act 1956 from 31.03.11 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 Sixty First Annual General Meeting of the Shareholders of the Company will be held on Thursday the July 30, 2020, at 10.00 A.M. through Video Conferencing ("VC"/ Other Audio Visual Means ("OAVM"), 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 2020 and the Board's and Auditors' reports thereon, be and are hereby approved and adopted."

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

**"RESOLVED THAT** an Interim Dividend of Rs. 3.00 (30.00%) per equity share of Rs. 10/- each, already paid on the paid-up capital of the Company amounting to Rs. 7,21,93,674.00 be and is hereby confirmed and recorded.

**RESOLVED FURTHER THAT,** as recommended by the Board, a Final dividend of Rs. 2.65 per share (26.50%) on the paid-up capital consisting of 2,40,64,558 equity shares, absorbing Rs. 6,37,71,078.70, be approved and the same is hereby declared payable for the year ended 31<sup>st</sup> March 2020 as Final Dividend."

### SPECIAL BUSINESS:

3. 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 2021, 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."

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 Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactments thereof for the time being in force), Mr. Rishiksha T Krishnan (DIN: 00064067), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective November 04, 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 Mr. Rishiksha T Krishnan (DIN: 00064067) 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 5 (Five) years with effect from November 04, 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 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.”

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

“**RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at 59<sup>th</sup> Annual General Meeting held on August 14, 2018 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent and ratification of the members be and is hereby accorded that Mr. Srivats Ram (DIN: 00063415), Managing Director of the Company be paid remuneration, in case where in any financial year, during the currency of the tenure of Mr. Srivats Ram (DIN: 00063415) as Managing Director, if the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013 (as may be amended from time to time.) by way of Salary, Allowances, Commission and Perquisites and as approved by the Members at Annual General Meeting held on August 14, 2018 as minimum remuneration with effect from April 01, 2020.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Nomination and

Remuneration Committee from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and / or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** except for the aforesaid revision in terms of remuneration, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the Annual General meeting of the Company held on August 14, 2018 shall remain unchanged.

**RESOLVED FURTHER THAT** Mr. R Raghunathan, CFO and Ms. K V Lakshmi, Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as deemed necessary, proper and expedient to give effect to the aforesaid Resolution.”

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

“**RESOLVED THAT** Mr. S Ram (DIN: 00018309), 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.”

7. 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 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, the members hereby accord its approval for the continuance of Mr. S Viji (DIN: 00139043), Non-executive Director on the Board of the Company.

8. To consider and if thought fit, to pass with or without modification, 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 amendment(s), modification(s), variation(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the approval of Members of the Company at the Annual General Meeting, approval of the Members of the Company be and is hereby accorded for payment of Commission to Mr. S Ram (DIN: 00018309), Non-Executive Director during the financial year ending March 31, 2021 exceeding fifty percent of the

total remuneration that may be payable to all Non executive Directors of the Company during the financial year 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as deemed necessary and expedient in this regards."

Regd. Office:  
21, Patullos Road  
Chennai - 600 002  
Date: June 17, 2020

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

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. 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. 3 to 8 is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his /her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has

been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013 representatives of the members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company.

5. The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2%

or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
7. The Register of Members and Share Transfer Books of the Company will remain closed from 24.07.2020 to 30.07.2020 (both days inclusive) for payment of final dividend on equity shares.
8. 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 23.07.2020. 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.
9. 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.
10. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, as amended, dividends declared for the financial year ended 2012-13 from the date of declaration of dividend and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central

Government. Members who have not encashed the dividend warrant(s) so far for the above financial year or any subsequent financial year are requested to make their claim to the Shares Department of the Company at Padi, Chennai - 600 050. All shareholders are requested to claim the dividend.

11. 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.
12. 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 2013 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 17<sup>th</sup> September 2020.
13. Pursuant to the aforesaid provisions, during the year under review, the Company has transferred 1305 shares pertaining to the Financial Year 2011-12 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.
14. 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.
15. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 (as prescribed by MCA) available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in) 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 Company for verification of the claim.

16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
17. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting by way of VC / OAVM 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.  
The procedures and instructions for 'remote e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice (Please refer pages 17-20)
18. The Board of Directors has appointed M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be

noted that this e-voting facility is optional. The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period: The e-voting period would commence on 27.07.2020 (Monday) 9:00 A.M (IST) and ends on 29.07.2020 (Wednesday) 5:00 P.M (IST).

19. 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 and e-Voting during the 61<sup>st</sup> AGM. 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.
20. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.07.2020 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.
21. 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)
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
23. 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.

24. 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 the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will be available for electronic inspection. Members seeking to inspect such documents can send mail to [investorservices@wheelsindia.com](mailto:investorservices@wheelsindia.com).
25. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.wheelsindia.com](http://www.wheelsindia.com). The Notice can also be accessed from the websites of the Stock Exchanges National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
26. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.  
  
The Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the dividend amount exceeds Rs. 5,000/-. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000/- and also in cases where members provide Form 15G /Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Form 15 G/ 15 H can be downloaded from the weblink <https://investors.cameoindia.com> to avail

the benefit and email to [investor@cameoindia.com](mailto:investor@cameoindia.com) by 11:59 p.m. IST on 23rd July 2020. There is also provision to upload the 15G/15H in the weblink viz., <https://investors.cameoindia.com> provided by the Company's Registrar and Share transfer agent M/s Cameo Corporate Services Limited.

For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com). The aforesaid declarations and documents should be submitted by the shareholders by 11:59 P.M. IST on 23rd July, 2020

For any additional information, Members may refer to the "Communication on TDS on Dividend Distribution" available at the web link of the company [https://www.wheelsindia.com/pdf/COMMUNICATION\\_ON\\_TAX\\_DEDUCTION\\_2020.pdf](https://www.wheelsindia.com/pdf/COMMUNICATION_ON_TAX_DEDUCTION_2020.pdf).

If you any need clarification, in this regard you may contact Mr. D Narasimhan, Manager, Cameo Corporate Services Limited (Ph. No. 044-28460395)

No communication would be accepted from Members after 23rd July 2020 regarding the tax withholding matters.

27. In compliance with the Circulars, the Annual Report 2019-20 including, the Notice of the 61st AGM, and instructions to shareholders for e-voting / attending meeting through VC / OAVM are being sent only through electronic mode to those members whose email addresses are registered with the Company / depositories.

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## Annexure to the Notice

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

#### SPECIAL BUSINESS

##### Item No 3

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, 2021.

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 2021. 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. 3 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 4

The members are informed that Mr. Rishikesh T Krishnan (DIN: 00064067) has been appointed as Additional Director in the capacity of Non-executive and Independent Director on the Board of Company on 4<sup>th</sup> November 2019 and he holds office upto the ensuing General Meeting of the Company. The Nomination & Remuneration Committee at their meeting held on 23<sup>rd</sup> October 2019 and Board of Directors at its meeting held on 4<sup>th</sup> November, 2019 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. Rishikesh T Krishnan (DIN: 00064067) 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. Rishikesh T Krishnan (DIN: 00064067) is appointed as an Independent Director and the Board recommends the resolution for approval of the members.

In the opinion of the Board, Mr Rishikesh T Krishnan fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Rishikesh T Krishnan (DIN: 00064067) 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. Rishikesh T Krishnan (DIN: 00064067) 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. 4 of the Notice is accordingly submitted to the members for consideration.

Except Mr. Rishikesh T Krishnan (DIN: 00064067), none of the other Directors, Manager, Key Managerial Personnel(s) and their relatives are concerned or interested in the above resolution.



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

#### Item No. 5

Members of the Company at the 59<sup>th</sup> Annual General Meeting held on August 14, 2018 approved the re-appointment of Mr. Srivats Ram as Managing Director for a period of 05 years with effect from 01.05.2018 with the terms of remuneration payable to Mr. Srivats Ram are detailed hereunder:

<b>SALARY</b>	Rs. 7,50,000/- (Rupees Seven lakhs fifty thousand) per month in the scale of Rs. 7,50,000/- Rs.15,00,000/-). Annual increase will be effective from 1 <sup>st</sup> April every year and the quantum of increase will be decided by the Nomination and Remuneration Committee.
<b>COMMISSION</b>	Not exceeding 2% of the Net Profits of the Company for each financial year or part thereof, computed in the manner laid down in the Companies Act, 2013. The quantum may be decided by the Nomination and Remuneration Committee.
<b>PERQUISITES &amp; AMENITIES</b>	
Housing, Utilities and Furnishings	Provision of unfurnished residential accommodation, owned or leased by the Company, expenditure on which will be limited to 60% of the salary, or house rent allowance not exceeding 60% of salary. a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962. b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules, 1962.
Medical reimbursement	Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company. Explanation: "Family" means the spouse, children and parents of the Managing Director.
Insurance	Personal Accident Insurance in accordance with the rules of the Company.
Leave Travel Concession	Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
Provident Fund / Gratuity etc.	Payment of company's contributions to Provident Fund / Pension Fund / Superannuation Fund / Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.
Club Fees	Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.
Car	Provision of chauffeur driven Company car. (Provision of chauffeur driven company car for official purposes shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling on perquisites.)
Telephone	Provision of telephone(s) including mobile phones at the expense of the company.
Minimum Remuneration	Wherein any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.



Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors (the "Board"), subject to approval of the members of the Company proposed for the partial modification(s) on the resolution passed at the 59<sup>th</sup> Annual General Meeting held on August 14, 2018.

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

Except Mr. S Ram 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.

**The following additional information as required under Schedule V of the Companies Act, 2013 is given below:**

I	General Information			
1	Nature of industry	Manufacturing of Automotive and Industrial Components		
2	Date or expected date of commencement of commercial production	Commercial operations commenced in the year 1962.		
3	Financial performance based on given indicators	Rs. in Crores		
		Particulars	2019-20	2018-19
		Gross Profit before finance cost and depreciation	176.33	240.63
		Finance cost	61.53	62.00
		Depreciation	70.20	70.21
		Profit before tax	44.60	108.42
		Profit after tax	54.11	75.67
		Total Comprehensive Income	51.34	75.74
4	Foreign investments or collaborations, if any.	The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.		
II	Information about the appointee:			
1	Background details	Mr. Srivats Ram, holds a bachelor's degree in Economics from the University of Madras and master's degree in business administration from Case Western Reserve University, USA. He has more than 25 years' of experience in the industry.		
2	Past remuneration	During the financial year ended March 31, 2020 the remuneration to Mr. Srivats Ram aggregates to Rs. 216.46 Lakhs		
3	Recognition or awards	—		



4	Job profile and his suitability	Mr. Srivats Ram, aged 50 years, is the Managing Director. He holds a bachelor's degree in Economics from the University of Madras and Master's degree in Business Administration from Case Western Reserve University, USA. He has more than 25 years' experience in the industry and has been on the Board of the Company since October 01, 2000.
5	Remuneration proposed	Details of proposed remuneration is presented in the Resolution.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The Company, in the case of absence / inadequacy of profits proposes to pay minimum remuneration (within the limits as prescribed under Part II of Section II of Schedule V of the Companies Act, 2013) to Mr. Srivats Ram, Managing Director.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Besides the remuneration drawn / to be drawn, Mr. Srivats Ram also holds 53,072 (0.22%) Equity shares of the Company. Relative (Son) of Mr. S Ram, Director of the Company deemed to be interested in the resolution relating to the remuneration.
<b>III Other information:</b>		
1	Reasons of loss or inadequate profits	The Company does not envisage any loss or inadequate profits. However, as the Company witnesses an unprecedented disruption in the business due to COVID 19 and the uncertainties around this pandemic ahead of us, there may be a decline in the Profit before tax for this financial year 2020-21. The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.
2	Steps taken or proposed to be taken for improvement	The Company is always looking forward to take all such steps and measures which are in the best interest of the Company. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
3	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
<b>IV Disclosures:</b>		
The information, as required, is provided under Corporate Governance Section of the Annual Report 2020. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option for the aforesaid managerial personnel.		



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**Item No 6**

Pursuant to Section 152 (6) (c) of the Companies Act, 2013 one-third of such of the non-independent directors as are liable to retire by rotation, shall retire at every Annual General Meeting. Section 152 (6) (d) of the Companies Act, 2013 provides that the directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment.

Accordingly, Mr. S Ram, Director is due for retirement and eligible for re-appointment at the 61<sup>st</sup> Annual General Meeting, based on the duration in office since the last re-appointment.

Since he has attained the age of 75 years, his appointment / continuity as a non-executive director requires passing of a Special Resolution Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and disclosure Requirements) (Amendment) Regulations, 2018. Mr. S Ram has over 5 decades of experience in the field of vehicle and component industry. The Board considers that his re-appointment would be in the best interests of the Company and recommends the acceptance of the resolution. Accordingly, a Special Resolution is submitted for your consent.

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

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

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

**Item No 7**

SEBI on 9<sup>th</sup> May, 2018 has implemented the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) (Amendment) Regulations, 2018.

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

Mr. S Viji, aged 74 years, is a Non-executive and Non-independent Director. He holds a bachelor's degree in commerce from the University of Madras and a master's degree in business administration from the University of Michigan, Ann Arbor. He is also an associate member of the Institute of Chartered Accountants of India and has over four decades of experience in financial services and the automotive industry. He has been on the Board of the Company since July 31, 1986. Hence his association with Company is favorable and necessary for the Company for its continual growth.

It is hereby proposed to obtain the shareholder's approval by way of Special Resolution for the continuation of directorship of Mr. S Viji, Non- Executive Director till the date he retires by rotation in terms of Section 152 of the Companies Act, 2013.

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

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

**Item No 8**

The payment of commission to Mr. S Ram, Non-Executive Director 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 amendments, modification(s), variation or re-enactments therefore for the time being in force, the Board is of the view that the commission payable to Mr. S Ram, Non Executive Director during the financial year ending March 31, 2021 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 resolution as set out under Item No. 8 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.

**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>	Mr. Rishiksha T Krishnan	Mr. S Ram
<b>DIN</b>	00064067	00018309
<b>Date of Birth</b>	06.02.1964	27.04.1940
<b>Age</b>	56 Years	80 Years
<b>Profile</b>	Mr. Rishiksha T Krishnan, aged 56 years is a Non-executive and Independent Director. He was educated at IIT Kanpur, Stanford University and IIM Ahmedabad. Prof. Krishnan's main areas of interest are strategy and innovation. He has been on the jury of the Economic Times start-up awards. He is currently on the advisory board of YourNest Investment Advisors. Prof. Krishnan was a member of the expert committee set up by the Government of India in 2017-18 under the chairmanship of Justice BN Srikrishna to propose a data protection framework for India. He has been on the boards of several reputed companies and is currently a member of the board of the Higher Education Financing Agency (HEFA). Prof. Rishiksha Krishnan has been on the faculty of the Indian Institute of Management Bangalore, India, since 1996, where he is currently Professor of Strategy.	Mr. S Ram, aged 80 years, is a Non-executive Chairman. He is a mechanical engineer from College of Engineering, Guindy, Chennai and holds a master's degree in production engineering from Birmingham University, UK and has more than five decades of experience in the Automotive Industry. He has been on the Board of the Company since May 28, 1974.
<b>Qualification</b>		
<b>Experience and Expertise in specific functional area</b>		

<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid.</b>	Appointment of Independent Director for the period of five years from 04.11.2019 to 03.11.2024	Liable to retire by rotation and eligible to offer himself for the re-appointment.
<b>Remuneration last drawn by such person, if applicable</b>	Entitled to get sitting fees only	Entitled to get 1% Commission of the Profit and sitting fees.
<b>Date of first appointment on the Board</b>	04.11.2019	28.05.1974
<b>Membership / Chairmanship of Committees of the Board of Directors of the Company</b>	Refer Corporate Governance Report	Refer Corporate Governance Report
<b>Other Directorships and Membership / Chairmanship of committees of other boards (Only Public Company and Audit Committee and 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>
		<b>(A) Other Directorship:</b> 1. Sundaram Finance Limited 2. India Motor Parts & Accessories Limited 3. Axles India Limited 4. Global TVS Bus Body Builders Limited 5. TVS Supply Chain Solutions Limited <b>(B) Membership of Committee of other boards:</b> Nil <b>(C) Chairmanship of Committee of other board:</b> Axles India Limited 1. Stakeholders Relationship Committee 2. Audit Committee
<b>Number of shares held in the Company</b>	Nil	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	Not applicable	1. Mr. Srivats Ram, Managing Director (Father) 2. Mr. S Viji, Non-executive Director (Brother)
<b>Number of Meetings of the Board attended during the year</b>	Refer Corporate Governance Report	Refer Corporate Governance Report



# INSTRUCTIONS TO SHAREHOLDERS

## A) FOR REMOTE E-VOTING:

- (i) The voting period begins on 27.07.2020 (Monday) 9:00 A.M (IST) and ends on 29.07.2020 (Wednesday) 5:00 P.M (IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.07.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Members.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

**OR**

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI / EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository participant are requested to use the first two letters of their names and the 8 digits of the sequence number in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **Wheels India Limited** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app m-Voting available based mobiles. The m-Voting app can be downloaded from Google Play store. Apple and windows phone users can download the app from the App Store and the Window Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Members and Custodians**
- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorservices@wheelsindia.com](mailto:investorservices@wheelsindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



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) or call 1800225533 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533, 022-23058542 / 43.

**PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING**

**LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical Members - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company / RTA email id.
2. For Demat members, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
3. The Company / RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned members.

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## **B) FOR ATTENDING THE AGM THROUGH VC / OAVM:**

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholders / members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The facility of joining the AGM through VC / OAVM will be opened 15 minutes before the scheduled start-time of the AGM and will be available for Members on a first-come-first-served-basis.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at [investorservices@wheelsindia.com](mailto:investorservices@wheelsindia.com). The members who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at [investorservices@wheelsindia.com](mailto:investorservices@wheelsindia.com). These queries will be replied to by the company suitably by email.
7. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

## **C) FOR E-VOTING DURING THE AGM:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC / OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



## Directors' Report to the Shareholders

Your Directors present their Sixty first Annual Report and the Audited Accounts of your Company for the year ended March 31, 2020.

### Performance

Sales (net of Indirect taxes) for the year were Rs. 2407.81 crores compared to Rs.3151.70 crores in the previous year showing a decrease of 23.60%.

### Financial Results

The Company has adopted IndAS with effect from 01.04.2017 in pursuance of the notification dated 16.02.2015 issued by The Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial results of your Company are as below:

Rs. in Crores

	2019-20	2018-19
Gross Profit before finance cost and depreciation	<b>176.33</b>	240.63
Finance cost	<b>61.53</b>	62.00
Depreciation	<b>70.20</b>	70.21
Profit before tax	<b>44.60</b>	108.42
Profit after tax	<b>54.11</b>	75.67
Total Comprehensive Income	<b>51.34</b>	75.74
Transfer to General Reserves	<b>22.00</b>	32.00

### Dividend and transfer to General Reserve

The Board approved and paid an Interim Dividend of Rs 3.00 per equity share (30%) in February 2020.

Your Directors are pleased to recommend a final dividend of Rs.2.65 per equity share (26.5%) for the year ended 31<sup>st</sup> March, 2020. The final dividend recommended, subject to approval at the 61<sup>st</sup> Annual General Meeting, will be paid to all the shareholders

as on 23.07.2020 The total dividend payout for the financial year 2019-20 is Rs.13.60 crores.

The Company proposes to transfer an amount of Rs. 22 crores to the General Reserves. An amount of Rs. 95.84 crores is proposed to be retained under Retained Earnings.

### Management Discussion and Analysis

The last year, 2019, was a difficult year for the global economy with growth slowing to 2.9%, the lowest level since the global financial crisis in 2009. The momentum in global manufacturing weakened, with geopolitical tensions affecting international trade. The weakening of demand was further affected by the outbreak of covid-19 in early 2020, with a number of large economies in succession enforcing lockdowns in their economies. The global economy is expected to have a negative growth in 2020 affecting trade and commerce, the worst economic prospects in this century.

The Indian economy in 2019-20, saw a slowing down of growth from the second quarter onwards, with the second half of the year seeing the economy growing at 4.2%. The collapse of a few large financial institutions made the lending community more risk averse, limiting the liquidity in the economy. The slowdown in India was broad based affecting the auto and construction sector, in particular. In an attempt to revive the economy and capital formation, the government reduced corporate tax from 34.94% to 25.17% in September 2019. However, the global pandemic, covid-19, resulted in a national lockdown in the latter part of March 2020, bringing economic activity to a standstill.

In the coming year 2020-21, the World Bank forecasts a -3.2% growth in the Indian economy, negative growth for the first time in 60 years, largely due to the impact of covid-19.

The medium and heavy commercial vehicle market started the last financial year with a strong first quarter. However, the slowdown in both the global and Indian



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economy affected our customers adversely. The increasing cost of insurance, tolls and drivers affected the domestic truck customer sentiment. The medium and heavy commercial vehicle market saw a decline of around 50% in 2019-20. The decline was most significant in the multi-axle vehicle segment that uses more wheels.

The light commercial and small commercial vehicle markets saw a drop of between a quarter and a third of the previous year's volume. The bus market was stable in the year under review, bolstered by orders from the state transport undertakings.

The tractor market saw the impact of cyclicity, after three years of continued growth. This resulted in the Indian tractor market declining by 13% in 2019-20.

As the economy slowed down in the last financial year and as banks became more risk averse, the passenger vehicle market was adversely affected coming down by 18%. This was also impacted by declining prospects in the job market, with the slowing down of the economy. The year also saw a shift in the market with the sports utility vehicle segment gaining at the expense of the car segment.

Your Company's sales of forged aluminium wheels were stable with increased volumes from the United States offsetting a drop in volume from European customers. The team at Wheels India did a lot of work last year on improving the competitiveness of the product for global markets.

The construction equipment industry in India declined by almost 30% last year, following the slowing down of the economy. The global industry saw a cyclical decline following high volumes in the previous year. The segment of the mining equipment industry that we support saw a decline in volume due to decline in commodity demand from China in the second half of the year.

Your Company's air suspension business for buses had a good year with a healthy flow of orders from

state transport undertakings resulting in offtake of systems by our customers. This was however offset by the decline in the demand for systems for lift axles that bore the brunt of the decline in commercial vehicles.

Wheels India has emerged as a major supplier to windmill manufacturers in India. We saw an increase in our domestic volumes due to increased export of windmill sub-systems by our international customers in India. Further, we started export of parts that were awarded as a result of a global tender of one of our multinational customers. This resulted in considerable growth in our supply of components to windmill manufacturers to the extent of 70% last year.

The year under review also saw substantial growth in our supplies of bogie frames for LHB coaches to Indian Railways as we were able to increase our share of business within the scope of supply.

The declining international trade and slowing down global economy resulted in a 20% decline in export of products by your Company vis-a-vis the previous financial year.

In the last financial year, there was a lag in the reduction of steel prices vis-à-vis scrap prices resulting in lower realization for your Company. While there was an overall reduction in steel prices this lag affected our profitability in the year under review.

There has been considerable fixed capital additions by the Company in 2018-19 and 2019-20. The depreciation and interest from these investments affected the Company in the last financial year as revenues dropped by over 20%. The fixed manpower cost was also exposed when there was considerable drop in the automotive and construction wheel business. These elements resulted in the profit before tax, interest coverage ratio and return on net worth dropping.

The spread of the global pandemic in India resulted in the government imposing a national lockdown that resulted in a stop of your Company's operations in the

latter part of March. While we did enable work at home facilities for our employees where possible, being essentially a manufacturing company, our revenues came to a standstill. The government also advised companies to pay salaries and wages to all employees whether permanent or temporary for the period of the lockdown till May 18<sup>th</sup>.

The health and safety of our employees are of utmost importance to your Company. We had an internal team put in place various safety and health precautionary systems in place in production and other parts of the plant, prior to the start of operations. The lockdown has been through various phases with some limited activity allowed from the end of April, through May. In our Company during this period we focused on serving export customers. In the second half of May, as domestic customers started operations in a limited manner we started sales to domestic customers. Unfortunately, Tamil Nadu and Maharashtra, two states where we have significant operations were severely affected by the pandemic, and are likely to have limitations on operations in the immediate term.

The impact of the lockdown over most of the first quarter will affect your Company's prospects in the coming year. In addition, both the global and the Indian economy are likely to see a sharp slowdown in FY21. This will have a significant impact on your Company's prospects in the coming year.

The negative growth in the economy will affect demand for commercial vehicles, even after significant de-growth in the previous year. While fuel prices have dropped in the international markets, there has been no pass through of these benefits to truck and bus operators. These end customers are also facing a major shortage of drivers, as many of them have returned to their hometowns. The coming year also sees the introduction of BS VI norms that increases the cost of vehicles. All these factors will continue to depress the demand for medium and heavy commercial vehicles in the coming year, even after the lifting of the national lockdown.

It is expected that due to the fiscal condition of the state governments, there will be limited funds available to state transport undertakings to order new buses. This and the reduction of travel within the country is likely to severely affect demand for buses in the coming year. The slowing economy will also affect demand for small and light commercial vehicles as well.

We expect the forged aluminium business of your Company to maintain at last year's levels despite the decline in the global economy, as new business opportunities make up for drop in demand.

The agricultural economy is expected to do well in the coming year, with the expectations of good monsoons, reasonable ground water levels and with the rural economy less affected by covid-19 than urban India. The government has also committed to increased spend on MNREGA and introduced various schemes for the farm economy post-covid-19. While the national lockdown till the middle of May meant no production of tractors during this period, this segment is expected to see demand at close to the same level as last year.

The slowing global economy will affect demand for construction and mining wheels for your Company in the coming year. The earthmoving equipment industry was already facing headwinds in FY20, and the slowdown will only worsen the situation. There is a positive development in that, customers in this segment are open to change the mix of their global sourcing, and this could open opportunities for us in the coming years.

The air suspension system business of your Company will be adversely affected by the limited buying of buses by state transport undertakings in the current year, given wider deficits at the various state governments. The suspension systems that we supply for lift axles to truck manufacturers is likely to see limited demand in the coming year.

Even as we were not able to manufacture components for windmills in any volume till the middle of May, we

see stable demand from international markets both by way of direct exports as well as manufacture of components for sub-systems that will be exported out of India by multinational windmill manufacturers. We are increasingly being recognized as part of the global supply chain in this industry. A number of the western windmill manufacturers have also stated that de-risking of their sourcing could open future opportunities for us.

The Indian Railway factories had shut down operations till the middle of May and the demand for bogie frames from us is expected to be reasonable in the remaining months of the year.

While demand generation is likely to be a problem in our various industry segments in the coming year, manpower supply and working hour constraints will limit us till the lockdown criteria are eased in our main manufacturing locations. The spread and control of the pandemic within the country and the government actions will govern that.

Your Company has made a significant investment in a cast aluminium wheel plant that should start operations in the second quarter of the coming year. The plant will cater primarily to OEMs and after-market requirements in international markets.

The commencement and continuation of operations at our facilities has only been possible due to the dedication and commitment of the Wheels India team who in these turbulent and uncertain times have committed themselves whole-heartedly towards the Company and ensuring customer requirements are met. At the same time, we are enhancing our quality, health and safety systems to align with the challenging times ahead.

Your Company is and will be taking various steps to improve our cost structure in this most difficult year ahead of us. I am confident that with this effort and the continued support of our customers, bankers, suppliers and communities around our plants that we will strengthen our Company to survive these turbulent

times and be there to make use of opportunities that arise in the future.

WIL Car Wheels Limited (WCWL), your Company's subsidiary had a difficult year with a reduction in demand for passenger vehicles. The higher percentage of sports utility vehicles in the passenger vehicle mix also meant a lower proportion of steel wheels. The drop in sales with a new plant in Gujarat, resulted in low capacity utilization and losses in the year under review. This restrictions on operations imposed by the lockdown has meant that our operations have been and will be severely affected from the latter part of March to the end of the first quarter.

Any improvement in the passenger vehicle market will depend on the easing of the lockdown and any improvement in sentiment post-lockdown. While we are in discussion with the WCWL team and partner on ways to improve our situation, the prospects will be limited in the coming year and dependent on the recovery of the economy.

### Consolidated Financial Statements

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

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

The Consolidated Profit after Tax for the year 2019-20 is Rs.47.32 crores and the Consolidated Net worth is Rs.663.73 crores as on 31.03.2020 as against Rs.76.15 crores and Rs.640.34 crores as on 31.03.2019.



### Subsidiary Company

WIL Car Wheels Limited reported a gross revenue of Rs. 301.32 crores and loss after tax of Rs. 6.66 crores for the financial year 2019-20 as against Rs. 364.92 crores and loss after tax of Rs. 1.29 crores for the financial year 2018-19.

### Associate Company

Axles India Limited, an Associate Company has achieved a turnover of Rs.408.62 crores and profit after tax of Rs.12.16 crores for the financial year 2019-20 as against the turnover of Rs.621.05 crores and profit after tax of Rs.38.06 crores for the financial year 2018-19.

A statement containing the salient features of the financial statements of the Subsidiary Company / Associate Company is provided in Form AOC-1. Refer Annexure I of this report.

### Fixed Deposits

As at 31<sup>st</sup> March, 2020, fixed deposits accepted by the Company from public and shareholders aggregated to Rs.167.74 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+ (Negative)" 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) 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

#### Mr. Rishikesha T Krishnan

Mr. Rishikesha T Krishnan 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 04, 2019 subject to regularization of his appointment by the shareholders of the Company. The Nomination and Remuneration Committee and the Board has recommended appointment of Mr. Rishikesha T Krishnan (DIN: 00064067) as an Independent Director of the Company to hold office for a term of five years with effect from November 04, 2019 in terms of Section

149 of the 2013 Act, 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, Mr. Rishikesh T Krishnan fulfils the conditions specified in the 2013 Act, 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 2013 Act, proposing the candidature of Mr. Rishikesh T Krishnan as an Independent Director of the Company.

Under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a special resolution is proposed for the continuance of Mr. S Viji, Non-executive Director on the Board of the Company. Necessary resolution to this effect, is included in the Notice convening the 61<sup>st</sup> Annual General Meeting.

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

Under Article 94(3) of the Articles of Association of the Company, Mr. S Ram (DIN: 00018309) 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 as 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 2013 Act, and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended).

#### **Cessation of Directors**

Mr. B Santhanam, Independent / Non-Executive Director had resigned from the Board of the Company with effect from 23<sup>rd</sup> August 2019.

Mr. B Santhanam has confirmed to the Company in writing that there are no material reasons for his 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.186.27 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 the 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, 2020 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 2019-20, 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) 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. The changes and commitments, if any, 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 is not material so as to have an affect on the financial position of the Company.

### **Force Majeure Event**

On account of the spread of COVID-19 pandemic, the Government of Tamil Nadu as a precautionary

measure, vide notification in Go(Ms) No. 152 dated 23.03.2020 imposed restrictions in the territorial jurisdiction of the State of Tamil Nadu from 18.00 hrs of 24.03.2020 to 06.00 hrs of 01.04.2020. On the very next day, the Government of India announced a complete lockdown of the entire country for a period of 21 days with effect from 25.03.2020 till 14.04.2020 and subsequently got extended till 03.05.2020.

In compliance with the order imposed, the Company was constrained to shut-down all the plants from 24.03.2020 till 03.05.2020 and resumed its operations in a phased manner after obtaining necessary approvals from the Government. The Company is complying with the protocols in all its plants as prescribed by the Ministry of Home Affairs (MHA).

### **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), 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 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 31.03.2020.

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 2020-21 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 2020-21 is included in the Notice convening the 61<sup>st</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 2019-20.

### **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 plants. Your Company's employees' captures and reports near-misses classified as major and minor, safety observations, and corrective actions to the safety committee. The safety committee meets twice a month to review the performance and recommend action. 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.

Given the COVID-19 pandemic, your Company has setup systems and processes to ensure a safe and healthy work environment. These processes include cleaning & sanitization of factories, checking the employees for symptoms (body temperature and blood oxygen level) at entry and exit, maintaining a health record for each employee, physical distancing standards around the factory, and standard operating procedures for the shop floor, the offices, and in open areas. Your Company is dedicated to providing a safe environment for all its employees, visitors and contractors.

### **CEO/CFO Certificate**

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

### **Extract of Annual Return**

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

In compliance with section 134(3)(a) of the Act, MGT - 9 is uploaded on Companies website and can be accessed at [https://www.wheelsindia.com/pdf/annual/EXTRACTS\\_OF\\_ANNUAL\\_RETURN-2020.pdf](https://www.wheelsindia.com/pdf/annual/EXTRACTS_OF_ANNUAL_RETURN-2020.pdf)

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

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

### **Business Responsibility Reporting**

During the year, consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under the SEBI LODR Regulations 2015, (as amended) the Company's policy on Business Responsibility laying down the broad principles guiding the Company in delivering various responsibilities to its stakeholders for the year ended 31.03.2020 is given in Annexure X and forms part of this report. A copy of this policy is available at [www.wheelsindia.com](http://www.wheelsindia.com)

### **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

Chennai

June 17, 2020

**S Ram**

Chairman

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	Reporting period is from April 2019 to March 2020
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	7581.11
7	Total assets	22799.37
8	Total Liabilities	14718.26
9	Investments	Nil
10	Turnover	30132.45
11	Profit before taxation	(894.49)
12	Provision for taxation	(228.06)
13	Profit after taxation	(666.43)
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	31.03.2020
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. 13.01 crores
6.	Profit / Loss for the year 2019-20 :	Net profit of Rs. 11.52 crores
	i. Considered in Consolidation	Net loss of Rs. 0.07 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 : 17th June, 2020

**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	68.18
Remained unpaid or unclaimed as at the end of the year	1.97
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 Nomination & Remuneration Committee ("Committee") shall be in accordance with the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and the Rules framed thereunder. The 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.

### KMPs, 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:

- Scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals

- The Company's performance
- Legal and Industrial Obligations
- 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 the 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 2019-20

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. 9203.12 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :	Rs. 184.06 Lakhs
5.	Details of CSR spent during the financial year:	(a) Total amount to be spent for the financial year: Rs. 184.06 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.

\*Profit Before Tax

Place : Chennai  
Date : 17.06.2020

**S Prasad**  
Director

**Srivats Ram**  
Chairman - CSR Committee

## Annexure to Annual Report on CSR Activities for the Financial year 2019-20

### Corporate Social Responsibility Report

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	121.80	121.80	121.80	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 G) Nandambakkam Auxilium Salesian Sisters Social Service Society H) Aid India Limited I) Mazzarello Foundation Educational Trust J) Lakshmi Charities - Tamil nadu
2	Training of farmers/ Agriculture	Rural development projects	Maharashtra, Tamil Nadu and Telangana	37.58	37.58	159.38	Implementing agency
3	Promoting Health Care including Preventive Health Care and sanitation/ safe drinking water	Health	Rampur, Uttar Pradesh, Tamil Nadu	9.77	9.77	169.15	Direct and through implementing agency
4	Protection of National Heritage, Arts and Culture	National Heritage, Arts and Culture	Tamil Nadu	17.00	17.00	186.15	Direct
5	Environmental sustainability/ ecological balance	Environmental Sustainability	Deoli	0.11	0.11	186.26	Direct
<b>TOTAL</b>				<b>186.26</b>	<b>186.26</b>		

Place : Chennai  
Date : 17.06.2020

**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*	8.24
b) Mr. S Viji, Director**	0.51
c) Mr. Srivats Ram, Managing Director	39.73
d) Mr. S Prasad**	0.59
e) Mr. Aroon Raman**	0.36
f) Mr. B Santhanam**(i)	0.04
g) Mr. Paul G Reitz**	0.04
h) Mr. Christopher M B Akers**	0.07
i) Mr. R Raghuttama Rao **	0.45
j) Ms. Sumitra Gomatam** (ii)	0.22
k) Mr. Rishikesh T Krishnan** (iii)	0.06

\* The Remuneration paid to Chairman is as per the approval accorded by the shareholders at the Annual General Meeting held on 10.08.2016. 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 fees 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. B Santhanam (Non-Executive and Independent Director) resigned from the Board of the Company with effect from 23.08.2019.

(ii) Ms. Sumitra Gomatam (Non-Executive and Independent Director) was inducted on the Board of the Company with effect from 24.04.2019

(iii) Mr. Rishikesh T Krishnan (Non-Executive and Independent Director) was inducted on the Board of the Company with effect from 04.11.2019.

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

Mr. Srivats Ram, Managing Director	- 45%
Mr. R. Raghunathan, Chief Financial Officer	Nil
Ms. K V Lakshmi, Company Secretary	Nil

- c. **Percentage increase in the median remuneration of employees in the financial year** Increase in the median remuneration of employees in the financial year 3%
- d. **Number of permanent employees on the rolls of Company** As on 31.03.2020, the Company had 2321 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 6.85% 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, regulation and voluntary practices that helps in maximizing the stakeholders' value.

#### 2. Board of Directors

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

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

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

\* Only Audit Committee and Stakeholders Relationship Committee considered.

@ Mr. S Prasad and Mr. Aroon Raman have been re-appointed for another term of five years by the Shareholders of the Company at its 60<sup>th</sup> Annual General Meeting held on 13.08.2019.

@@ Resigned on 23.08.2019

§ Mr. R Raghuttama Rao and Ms. Sumithra Gomatam were inducted into the Board with effect from 13.11.2018 and 24.04.2019 respectively as an additional directors in independent capacity and the shareholders at the 60<sup>th</sup> Annual General Meeting held on 13.08.2019 approved their appointment for the period of five years from their respective date of appointment

# Mr. Rishikesh T Krishnan was inducted into the Board as an Additional director in independent capacity with effect from 04.11.2019 for the period of five year subject to the approval of the shareholders at the ensuing AGM.



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

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

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. R 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 2019-20 under review, 5 Board Meetings of the Company were held on April 24, 2019, May 29, 2019, August 12, 2019, November 04, 2019 and February 13, 2020.

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	5	5	Yes	Mr. Christopher Akers	5	2	Yes
Mr. S Viji	5	5	Yes	Mr. Paul G Reitz	5	1	No
Mr. Srivats Ram	5	5	Yes	Mr. R Raghuttama Rao	5	4	Yes
Mr. S Prasad	5	5	Yes	Ms. Sumithra Gomatam <sup>#</sup>	5	5	Yes
Mr. Aroon Raman	5	3	Yes	Mr. Rishikesh T Krishnan <sup>\$</sup>	2	1	N.A
Mr. B Santhanam <sup>@</sup>	5	1	No				

<sup>@</sup> Resigned on 23.08.2019., <sup>#</sup> Appointed on 24.04.2019, <sup>\$</sup> Appointed on 04.11.2019

The last Annual General Meeting was held on 13.08.2019

## 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 2013 Act, and SEBI LODR.

#### Composition, Meetings and Attendance

The Company's Audit Committee comprises of Independent Directors and a Non-Executive Director. The Committee met 8 times during the year under review on 23.04.2019, 29.05.2019, 30.07.2019, 12.08.2019, 24.10.2019, 04.11.2019, 31.01.2020 and 13.02.2020. The attendance of each member of the Committee is given below: -

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Prasad, Chairman	Independent	8	8
Mr. S Viji	Non-Executive	8	7
Mr. Aroon Raman	Independent	8	5
Mr. R Raghuttama Rao	Independent	8	7

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 2013 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 are sufficient for such position.

#### The Committee at their meeting held on 09.06.2020 approved payment of commission:

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 met on 23.10.2019.

The attendance of each member of the Committee is given below:-

#### The Committee at their meeting held on 09.06.2020 approved payment of commission:

- at 1% on the net profits of the Company for the financial year 2019-20, computed in accordance with the relevant provisions of the Companies Act, 2013 to Mr. S Ram, Chairman, subject to approval of the members of the Company at the ensuing Annual General Meeting.
- at 0.3% on the net profits of the Company for the financial year 2019-20, computed in accordance with the relevant provisions of the Companies Act, 2013 to Mr. Srivats Ram, Managing Director.



- The attendance of each member of the Committee meeting held on 23.10.2019 is given below: -

Name	Category	No. of Meetings	
		Held	Attended
Mr. S Prasad, Chairman	Non-Executive and Independent	1	1
Mr. Aroon Raman	Non-Executive and Independent	1	1
Mr. R Raghuttama Rao	Non-Executive and Independent	1	1

### 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 KMP 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 are also as per the said policy.

Details of the remuneration to the Directors during the year 2019-20 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	—	—	43.66	—	1.25	Nil
Mr. S Viji	—	—	—	—	2.75	Nil
Mr. Srivats Ram	172.80	1.40	13.10	29.16	—	53072
Mr. S Prasad	—	—	—	—	3.20	3200
Mr. Aroon Raman	—	—	—	—	1.95	Nil
Mr. B Santhanam	—	—	—	—	0.20	Nil
Mr. Paul G Reitz	—	—	—	—	0.20	Nil
Mr. Christopher M B Akers	—	—	—	—	0.40	Nil
Mr. R Raghuttama Rao	—	—	—	—	2.45	Nil
Ms. Sumithra Gomatam	—	—	—	—	1.20	Nil
Mr. Rishikesha T Krishnan	—	—	—	—	0.30	Nil

& Sitting fees for the Board / Audit Committee is Rs. 20,000/-, while others 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, issue of duplicate share certificates and demat of shares 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 01.04.2019, 19.06.2019, 23.09.2019, 18.12.2019 and 28.01.2020, 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 31.03.2020.

Number of pending complaints during the start of the financial year	Nil
Number of Shareholders' complaints received during the year	01
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 2013 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 23.04.2019 and 30.07.2019. The attendance of each member of the Committee is given below: -

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

The Board has accepted the recommendations of the Committee.

## 7. Familiarization Program

Pursuant to Regulation 25 of SEBI LODR Listing Regulations, 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 put on the website of the Company at the following web-link: <http://www.wheelsindia.com>

### Independent Directors' Meeting

During the year under review, the meeting of Independent Directors was held on March 25, 2020 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 attended the meeting via video conferencing.

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

Year		
2018-19	Date	13.08.2019
	Location	The Music Academy No.168, (old no. 306), TTK Road, Chennai 600 014
	Time	10.30 AM
	Special Resolution Passed	Shareholder's approval by way of special resolution for: 1. Re-appointment of Mr. S Prasad (DIN 00063667) as an Independent Director 2. Re-appointment of Mr. Aroon Raman (DIN 00201205) as an Independent Director 3. Approve the payment of commission to Mr. S Ram (DIN 00018309), Chairman (Non-Executive) of the Company pursuant to SEBI (LODR) Regulations, 2015 as amended.
2017-18	Date	14.08.2018
	Location	The Music Academy No.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	10.08.2017
	Location	The Music Academy No.168, (old no. 306), TTK Road, Chennai 600 014
	Time	11.00 AM
	Special Resolution Passed	Nil

### 9. 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 13.08.2019. This was provided to facilitate them to exercise the voting. The Board of Directors appointed 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 60<sup>th</sup> Annual General Meeting of the Company along with the Scrutinizer Report pursuant to Section 108 & 109 of the Companies Act, 2013 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 of the Corporate Governance report as required under SEBI LODR.
- VI. The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI LODR are complied
- VII. The Company complied with all mandatory requirements.
- VIII. The details of familiarization 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	48
Tax Audit Fees	8
Others	13
Reimbursement of expenses	9
<b>Total</b>	<b>78</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 encourages 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 have 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 1914 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	30.07.2020
Time	10.00 A.M
Venue	Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Date of Book Closure	Friday, 24.07.2020 to Thursday, 30.07.2020 (both days inclusive)
Dividend Payment Date	Will be paid on or before 28.08.2020 Rs. 2.65 per share (26.5%)
Approval of financial results for the:	Financial Year: April 1 To March 31
Quarter ending June 30, 2020	1st week of August 2020
Quarter ending September 30, 2020	2nd week of November, 2020
Quarter ending December 31, 2020	2nd week of February 2020
Year ending March 31, 2021	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 (RTA) 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 de-mat form with effect from 26.03.2001. M/s Cameo Corporate Services Ltd., is the RTA of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members.</p> <p>As on 31.03.2020, 99.12% of the equity shares are held in dematerialized form.</p>
Pattern of Shareholding as on March 31, 2020	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2020	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

Chennai Thiruvallur High road, Padi, Chennai – 600050	Singaperumal Koil Road, Pondur Village, Sriperumbudur-602105	F-8 & F-9, SIPCOT Industrial Park, Irungattukottai, Kanchipuram Dist. - 602105
Plot No. C1, Ranjangaon Growth Centre, Karegaon Village, Shirur Taluk, Pune District 412220, Maharashtra	Survey No. 147/2B & 147/3, GST Road, Pukkathurai Village, Maduranthagam Taluk, Kancheepuram District, Pin - 603308	Survey No. 281, Plot No. K-18/2, SIPCOT Industrial Park, Phase - 2, Mambakkam Village, Sriperumbudur, Pin – 602105
DP No: 70(P) Survey No: 214 (P), SIDCO Industrial Estate, Thirumudivakkam, Chennai- 600044	S.No. 91 (P), SIDCO Industrial Estate, Thirumudivakkam, Chennai - 600132	Plot No.D-3, Deoli Growth Centre, MIDC Deoli, Taluka Deoli, Dist. Wardha-442101
22 KM Rampur Tanda Road, Post - Tanda Badli, District - Rampur, Uttar Pradesh – 244925	Plot No-56, Sector-11, I.I.E., Pantnagar, Rudrapur, District - Udham Singh Nagar, Uttarakhand- 263153	13/3 Arakonam Road, Namachivayapuram, Thodukadu Village & Post, Tiruvallur Taluk-602105

## 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	15225664	63.27
Directors/ Relatives	237066	0.98
Insurance Companies	350740	1.46
Investor Education and Protection Fund (IEPF)	30746	0.13
Corporate Bodies	1648702	6.85
Resident Individuals	2214278	9.20
Non-Resident Indians	100648	0.42
Hindu Undivided Families	80036	0.33
Clearing Member	4035	0.02
Banks	1864	0.01
Mutual Funds	4151632	17.25
Foreign Portfolio Investor	15117	0.06
Escrow Account	1914	0.01
Trust	2116	0.01
<b>TOTAL</b>	<b>24064558</b>	<b>100.00</b>

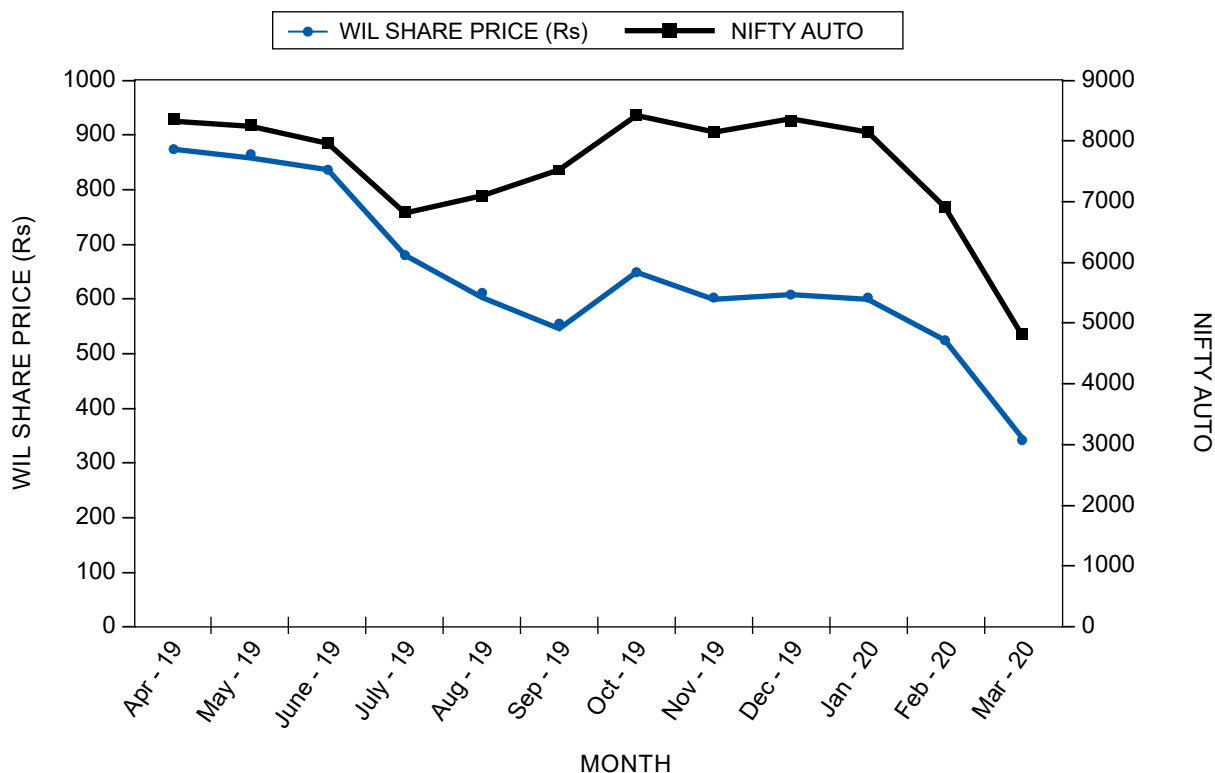
## 19. Distribution pattern

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to - 500	10013	91.23	738371	3.07
501 - 1000	474	4.32	354215	1.47
1001 - 2000	238	2.17	345553	1.44
2001 - 3000	91	0.83	228198	0.95
3001 - 4000	60	0.54	206922	0.86
4001 - 5000	26	0.24	117517	0.49
5001 - 10000	42	0.38	300652	1.25
10001 and above	32	0.29	21773130	90.48
<b>Total</b>	<b>10976</b>	<b>100.00</b>	<b>24064558</b>	<b>100.00</b>

## 20. Market price data

FY 2019-20	Quotation at NSE (Rs)	
Month	High	Low
Apr-19	940.15	861.15
May-19	990.00	801.00
Jun-19	880.00	783.00
Jul-19	848.00	666.00
Aug-19	694.95	571.00
Sep-19	698.70	545.00
Oct-19	665.00	558.05
Nov-19	690.00	596.00
Dec-19	650.00	557.00
Jan-20	722.70	590.00
Feb-20	648.00	505.30
Mar-20	543.90	279.35

## 21. Performance in Comparison to Broad Based Indices



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

Nature of Dividend	Transferable to IEPF on	Amount as on 31.03.2020 in Rs.
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
Final Dividend 2018-19	17 <sup>th</sup> October 2026	3,66,533.75
Interim Dividend 2019-20	19 <sup>th</sup> April 2027	4,39,311.00

### 23. Certificate from Practicing Company Secretary

The Company has received a certificate from the Practicing 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.

### 24. 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

Name of the Director	Skills
Mr. S Ram, Chairman	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
Mr. Srivats Ram, Managing Director	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates Business Strategy, Decision making, Corporate Governance
Mr. S Viji	Business Strategy, Financial and Management Skills, Decision Making skills
Mr. S Prasad	Business Strategy, Financial and Management Skills, Decision making skills
Mr. Aroon Raman	Financial and Management Skills, Decision making skills
Mr. Paul Reitz	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
Mr. Chris Akers	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
Mr. R Raghuttama Rao	Management skills
Mr. Sumithra Gomatam	Technical Skills, Information Technology
Mr. Rishikesha T Krishnan	Strategist, Specialised in the turnaround of the Company's operations / 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 2019-20.

Place : Chennai  
Date : June 17, 2020

**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 31st March, 2020, 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: 17th June, 2020

Membership No. 025929  
UDIN:20025929AAAAAN5215

## 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, 2020, 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**

**N Ramanathan**  
(Partner)

FCS 6665

CP No. 11084

Place : Chennai  
Date : 17.06.2020

UDIN: F006665B000349491

## Annexure VII

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**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2020**

[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, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2020, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us for the financial year ended on March 31, 2020 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.

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:

- a. Ratification of remuneration of Cost Auditor M/s. Geeyes & Co. for audit of the Cost records of the Company for the year ending 31.03.2020 at a remuneration of Rs. 7 lakhs per annum excluding service tax and travel and reimbursement of out-of-pocket expenses;
- b. Re-appointment of Mr. S Prasad as Independent Director for a further term of five years w.e.f 08.09.2019
- c. Re-appointment of Mr. Aroon Raman as Independent Director for a further term of five years w.e.f 08.09.2019



- 
- d. Appointment of Mr. Raghuttama Rao as Independent Director for a term of five years w.e.f 13.11.2018
  - e. Appointment of Mrs. Sumithra Gomatam as Independent Director for a term of five years w.e.f 24.04.2019
  - f. Payment of Commission to Mr. S. Ram, Chairman and Non – Executive Director for the financial year ending 31.03.2020.

It was observed by us during the Audit that few forms were filed with delay during the year which the management replied as occurred on account of some technical issues in the Regulator's website in filing of the forms.

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)

Place : Chennai

FCS 6881

Date : 17.06.2020

CP No. 7028

UDIN: F006881B000349597

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)

Place : Chennai

FCS 6881

Date : 17.06.2020

CP No. 7028

UDIN: F006881B000349597



## Annexure VIII

### Extract of Annual Return

as on the financial year ended on 31.03.2020

[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	43%
2	Manufacture of Parts & Accessories for Machinery / Equipment's used by construction and mining industries	28246	15%
3	Manufacture of Wind Turbine Parts	2710	13%

#### 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	
(A)	Promoters									
(1)	Indian									
(a)	Individual/HUF	–	–	–	–	–	–	–	–	–
(b)	Central Govt	–	–	–	–	–	–	–	–	–
(c)	State Govt (s)	–	–	–	–	–	–	–	–	–
(d)	Bodies Corp.	9811138	0	9811138	40.77	10412752	0	10412752	43.27	2.50
(e)	Banks / FI	–	–	–	–	–	–	–	–	–
(f)	Any Other	–	–	–	–	–	–	–	–	–
	Sub-Total (A) (1)	9811138	0	9811138	40.77	10412752	0	10412752	43.27	2.50
(2)	Foreign									
(a)	NRIs - Individuals	–	–	–	–	–	–	–	–	–
(b)	Other - Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corp.	8237280	0	8237280	34.23	4812912	0	4812912	20.00	–14.23
(d)	Banks / FI	–	–	–	–	–	–	–	–	–
(e)	Any Other	–	–	–	–	–	–	–	–	–
	Sub-Total (A) (2)	8237280	0	8237280	34.23	4812912	0	4812912	20.00	–14.23
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	18048418	0	18048418	75.00	15225664	0	15225664	63.27	–11.73

(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	1803132	0	1803132	7.49	4151632	0	4151632	17.25	9.76
(b)	Banks/FI	1735	0	1735	0.01	1864	0	1864	0.01	0.00
(c)	Central Govt	–	–	–	–	–	–	–	–	–
(d)	State Govt (s)	–	–	–	–	–	–	–	–	–
(e)	Venture Capital funds	–	–	–	–	–	–	–	–	–
(f)	Insurance Companies	350740	0	350740	1.46	350740	0	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	15117	0	15117	0.06	15117	0	15117	0.06	0.00
	Sub-Total (B)(1)	2170724	0	2170724	9.02	4519353	0	4519353	18.78	9.76



Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate									
i.	Indian	1493014	73598	1566612	6.51	1648652	50	1648702	6.85	0.34
ii.	Overseas	-	-	-	-	-	-	-	-	-
(b)	individuals									
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1665641	203174	1868815	7.77	1870823	188313	2059136	8.56	0.79
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	133042	22100	155142	0.64	133042	22100	155142	0.64	0.00
(c)	Others (Specify)									
i.	Clearing member	2156	-	2156	0.01	4035	-	4035	0.02	0.01
ii.	Directors and their relatives	61482	-	61482	0.26	237066	-	237066	0.97	0.71
iii.	Escrow Account - Clause 5A of the Listing Agreement	1914	-	1914	0.01	1914	-	1914	0.01	0.00
iv.	Hindu Undivided Families	77128	17	77145	0.32	80035	1	80036	0.33	0.01
v.	IEPF	29456	0	29456	0.12	30746	0	30746	0.13	0.01
vi.	Non-resident Indians	79546	3148	82694	0.34	99748	900	100648	0.42	0.09
vii.	Trust	-	-	-	-	2116	-	2116	0.01	0.01
	Sub-Total (B)(2)	3543379	302037	3845416	15.98	4108177	211364	4319541	17.95	1.97
	Total Public Shareholding = (B) (1) + (B) (2)	5714103	302037	6016140	25.00	8627530	211364	8838894	36.73	11.73
C.	Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	23762521	302037	24064558	100.00	23853194	211364	24064558	100	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 Sundram Iyengar & Sons Private Limited	4911028	20.41	Nil	4911028	20.41	Nil	Nil
2.	Southern Roadways Private Limited	2232628	9.28	Nil	2232628	9.28	Nil	Nil
3.	Sundaram Finance Holdings Limited	2667482	11.08	Nil	3269096	13.58	Nil	2.50
4.	Titan Europe Limited	8237280	34.23	Nil	4812912	20.00	Nil	-14.23
	<b>Total</b>	<b>18048418</b>	<b>75.00</b>	<b>Nil</b>	<b>15225664</b>	<b>63.27</b>	<b>Nil</b>	<b>-11.73</b>

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

S. No.	Name of the Shareholders	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>TITAN EUROPE LIMITED</b>				
	At the beginning of the year 01-April-2019	8237280	34.23	8237280	34.23
	Sale 30-Sep-2019	-2507776	10.42	5729504	23.81
	Sale 20-Feb-2020	-916592	3.81	4812912	20.00
	At the end of the Year 31-Mar-2020	4812912	20.00	4812912	20.00
2	<b>T V SUNDARAM IYENGAR &amp; SONS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	4911028	20.41	4911028	20.41
	At the end of the Year 31-Mar-2020	4911028	20.41	4911028	20.41
3	<b>SUNDARAM FINANCE HOLDINGS LIMITED</b>				
	At the beginning of the year 01-April-2019	2667482	11.08	2667482	11.08
	Purchase 04-Oct-2019	601614	2.50	3269096	13.58
	At the end of the Year 31-Mar-2020	3269096	13.58	3269096	13.58
4	<b>SOUTHERN ROADWAYS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	2232628	9.28	2232628	9.28
	At the end of the Year 31-Mar-2020	2232628	9.28	2232628	9.28

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

SI No	Name of the Shareholders	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>RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND</b>				
	At the beginning of the year 01-April-2019	1803132	7.4928	1803132	7.4928
	Purchase 05-Apr-2019	2866	0.0119	1805998	7.5048
	Purchase 17-May-2019	1267	0.0052	1807265	7.5100
	Purchase 05-Jul-2019	1489	0.0061	1808754	7.5162
	Purchase 12-Jul-2019	967	0.0040	1809721	7.5202
	At the end of the Year 31-Mar-2020	1809721	7.5202	1809721	7.5202
2	<b>IDFC MULTI CAP FUND</b>				
	At the beginning of the year 01-April-2019	0	0.0000	0	0.0000
	Purchase 26-Feb-2020	635337	2.6401	635337	2.6401
	Purchase 28-Feb-2020	15000	0.0623	650337	2.7024
	Purchase 06-Mar-2020	39223	0.1629	689560	2.8654
	Purchase 13-Mar-2020	3856	0.0160	693416	2.8814
	Purchase 20-Mar-2020	362	0.0015	693778	2.8829
	At the end of the Year 31-Mar-2020	693778	2.8829	693778	2.8829



SI No	Name of the Shareholders	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
3	<b>IDFC STERLING VALUE FUND</b>				
	At the beginning of the year 01-April-2019	0	0.0000	0	0.0000
	Purchase 04-Oct-2019	543000	2.2564	543000	2.2564
	Purchase 26-Feb-2020	2000	0.0083	545000	2.2647
	At the end of the Year 31-Mar-2020	545000	2.2647	545000	2.2647
4	<b>ICICI PRUDENTIAL EQUITY &amp; DEBT FUND</b>				
	At the beginning of the year 01-April-2019	0	0.0000	0	0.0000
	Purchase 04-Oct-2019	480200	1.9954	480200	1.9954
	Sale 08-Nov-2019	-1548	0.0064	478652	1.9890
	Sale 15-Nov-2019	-1117	0.0046	477535	1.9843
	Sale 10-Jan-2020	-1824	0.0075	475711	1.9768
	Sale 24-Jan-2020	-901	0.0037	474810	1.9730
	At the end of the Year 31-Mar-2020	474810	1.9730	474810	1.9730
5	<b>MAHAM HOLDINGS LIMITED</b>				
	At the beginning of the year 01-April-2019	381106	1.5836	381106	1.5836
	At the end of the Year 31-Mar-2020	381106	1.5836	381106	1.5836
6	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year 01-April-2019	350740	1.4574	350740	1.4574
	At the end of the Year 31-Mar-2020	350740	1.4574	350740	1.4574
7	<b>SUNDHARAMS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	244068	1.0142	244068	1.0142
	Demated 06-Sep-2019	3750	0.0155	247818	1.0298
	Purchase 13-Sep-2019	69798	0.2900	317616	1.3198
	At the end of the Year 31-Mar-2020	317616	1.3198	317616	1.3198
8	<b>ABI SHOWATECH (INDIA) LIMITED</b>				
	At the beginning of the year 01-April-2019	289858	1.2045	289858	1.2045
	At the end of the Year 31-Mar-2020	289858	1.2045	289858	1.2045
9	<b>REVATHI HOLDINGS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	207606	0.8627	207606	0.8627
	Purchase 04-Oct-2019	63000	0.2617	270606	1.1244
	At the end of the Year 31-Mar-2020	270606	1.1244	270606	1.1244
10	<b>PADMALAKSHMI HOLDINGS PRIVATE LIMITED</b>				
	At the beginning of the year 01-April-2019	259290	1.0774	259290	1.0774
	At the end of the Year 31-Mar-2020	259290	1.0774	259290	1.0774

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

SI No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Mr. S Ram	Nil	Nil	Nil	Nil
2	Mr. Srivats Ram	53072	0.220	53072	0.220
	At the end of the Year 31-Mar-2020	-	-	53072	0.220
3	Mr. S Viji	Nil	Nil	Nil	Nil
4	Mr. Christopher M B Akers	Nil	Nil	Nil	Nil
5	Mr. S Prasad	3200	0.013	3200	0.013
	At the end of the Year 31-Mar-2020	-	-	3200	0.013
6	Mr. Aroon Raman	Nil	Nil	Nil	Nil
7	Ms. Sumithra Gomatam	Nil	Nil	Nil	Nil
8	Mr. Paul G Reitz	Nil	Nil	Nil	Nil
9	Mr. R Raghuttama Rao	Nil	Nil	Nil	Nil
10	Mr. Rishikesha T Krishnan	Nil	Nil	Nil	Nil
11	Mr. R Raghunathan, Chief Financial Officer	Nil	Nil	Nil	Nil
12	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	30,509.81	999.06	13,833.50	45,342.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	199.25	30.12	745.68	975.05
<b>Total (i+ii+iii)</b>	30,709.06	1,029.18	14,579.18	46,317.42
<b>Change in Indebtedness during the financial year</b>				
Addition	4,899.24	4,500.94	2,815.09	12,215.27
Reduction	-	-	-	-
<b>Net Change</b>	4,899.24	4,500.94	2,815.09	12,215.27
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	35,409.05	5,500.00	16,648.59	57,557.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	186.90	117.62	1,039.73	1,344.25
<b>Total (i+ii+iii)</b>	35,595.95	5,617.62	17,688.32	58,901.89



## 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	172.80	172.80
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.40	1.40
(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	13.10	13.10
5	Others-Retirement Benefits	29.16	29.16
	<b>Total (A)</b>	<b>216.46</b>	<b>216.46</b>
	<b>Ceiling as per the Act (5% of the net profits)</b>		<b>218.30</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	
Independent Directors					
1	Mr. S Prasad	3.20	–	–	3.20
2	Mr. Aroon Raman	1.95	–	–	1.95
3	Mr. B Santhanam	0.20	–	–	0.20
4	Ms. Sumithra Gomatam	1.20	–	–	1.20
5	Mr. R Raghuttama Rao	2.45	–	–	2.45
6	Mr. Rishikesha T Krishnan	0.30	–	–	0.30
Total (1)		9.30	–	–	9.30
Other Non-Executive Directors					
1	Mr. S Ram	1.25	43.66	–	44.91
2	Mr. S Viji	2.75	–	–	2.75
3	Mr. CMB Akers	0.40	–	–	0.40
4	Mr. Paul G Reitz	0.20	–	–	0.20
Total (2)		4.60	43.66	–	48.26
Total (B) = (1)+(2)		13.90	43.66	–	57.56
Total Managerial Remuneration (A+B)		230.36			274.02
Overall Ceiling as per the Act (11% of the net profits)					480.27



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

Rs. in lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. R Raghunathan, CFO	Ms. K V Lakshmi, CS	Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55.97	15.15	71.12
(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	1.74	0.25	1.99
	<b>Total (C)</b>	<b>57.71</b>	<b>15.40</b>	<b>73.11</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 : June 17, 2020



### Annexure to the Directors' Report

#### Conservation of Energy

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

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

Your Company extensively uses renewable energy sources to power its factories. For Tamil Nadu plants, approximately 50% of the energy is 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 has reduced the dependence on furnace oil in plants located in Tamil Nadu and Uttar Pradesh to improve air quality. There are also extensive efforts to reduce water consumption across the plants.

#### Technology Absorption

In Year 2019-20, your Company uses a scientific approach for launching new wheel and non-wheel products. Based on the effort the Research & Development teams have put in, your Company has

applied for 12 patents on successful development of new and innovative products. Development of the new products for both the domestic and global markets, and for continuous improvement of existing products are streamlined by 5 stage project management approach. The new process that was formulated, leverages a structured approach in the product development system which ensured seamless product and process design, resulted in well-timed implementation of the new concepts to reality products. This has made to improve on the implementation timeline and first time right products. In the Year 2019- 2020, your Company has developed a total of 252 new products.

Your Company has leveraged its state-of-the-art R&D testing facility for material and product development to develop market-leading products including a slew of value engineering concepts to customers. These concepts optimize the product for cost and performance and ensure they meet or exceed the requirements of customers. The Research and Development test center and Material Test Laboratory is equipped with globally-accepted testing facilities which is capable of validating wheels, suspension systems, and fabricated parts and also characterization of materials and coating systems. The test facility and systems comply with all domestic and international standards. The Material Testing Laboratory is accredited by NABL for ISO/IEC 17025 system for mechanical and chemical testing of materials, which provides the world class reports. A big focus on the field data management system and correlation of field data to lab results has helped the team build a better simulation environment and improve the design performance at a lower cost. This

helps your Company reduce the development time, reduce the development cost and meet the customer's product requirements.

Your Company continues to excel in the development of air suspension assembly, lift axle assembly, energy equipment parts for wind energy, and railway components with the introduction of new products that are designed with lean manufacturing and DFMA concepts. Given the competitive nature of the businesses we serve, your Company is focusing on developing new designs and technologies that are applicable for the market conditions. Your Company has become a major supplier of parts to the wind energy segment in an effort to widen the scope of supply to the wind energy segment.

### **Expenditure incurred on R & D development**

Rs. in Crores

Capital	8.94
Revenue	14.77
Total as a percentage of turnover (%)	0.98

### **Foreign Exchange Earnings and Outgo:**

The foreign exchange outgo to the Company during the year under review was Rs. 290.69 crores and the foreign exchange earned was Rs. 487.75 crores.

On behalf of the Board of Directors

**S Ram**

Place : Chennai

Chairman

Date : June 17, 2020

DIN 00018309



## Annexure X

### BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2019-20

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN):	L35921TN1960PLC004175
2	Name of the Company:	Wheels India Limited
3	Registered address:	21, Patullos Road, Chennai 600 002
4	Website:	www.wheelsindia.com
5	E-mail id:	investorservices@wheelsindia.com
6	Financial Year reported:	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Motor Vehicles Parts and accessories sector Wind Turbines and Railway parts NIC Code of Product / Service: 29301, 28246, 2710, 3020
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	A. Manufacture of on-road and off-road wheels B. Manufacture of parts & accessories for machinery/ equipment used by construction and mining industries C. Manufacture of Wind Turbine Parts
9	Total number of locations where business activity is undertaken by the Company	
	1. Number of International Locations (Provide details of Major 5)	International Location: Nil
	2. Number of National Locations	National Location: 12
10	Markets served by the Company - Local / State / National / International	Local, State, National and International market - All Markets

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS ON 31.03.2020)

1	Paid up Capital (in Crore):	24.06
2	Total Turnover (in Crore):	2428.56
3	Total Profit after taxes (in Crore):	54.11
4	Total Spending on Corporate Social Responsibility (CSR) (in Crore) as percentage of profit after tax (%)	1.86 Crores (3.4% of PAT)
5	List of activities in which expenditure in 4 above has been incurred:	1. Education 2. Healthcare 3. Rural development projects 4. Promotion of culture and heritage 5. Environment

## SECTION C: OTHER DETAILS

**1. Does the Company have any Subsidiary Company / Companies?**

As on 31.03.2020, the Company has one subsidiary - WIL Car Wheels Limited

**2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company (s)**

The Subsidiary Company was formed during the year 2017-18. They follow similar Business Responsibility Initiatives.

**3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? (Less than 30%, 30%, 60%, More than 60%)**

No.

## SECTION D: BR INFORMATION

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

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

DIN Number	00063415
Name	Srivats Ram
Designation	Managing Director

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

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

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

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

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

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

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:**

**(Tick up to 2 options)**

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

### **3. Governance related to BR:**

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

BRR is applicable for the year 2019-20. The Company assesses the BR report annually.

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

Yes, the requirement of publishing the Business Responsibility Report is applicable for the year 2019-20 as the Company is in the top 1000 Market capitalization. It is annexed to the Directors' Report (Annexure X) forming part of the Annual Report 2019-20 and is available on the website [www.wheelsindia.com](http://www.wheelsindia.com).

## **SECTION E: PRINCIPLE WISE PERFORMANCE**

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

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

Yes, the policy covers the Company and its subsidiary.

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

From	Received and Resolved during the year 2019-20
Shareholders	Nil
Depositors	Nil
Customers	Received 125 complaints across all types of Products, all of which have been resolved

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

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

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

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

- a) Parts for Railway bogies
- b) Aluminium wheels
- c) Earth mover wheels

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

- i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
  - a) Earth mover wheels – Adopted environmentally friendly paint from International source. Reduced weight of parts by using new innovative process
  - b) Railway parts – Efficient usage of Raw material (steel) by using technologically advance nesting software.
  - c) Forged Aluminium Wheel – Recycling and reuse of swarf in a major portion by way of converting them in to ingots and subsequently cast as billets for forging.

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

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

Yes, the Company is certified under IATF -16949-2016 and under Environmental Management Systems (EMS 14001-2015). It has procedures in place to support sustainable sourcing activities. These procedures are followed during vendor evaluation and applicable for suppliers to select few customers of WIL as per audit plan and procedure. Approximately ~10% of products / services are sourced in a sustainable manner.

- a) Optimized transportation of incoming material and returnable packaging / bio-degradable material packaging solutions for incoming and inter-plant transfers
- b) Partner with Government approved agencies in dealing with storage, handling and disposal of hazardous chemicals

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

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



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

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

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

- a) The Company has a culture of continuously recycling products and waste. Wheels are typically transported using returnable / reusable materials and are often used for several years. However, when wooden / corrugated packing materials are used, they are recycled. The value of such items may be <5 % of overall procurement. Disposal of lead waste and battery waste are done through authorized recyclers. Paint sludge is being recycled through patented process and only a very small quantity is sent to cement manufacturers, to use as fuel for their processes.
- b) Steel scraps generated are being sold to casting industries, re-rollers and to other industries as an input into their processes
- c) Aluminium scrap is being sent to smelting unit and is recycled into Aluminium ingots / billets for further use within our factories.
- d) Industrial water waste in ETP is treated and recycled back to the manufacturing process as feed water to DM water plant (>10%). Domestic waste water in STP is treated and reused for gardening and toilet use. Thinner from paint sludge is extracted and reused for spray gun washing in paint plants (<5%).

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

1. Please indicate the Total number of employees: 2321
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 5108
3. Please indicate the Number of permanent women employees: 29
4. Please indicate the Number of permanent employees with disabilities: 15
5. Do you have an employee association that is recognized by management.: Yes
6. What percentage of your permanent employees is members of this recognized employee association?: 30.6%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

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



8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
- (a) Permanent Employees: >91%
  - (b) Permanent Women Employees: 100%
  - (c) Casual / Temporary / Contractual Employees: 94%
  - (d) Employees with Disabilities: 100%

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

**1. Has the Company mapped its internal and external stakeholders? Yes / No**

Yes, it has mapped both internal and external stakeholders. It leverages a formal and informal method of engaging stakeholders to understand their concerns and works together to resolve them.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, the Company's CSR policy drives initiatives towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. It undertakes a host of initiatives to address the concerns of stakeholders. Specifically, it spends considerable portion of its budget towards agriculture and to benefit the farmers.

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

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company has a Code of Conduct for business and ethics and a Policy of sexual harassment of employees, and vigil mechanism policy which covers aspects ensuring human rights of its employees. Adherence is expected from any person dealing with the Company.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Nil

**Principle 6: Business should respect, protect and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures /Suppliers / Contractors / NGOs / others.**

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

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

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

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

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

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

The Company is committed to using renewable resources to operate its facilities. Approximately 50% of the power consumption in 2019-20 is from renewable energy with the largest renewable source being wind energy.

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

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

- a) Solar thermal heating for pre-treatment baths in CED paint plant
- b) Substitution of pneumatic hoists with electric hoists
- c) Usage on energy efficient motors
- d) Usage of variable speed drives for applications with varying demand
- e) Decrease operating temperatures in ovens (top coat)
- f) Optimization of run time of high-power-consuming devices (e.g., heat treatment etc.)

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

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

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

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

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

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

As a responsible corporate citizen, the Company through Industry associations makes suitable representations or recommendations before regulators and associations for betterment of public good in India.

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

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

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

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

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

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

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

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

Contribution of Rs. 186.27 lakhs in the last fiscal year. Please refer to Annual Report on CSR activities for additional details.

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

Please refer to Annual Report on CSR Activities for details.

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

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

Nil

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

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

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

None

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

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

On behalf of the Board of Directors

**S Ram**

Chairman

Place : Chennai

Date : June 17, 2020

DIN 00018309



# INDEPENDENT AUDITOR'S REPORT

## 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 31st March 2020, 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, 2020, 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. Emphasis of Matter

We draw attention to Note 48 of the Statement wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and

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Analysis, Board's Report including Annexures to Board's Report, Business Responsibility 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.

## **6. Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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.

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

## **7. 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.

## **8. 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 27(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**  
Partner

Place: Chennai

Date : 17<sup>th</sup> June, 2020

Membership No. 025929  
UDIN:20025929AAAAAJ5164

## **“Annexure - A” to the Auditors’ Report Referred to in Paragraph 8 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 2020 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	5.63	Assessment Year 2008-09 to Assessment Year 2017-18	CESTAT
VAT – Tamil Nadu	0.69	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 banks/financial institutions during the year. The Company has not taken any loans or borrowing from 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 there 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 : 17<sup>th</sup> June, 2020

Membership No. 025929

UDIN:20025929AAAAAJ5164

## **“Annexure - B” to the Auditors’ Report 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”)**

We have audited the internal financial controls over financial reporting of Wheels India Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**L. Ravi Sankar**

Partner

Place: Chennai

Date : 17<sup>th</sup> June, 2020

Membership No. 025929

UDIN:20025929AAAAAJ5164



# **ACCOUNTS 2019-2020**

# Balance Sheet as at

Rs. in Crores

PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	634.31	594.84
b) Capital work-in-progress	2	133.71	41.68
c) Other Intangible Assets	3	4.57	5.60
d) Right of Use Assets	4	8.98	-
e) Financial Assets			
i) Investments	5	16.70	16.70
ii) Loans	6	20.67	18.61
iii) Others	7	0.62	2.43
f) Other Non Current Assets	8	10.45	20.21
		<b>830.01</b>	<b>700.07</b>
<b>2. Current assets</b>			
a) Inventories	9	388.12	403.42
b) Financial Assets			
i) Trade receivables	10	458.38	558.36
ii) Cash and cash equivalents	11a	3.10	1.56
iii) Bank Balances other than (ii) above	11b	1.39	5.91
iv) Others	12	12.36	9.52
c) Current Tax Assets (Net)	13	3.46	3.01
d) Other current assets	14	64.74	121.12
		<b>931.55</b>	<b>1,102.90</b>
<b>TOTAL</b>		<b>1,761.56</b>	<b>1,802.97</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	15	24.06	24.06
b) Other Equity	16	573.41	544.55
		<b>597.47</b>	<b>568.61</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	236.31	168.38
ii) Lease Liabilities	18	7.02	-
b) Provisions	19	4.22	3.47
c) Deferred tax liabilities (Net)	20	48.31	70.78
		<b>295.86</b>	<b>242.63</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	21	222.69	216.75
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	22	26.26	29.25
B) total outstanding dues of creditors other than micro enterprises and small enterprises	22	414.77	555.97
iii) Lease Liabilities	23	2.25	-
iv) Others	24	148.17	94.90
b) Other current liabilities	25	28.95	65.95
c) Short-term provisions	26	25.14	28.91
		<b>868.23</b>	<b>991.73</b>
<b>TOTAL</b>		<b>1,761.56</b>	<b>1,802.97</b>
Significant Accounting Policies	A		

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
17th June, 2020

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

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



Rs. in Crores

	Note	2020	2019
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		2,223.50	2,854.47
Sale of Services		34.42	44.59
Other operating revenues		170.64	281.97
Revenue from Operations		2,428.56	3,181.03
Other income	29	10.16	7.81
<b>TOTAL REVENUE</b>		<b>2,438.72</b>	<b>3,188.84</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	1,637.50	2,306.74
Changes in inventories of finished goods, Work-in-progress	31	37.74	(72.03)
Employee benefit expense	32	284.10	307.63
Finance Costs	34	61.53	62.00
Depreciation and amortisation expenses	1, 3 & 4	70.20	70.21
Other Expenses	33	303.05	405.87
<b>TOTAL EXPENSES</b>		<b>2,394.12</b>	<b>3,080.42</b>
Profit before exceptional items and tax		44.60	108.42
Exceptional items		—	—
<b>Profit before tax</b>		<b>44.60</b>	<b>108.42</b>
Tax expense:	35		
Current tax		12.12	24.83
Deferred tax		(21.63)	7.92
<b>Profit for the year</b>		<b>54.11</b>	<b>75.67</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
- Remeasurements of post employment defined benefit plan		(3.70)	0.09
Less: Income Tax relating to remeasurements		0.93	(0.03)
<b>Total Comprehensive Income for the year</b>		<b>51.34</b>	<b>75.74</b>
Earnings per equity share:	36		
1. Basic		22.49	31.45
2. Diluted		22.49	31.45
Significant Accounting Policies	A		

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



# Statement of changes in Equity

## A) EQUITY SHARE CAPITAL

Rs. in Crores

Balance at the beginning of the year  
Changes in Equity share capital during the year  
**Balance at the end of the year**

As at 31.03.2020	As at 31.03.2019
<b>24.06</b>	12.03
-	12.03
<b>24.06</b>	24.06

## 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, 2018</b>	-	82.13	357.28	65.02	2.03	(3.14)	<b>503.32</b>
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>B. Total Comprehensive Income for the year 2018-19</b>	-	-	-	<b>75.67</b>	<b>0.01</b>	<b>0.06</b>	<b>75.74</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>C. Total</b>	-	(12.03)	32.00	<b>(54.48)</b>	-	-	<b>(34.51)</b>
<b>D. Balance as at 31<sup>st</sup> March, 2019 (A+B+C)</b>	-	70.10	389.28	86.21	2.04	(3.08)	<b>544.55</b>
Profit for the year				54.11			54.11
Changes in Fair valuation of Equity Instrument					-		-
Remeasurement of defined benefit plans						(2.77)	(2.77)
<b>E. Total Comprehensive Income for the year 2019-20</b>	-	-	-	<b>54.11</b>	-	(2.77)	<b>51.34</b>
Final Dividend 2018-19 including Dividend Tax				(13.78)			(13.78)
Interim Dividend 2019-20 including Dividend Tax				(8.70)			(8.70)
Transfer to General Reserve			22.00	(22.00)			-
<b>F. Total</b>	-	-	22.00	<b>(44.48)</b>	-	-	<b>(22.48)</b>
<b>G. Balance as at 31<sup>st</sup> March, 2020 (D+E+F)</b>	-	70.10	411.28	95.84	2.04	(5.85)	<b>573.41</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/- (Rupees Twelve Crore three lakhs twenty-two thousand seven hundred and ninety only) from Securities Premium Account.

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

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Company Secretary

Chennai  
17th June, 2020

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



### 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. 01st April 2016 has been considered as its Deemed cost.

#### d) Investments in Subsidiaries and Associates

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

### 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-progress 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) Leases:**

The Company has applied IND AS 116 using modified retrospective approach. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Leased Assets are depreciated on straight line basis over the period of lease.

### **IND AS 17 (for Previous Years)**

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 liability is settled.

## Notes on Accounts (Contd.)

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

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block	
	As At 31.3.2019	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2020	As At 31.3.2019	Additions	As At 31.3.2020	As At 31.3.2019
<b>1. TANGIBLE ASSETS</b>								
Land (Free hold)	0.94	-	-	0.94	-	-	0.94	0.94
Land (Lease hold)	17.32	-	-	17.32	0.80	0.20	16.32	16.52
Buildings	121.22	3.30	-	124.52	46.01	3.93	74.58	75.21
Plant and Equipment	1091.25	100.33	4.47	1187.11	595.14	60.81	652.62	496.11
Furniture and Fixtures	6.37	0.12	-	6.49	4.47	0.30	1.72	1.90
Vehicles	0.13	-	-	0.13	0.10	-	0.03	0.03
Office Equipment	17.65	3.57	0.33	20.89	13.52	1.45	6.23	4.13
	1254.88	107.32	4.80	1357.40	660.04	66.69	723.09	594.84
<b>3. INTANGIBLE ASSETS</b>								
Computer Software	18.14	1.44	-	19.58	15.81	1.22	2.55	2.33
Technical Know-how	5.65	-	-	5.65	2.38	1.25	2.02	3.27
	23.79	1.44	-	25.23	18.19	2.47	4.57	5.60
Total	1278.67	108.76	4.80	1382.63	678.23	69.16	638.88	-
Previous year	1108.40	187.52	17.25	1278.67	617.56	70.21	678.23	600.44

### 4. RIGHT OF USE ASSETS

Description	Gross Block at Cost			Depreciation / Amortisation			Net Block	
	As At 01.04.2019	Transition to Ind AS 116	Additions	Deletions	As At 01.04.2019	Additions	As At 31.03.2020	As At 01.04.2019
Leased Assets	-	1.84	8.18	-	-	1.04	8.98	-
	-	1.84	8.18	-	-	1.04	8.98	-

### 2. CAPITAL WORK IN PROGRESS

a) Buildings	31.03.2020	31.03.2019
	14.94	0.62
b) Plant and Machinery*	118.77	41.06
	<u>133.71</u>	<u>41.68</u>

\* Includes Machinery in transit - Rs. 3.77 crores (previous year - Nil)

		Rs. in Crores	
NON CURRENT ASSETS			
		As at 31.03.2020	As at 31.03.2019
<b>5 INVESTMENTS</b>			
<b>Unquoted</b>			
Investment in Equity instruments			
i) In Subsidiary Company at Cost			
<b>WIL Car Wheels Limited</b>		<b>3.70</b>	<b>3.70</b>
37,00,000 Equity Shares of Rs.10/- each fully subscribed and paid-up			
ii) In Associate Company at Cost			
<b>Axles India Limited</b>		<b>2.72</b>	<b>2.72</b>
24,24,661 Equity Shares of Rs.10/- each fully paid-up			
iii) In Other Entity at Fair Value through Other Comprehensive Income			
<b>Sundaram Hydraulics Limited</b>		<b>7.15</b>	<b>7.15</b>
71,50,000 Equity Shares of Rs.10/- each fully paid up			
<b>Add: Addition due to Fair Valuation</b>		<b>1.04</b>	<b>1.04</b>
iv) In Other Entities at Fair Value through Profit or Loss			
<b>MEFCO Engineers Private Limited</b>		<b>0.20</b>	<b>0.20</b>
20,000 Equity Shares of Rs.100/- each fully paid up			
<b>Siva Electric Generation Private Limited</b>		<b>0.16</b>	<b>0.16</b>
1,62,172 Equity shares of Rs.10/- each fully paid up			
<b>Gamma Green Power Private Limited</b>		<b>1.20</b>	<b>1.20</b>
12,00,062 Equity shares of Rs.10/- each fully paid up			
<b>Beta Wind Farm Private Limited</b>		<b>0.43</b>	<b>0.43</b>
2,25,370 Equity Shares of Rs. 10/- each fully paid up			
<b>Siva Green Energy India Private Limited</b>		<b>0.10</b>	<b>0.10</b>
95,000 Equity Shares of Rs. 10/- each fully paid up		<b>2.09</b>	<b>2.09</b>
		<b>16.70</b>	<b>16.70</b>



Rs. in Crores		
	As at 31.03.2020	As at 31.03.2019
<b>6 LOANS</b>		
<b>Unsecured - Considered good</b>		
Security Deposits	20.67	18.61
	<u>20.67</u>	<u>18.61</u>
<b>7 NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
a) Advances to employees	0.62	0.74
b) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit Rules, 2014	—	1.69
	<u>0.62</u>	<u>2.43</u>
<b>8 OTHER NON CURRENT ASSETS</b>		
a) Advances for Capital goods	10.42	20.08
b) Prepaid expenses	0.03	0.13
	<u>10.45</u>	<u>20.21</u>
<b>CURRENT ASSETS</b>		
<b>9 INVENTORIES</b>		
a) Raw Materials	171.75	144.40
(Includes Goods in Transit - Rs. 0.17 crores)		
(Previous year - Nil)		
b) Work - in - Progress	98.83	127.63
c) Finished goods	52.20	61.14
d) Stores and Spares	46.17	50.23
e) Loose tools	19.17	20.02
	<u>388.12</u>	<u>403.42</u>



Rs. in Crores		
	As at 31.03.2020	As at 31.03.2019
<b>10 TRADE RECEIVABLES</b>		
Unsecured - Considered good	458.38	558.36
	<u>458.38</u>	<u>558.36</u>
<b>11 CASH AND CASH EQUIVALENTS</b>		
a i) Current Accounts	0.73	1.36
ii) Cash on hand	0.08	0.07
iii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	2.29	0.13
	<u>3.10</u>	<u>1.56</u>
b Bank Balances with more than three months maturity		
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	0.98	1.40
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	—	4.12
iii) Unclaimed Dividend Accounts	0.41	0.39
	<u>1.39</u>	<u>5.91</u>
<b>12 CURRENT FINANCIAL ASSETS - OTHERS</b>		
Advances to employees	2.35	2.36
Duty Drawback Receivable	0.58	2.00
Export Incentive License	9.10	4.61
Interest accrued on deposits and investments	0.33	0.55
	<u>12.36</u>	<u>9.52</u>
<b>13 CURRENT TAX ASSETS (Net)</b>		
Advance tax and Tax Deducted at Source	3.46	3.01
(Net off Provision for Taxation - Rs. 80.73 crores (Previous year - Rs. 97.47 crores))		
	<u>3.46</u>	<u>3.01</u>



Rs. in Crores

	As at 31.03.2020	As at 31.03.2019
<b>14 OTHER CURRENT ASSETS</b>		
<b>Unsecured - Considered good</b>		
a) Advances other than Capital Advances		
Advances to Vendors	7.10	9.40
Other Advances	2.18	2.57
	<b>9.28</b>	<b>11.97</b>
b) Balance with GST / Central Excise authorities	<b>35.37</b>	81.04
c) VAT receivable	<b>0.90</b>	0.90
d) Export incentives receivable	<b>6.96</b>	9.83
e) GST refund receivable on Exports	<b>0.22</b>	-
f) Prepaid expenses	<b>12.01</b>	17.38
	<b>64.74</b>	<b>121.12</b>

**EQUITY AND LIABILITIES**

**15 EQUITY SHARE CAPITAL**

a) <b>Authorised</b>	<b>50.00</b>	<b>50.00</b>
5,00,00,000 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	<b>24.06</b>	<b>24.06</b>

	31.03.2020		31.03.2019	
c) <b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>	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	<b>2,40,64,558</b>	<b>24.06</b>	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	<b>2,40,64,558</b>	<b>24.06</b>	2,40,64,558	24.06

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 e-voting (remote e-voting / e-voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.

	31.03.2020 (Number of shares)	31.03.2019 (Number of shares)
e) <b>Shareholding of shareholders holding more than 5% of shares as at</b>		
T V Sundram Iyengar & Sons Private Limited	49,11,028	49,11,028
Southern Roadways Limited	22,32,628	22,32,628
Sundaram Finance Holdings Limited	32,69,096	26,67,482
Titan Europe Limited, UK	48,12,912	82,37,280

Rs. in Crores

	As at 31.03.2020	As at 31.03.2019
<b>16 OTHER EQUITY</b>		
a) Capital Reserves*	-	-
b) Securities Premium	70.10	70.10
c) General Reserves	411.28	389.28
d) Retained Earnings	95.84	86.21
e) Other Comprehensive Income Reserve	(3.81)	(1.04)
* Capital Reserve is Rs. 1713/-	<u>573.41</u>	<u>544.55</u>

Refer Note 37

**NON CURRENT FINANCIAL LIABILITIES**

**17 BORROWINGS**

**A. SECURED BORROWINGS**

a) Term Loans from Banks		
By first Charge by way of hypothecation of specific machinery	70.04	47.78
b) Term Loans from others		
By first Charge by way of hypothecation of specific machinery	74.49	24.49

**B. UNSECURED BORROWINGS**

a) Fixed Deposits	91.78	96.11
(Includes Rs. 0.81 crores received from Directors (previous year Rs. 0.87 crores ))	<u>236.31</u>	<u>168.38</u>

Terms of Repayment : Refer Note 28



## Notes on Accounts (Contd.)

Rs. in Crores

	As at 31.03.2020	As at 31.03.2019
<b>18 Lease Liabilities</b>		
Lease Liabilities*	7.02	-
	<u>7.02</u>	<u>-</u>
(*Refer Note 46)		
<b>19 PROVISIONS</b>		
Provisions for employee benefits	4.22	3.47
	<u>4.22</u>	<u>3.47</u>
<b>20 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	52.94	75.22
Deferred Tax Assets	(3.79)	(4.44)
Minimum Alternate Tax credit entitlement	(0.84)	-
	<u>48.31</u>	<u>70.78</u>

Rs. in Crores

### Movement in Deferred Tax Assets and Liabilities

	31.3.2020	Charge in Statement of Profit or Loss	31.3.2019	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	50.99	(20.61)	71.60	7.09
ii) Export Incentives	1.75	(1.68)	3.43	1.43
iii) Remeasurement of Financial Liabilities	0.20	0.01	0.19	(0.01)
	<u>52.94</u>	<u>(22.28)</u>	<u>75.22</u>	<u>8.51</u>
Less:				
b) Deferred Tax Asset				
Expenses allowable on payment basis	3.79	(0.65)	4.44	0.59
c) Minimum Alternate Tax credit entitlement*	0.84	0.84	-	-
<b>Net Deferred Tax Liability / (Assets) (a-b-c)</b>	<u>48.31</u>	<u>(22.47)</u>	<u>70.78</u>	<u>7.92</u>

\* Pertains to Assessment Year 2016-17 and the same has been utilised in subsequent Assessment Year prior to Assessment Year 2020-21

Rs. in Crores		
CURRENT FINANCIAL LIABILITIES	As at 31.03.2020	As at 31.03.2019
<b>21 BORROWINGS</b>		
<b>A. SECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	161.28	201.35
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-progress, finished goods, consumable stores and spares, goods-in-transit and book debts.		
<b>B. UNSECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	55.00	9.99
b) Fixed Deposits	6.41	5.41
(Includes Nil received from Directors)		
	<u>222.69</u>	<u>216.75</u>
<b>22 TRADE PAYABLES</b>		
Dues to Micro Enterprises and Small Enterprises	26.26	29.25
Dues to Others	414.77	555.97
	<u>441.03</u>	<u>585.22</u>
(Refer Note 38 for details of dues to Micro Enterprises and Small Enterprises)		
<b>23 LEASE LIABILITIES</b>		
Lease Liabilities*	2.25	—
(*Refer Note 46)	<u>2.25</u>	<u>—</u>
<b>24 CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
a) Current maturities of long-term debt (Refer Note 28) (Includes Rs. 0.09 crores received from Directors (previous year Rs. 0.15 crores))	115.80	67.75
b) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs. 2.14 crores (previous year Rs. 1.73 crores))	15.75	14.88
c) Interest accrued but not due on borrowings	11.48	8.71
d) Unclaimed Dividends	0.41	0.39
e) Trade Deposits	1.12	1.08
f) Recovery from Employees	1.64	1.05
g) Unclaimed matured deposits and interest accrued thereon	1.97	1.04
	<u>148.17</u>	<u>94.90</u>



Rs. in Crores

	As at 31.03.2020	As at 31.03.2019
<b>25 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	2.68	2.28
Statutory dues	22.65	59.62
Provision for expenses	3.62	4.05
	<u>28.95</u>	<u>65.95</u>
<b>26 SHORT TERM PROVISIONS</b>		
a) Provision for employee benefits	19.53	22.64
b) Provision for Warranty (Refer Note below)	4.29	2.86
c) Due to Directors	1.32	3.41
	<u>25.14</u>	<u>28.91</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, 2019	Additions	Amounts used	As at 31 <sup>st</sup> March, 2020
	Warranties	2.86	1.43	—	4.29

Rs. in Crores		
27 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2020	As at 31.03.2019
<b>i) Contingent Liabilities</b>		
a) Bills discounted with Banks	37.36	53.79
b) Disputed amounts in respect of sales tax, service tax, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. 0.34 crores (previous year Rs. 0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	6.67	6.59
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	26.22	37.31

## 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.

Rs. in Crores		
	2019-20	2018-19
<b>29 OTHER INCOME</b>		
a) Interest on deposits and advances	1.49	3.62
b) Dividend Received	0.97	0.73
c) Other non-operating income	2.95	3.46
d) Net Gain on foreign currency transactions and translation	4.75	-
	<u>10.16</u>	<u>7.81</u>
<b>30 COST OF MATERIAL CONSUMED</b>		
Raw Material	1,107.42	1,706.63
Components	530.08	600.11
	<u>1,637.50</u>	<u>2,306.74</u>



		Rs. in Crores	
		2019-20	2018-19
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
a) Opening inventory of Finished Goods		61.14	43.99
Less: Closing inventory of Finished Goods		52.20	61.14
Net change in stock of Finished Goods		8.94	(17.15)
b) Opening inventory of Work in Progress		127.63	72.75
Less: Closing inventory of Work in Progress		98.83	127.63
Net change in stock of Work in Progress		28.80	(54.88)
Net change in Finished Goods and Work in Progress		37.74	(72.03)
<b>32 EMPLOYEE BENEFIT EXPENSE</b>			
a) Salaries, Wages, Bonus and Commission		249.13	273.11
b) Contribution to Provident and Other Funds		12.95	10.84
c) Staff Welfare expenses		22.02	23.68
		284.10	307.63
<b>33 OTHER EXPENSES</b>			
Consumption of Stores, tools and spare parts		69.38	101.68
Power and fuel		91.19	128.59
Rent including Lease Rent		16.03	16.39
Repairs to			
Buildings		8.09	9.02
Machinery		11.73	15.66
Insurance		3.80	3.31
Rates and taxes, excluding taxes on income		1.90	1.79
Directors sitting fees		0.14	0.14
Auditors' remuneration			
Statutory Audit		0.39	0.39
Tax Audit		0.06	0.06
Certification fees		0.12	0.11
Reimbursement of expenses		0.09	0.07
Expenditure on Corporate Social Responsibility		1.86	1.54
Freight		41.28	63.84
Net Loss on foreign currency transactions and translation		-	2.24
Miscellaneous expenses		56.99	61.04
		303.05	405.87



		Rs. in Crores	
		2019-20	2018-19
<b>34 FINANCE COSTS</b>			
a) Interest expense		60.56	60.70
b) Other borrowing costs		0.97	1.30
		<u>61.53</u>	<u>62.00</u>
<b>35 INCOME TAX EXPENSES</b>			
<b>A. Components of Income Tax Expense</b>			
<b>i) Tax Expenses recognised in Statement of Profit and Loss:</b>			
(a) Current Tax			
- on Current year Tax Income		12.12	24.83
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences		(21.63)	7.92
		<u>(9.51)</u>	<u>32.75</u>
<b>ii) Tax Expenses recognised in Other Comprehensive Income:</b>			
Current Tax on Remeasurement of Post Employment Benefit obligation		(0.93)	0.03
<b>B. Reconciliation of Effective tax Rate</b>			
Total Comprehensive Income before tax		40.90	108.52
Income Tax Expense	10.29	25.17%	37.92
Income not chargeable to tax	(0.23)		(0.25)
Income Tax Incentives	(0.60)		(5.71)
Expenses not admissible	0.52		0.42
Write back of earlier years provision no longer required	-		(2.26)
Others	(0.62)		2.66
Tax Expenses recognised in Profit and Loss Statement*	<u>9.36</u>	<u>22.87%</u>	<u>32.78</u>
			30.21%

\* Pursuant to the Taxation (Amendment) Ordinance, 2019 issued by Ministry of Law and Justice on 20th September 2019 which is effective 01st April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess and accordingly an amount of Rs. 19.80 Crores arising from the re-measurement of the deferred tax liability has been written back which is expected to reverse in future, to the statement of profit and loss.



		Rs. in Crores	
		2019-20	2018-19
<b>36 EARNINGS PER SHARE</b>			
Net profit as per P& L account		54.11	75.67
Weighted Average Number of Shares		2,40,64,558	2,40,64,558
Nominal value per share - Rupees		10.00	10.00
Basic & Diluted earnings per share - Rupees		22.49	31.45
<b>37</b>	Final dividend of Rs. 2.65 Per equity share amounting to Rs. 6.38 Crores for the Financial year 2019-20 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	
		2019-20	2018-19
<b>38 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		26.26	29.25
- 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
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
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	
39	Expenditure incurred on Scientific Research and Development	2019-20	2018-19
a)	Revenue Expenditure	14.77	15.61
b)	Capital Expenditure	8.94	6.33

#### 40 EMPLOYEE BENEFITS

##### Defined Contribution Plan

##### a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 4.88 crores for the year ended 31st March 2020 (previous year Rs. 3.93 crores) to Provident fund Authorities.

##### b) Superannuation :

The Company has contributed Rs. 0.61 crores for the period 2019-20 (previous year Rs. 0.64 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

##### Defined Benefit Plan

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 2.81 crores for the year ended 31st March 2020 (previous year Rs. 2.12 crores) to the Provident Fund Trust. The interest payable by trust to the beneficiaries of trust as per the rate notified by the Government is met by the trust with contribution from Company for the previous year ended 31st march 2020 of Rs. 1.55 crores. (previous year - Nil).

##### 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)	
	2019-20	2018-19	2019-20	2018-19
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	22.46	19.98	8.78	7.84
Current service cost	3.31	3.00	-	-
Interest cost	1.63	1.47	0.57	0.52
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	2.23	0.25	0.33	0.11
Actuarial loss / (gain) arising from Experience adjustments	(0.25)	(0.23)	1.62	2.29
Benefits paid	(1.93)	(2.01)	(2.10)	(1.98)
Closing defined benefit obligation	27.45	22.46	9.20	8.78
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	19.37	18.34	3.18	2.95
Expected return on plan assets	1.53	1.37	0.24	0.23
Actuarial gain / (Loss) arising from Return on plan assets	(0.16)	0.11	0.01	-
Contribution by employer	3.60	1.56	2.10	1.98
Benefits paid	(1.93)	(2.01)	(2.10)	(1.98)
Closing fair value of plan assets	22.41	19.37	3.43	3.18



Rs. in Crores

	Gratuity (funded)		Leave Salary (Partly funded)	
	2019-20	2018-19	2019-20	2018-19
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	27.45	22.46	9.20	8.78
Fair value of plan assets at year end	22.41	19.37	3.43	3.18
Net (liability) / asset recognised as on 31 <sup>st</sup> March	(5.04)	(3.09)	(5.78)	(5.60)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	2.89	3.00	-	-
Interest on defined benefit obligation	1.63	1.47	0.57	0.52
Expected return on plan assets	(1.53)	(1.29)	(0.24)	(0.23)
Actuarial (gain)/ loss (on Leave Salary)	-	-	1.94	2.39
Expenses recognised in the Profit & Loss A/c	2.99	3.18	2.27	2.68
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	2.23	0.25		
Actuarial loss / (gain) arising from Experience adjustments	(0.25)	(0.23)		
Actuarial gain / (Loss) arising from Return on plan assets	0.16	(0.11)		
<b>Expenses recognised in Other Comprehensive Income</b>	2.14	(0.09)	NA	NA

	Gratuity (funded)		Leave Salary (Partly funded)		Provident Fund	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Principal actuarial assumptions used</b>						
Discount rate (p.a)	6.62%	7.58%	6.56%	7.40%	6.56%	-
Attrition rate	1-3%	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	
		2019-20	2018-19	2019-20	2018-19
<b>Assumptions</b>					
Discount	0.50%	26.25	21.51	28.74	23.46
Salary escalation	0.50%	28.75	23.48	26.22	21.48
Mortality	5.00%	27.45	22.46	27.44	22.44
Attrition	5.00%	27.46	22.48	27.43	22.43

### b) Leave Salary

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2019-20	2018-19	2019-20	2018-19
Discount	0.50%	8.94	8.56	9.50	9.03
Shortfall	0.50%	9.50	9.03	8.93	8.55
Mortality	5.00%	9.21	8.79	9.21	8.79
Attrition	5.00%	9.21	8.80	9.20	8.78

### c) Provident Fund

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2019-20	2018-19	2019-20	2018-19
Discount	0.50%	0.77	-	0.79	-
Shortfall	0.50%	0.83	-	0.76	-
Mortality	5.00%	0.78	-	0.78	-
Attrition	5.00%	0.78	-	0.78	-

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.

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

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

	<b>Rs. In Crores</b>	
	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Financial Assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	<b>6.42</b>	6.42
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	<b>8.19</b>	8.19
ii. Investment measured at Fair value through profit or loss	<b>2.09</b>	2.09
iii. Derivative financial instruments	<b>22.65</b>	-
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	<b>435.73</b>	558.36
Cash and cash equivalents	<b>3.10</b>	1.56
Bank balances other than Cash and cash equivalents	<b>1.39</b>	5.91
Loans	<b>20.67</b>	18.61
Other financial assets	<b>12.98</b>	11.95
<b>Financial Liabilities:</b>		
<b>Financial liabilities measured at fair value:</b>		
Borrowings	-	6.34
<b>Financial liabilities measured at amortised cost:</b>		
Borrowings	<b>459.00</b>	378.79
Trade payables	<b>441.03</b>	585.22
Other financial liabilities	<b>157.44</b>	94.90

**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, 2020	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	—	—	10.28
Derivative financial instruments	—	22.65	—
Financial Liabilities :			
Derivative financial instruments	—	—	—
As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	—	—	10.28
Derivative financial instruments	—	—	—
Financial Liabilities :			
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:

For the year ended

Significant Unobservable Input	31.03.2020	31.03.2019
a) Risk adjusted discount rate	11.52%	10.04%
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**

	<b>Payable within one year</b>	<b>More than one year</b>	<b>Total</b>
<b>As at 31st March, 2020</b>			
Non-Derivative Liabilities			
Trade Payables	441.03	—	441.03
Borrowings	222.69	236.31	459.00
Other Financial Liabilities	150.42	7.02	157.44
<b>Derivative Liabilities</b>			
Forward exchange contracts	—	—	—
<b>As at 31st March, 2019</b>			
Non-Derivative Liabilities			
Trade Payables	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	—	—	—



**b) Management of market risk:**

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

1. Currency risk
2. Interest rate risk

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2020, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs.76.81 Crores.

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

**Sensitivity to risk**

A 5% strengthening of the INR against foreign currencies to which the Company is exposed (net of hedge) would have led to approximately an additional Gain of Rs. 3.84 Crores in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2020 is "3"(No of sell Contracts - 3) (31st March,2019 - 6 buy contracts)

**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. 408.31 crores Borrowings at Floating rate of Interest as at 31st March, 2020 (previous year Rs. 314.55 crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 4.08 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.

**i) 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.

**ii) Other Financial Assets:**

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March 2020 is the carrying value of each class of financial assets as on that date.



**42 Borrowing Costs in accordance with IndAS 23:**

	Rs. In Crores	
	2019-20	2018-19
Borrowing Costs capitalised during the year	4.53	2.02
Capitalisation rate used for Borrowing Costs	7.12%	8.15%

**43 As per Ind AS 108 - "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.**

**44. Disclosure on Accounting for revenue from customers in accordance with IndAS 115  
Disaggregated revenue information**

	Rs. In Crores	
a) Type of goods and service	31st March 2020	31st March 2019
a) Sale of products	2223.50	2854.47
b) Sale of services	34.42	44.59
c) Other operating revenues	170.64	281.97
<b>Total operating revenue</b>	<b>2428.56</b>	<b>3181.03</b>
In India	1,940.81	2,571.36
Outside India	487.75	609.67
b) <b>Timing of revenue recognition</b>	<b>At a point of time</b>	<b>At a point of time</b>
Sale of products and other operating income	2428.56	3181.03
c) <b>Revenue recognised in relation to contract liabilities</b>	<b>Nil</b>	<b>Nil</b>
d) <b>Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue at contracted prices	2428.56	3181.03
Revenue from contract with customers	2428.56	3181.03
Difference	—	—
e) <b>Unsatisfied or partially satisfied performance obligation</b>	<b>Nil</b>	<b>Nil</b>

**45 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	
	2019-20	2018-19
<b>Subsidiary</b>		
Sale of goods	2.82	10.48
Purchase of goods	41.46	81.21
Rendering of Services	13.39	19.98
Receiving of Services	2.71	0.04
Sale of Assets	0.13	1.99
Balance Payable	4.17	11.58
Balance Receivable	2.60	5.09
<b>Associates</b>		
Dividend Received	0.97	0.73
Dividend paid	9.16	10.19
Purchase of goods	0.05	0.05
Receiving of Services	0.67	1.22
Rendering of Services	0.15	0.25
Sale of goods	26.78	28.17
Balance Payable	0.08	0.02
Balance Receivable	2.14	2.35
<b>Associate's subsidiary</b>		
Purchase of goods	26.81	32.30
Receiving of Services	1.10	1.35
Rendering of Services	0.01	0.10
Sale of goods	61.61	67.41
Balance Payable	1.24	4.78
Balance Receivable	11.64	22.73

Rs. in Crores

Key Managerial Personnel	2019-20		2018-19	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
a) Short term employee benefits				
Remuneration, Perquisites and Commission	0.44	1.88	1.14	3.69
Commission outstanding	0.44	0.88	1.14	2.27
b) Post Employment Benefits*		0.29		0.24
c) Others				
Interest on fixed deposits	-	0.08	-	0.07
Dividend paid during the year	-	0.04	-	0.04
Deposits balance outstanding	-	0.91	-	0.87

\* 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	2019-20		2018-19	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	3.60	5.04	1.56	3.09
Wheels India Limited Staff Provident Fund	2.81	0.23	2.12	0.19
Wheels India Senior Officers Superannuation Trust	0.61	0.61	0.64	0.64

**46 Disclosures relating to leases in accordance with Ind AS116:**

The Company has applied Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application. The lessee shall recognise the cumulative effect of applying this standard as an adjustment to the opening balance of retained earnings. The comparative information in the financial statement would not be restated and will be presented as per Accounting Standard Ind AS 17. As at the date of transition, as a practical expedient, the Company has not reassessed whether a contract is, or contains a lease as per the option given in the standard. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Company has not applied the requirements of Ind AS 116 to leases for which remaining lease period is less than 12 months. Accordingly they are classified as short term leases. The Company has recognised lease liability at present value of remaining payments at Rs. 1.84 crores discounted at incremental borrowing rate of 9.30%. The Company has measured Right of Use Assets at an amount equal to the lease liability as provided by Ind AS 116.

Rs. in Crores

**a) Measurement of Lease Liability**

Lease Liability as at 31.03.2019	2.21
Less: Adjustment for discounting the lease payments	0.29
Less: Adjustments on account of termination or extension of contracts	0.08
Lease Liability as at 01.04.2019	1.84
Current Liability	0.69
Non Current Liability	1.15

**b) Movement in Lease Liability**

<b>Balance as at 01st April 2019</b>	<b>1.84</b>
Additions during the year	8.18
Finance Cost Accrued during the year	0.29
Payment of Lease Liabilities	(1.04)
<b>Balance as at 31st March 2020</b>	<b>9.27</b>
<b>Current Liability (Note 23)</b>	<b>2.25</b>
<b>Non Current liability (Note 18)</b>	<b>7.02</b>



Particulars	Rs. In Crores	
	2019-20	2018-19
<b>c) Maturity Analysis of Lease Liabilities</b>		
Not later than 1 year	2.46	0.06
Later than 1 year and not later than 5 years	8.41	2.15
Total Undiscounted Lease Liability as at 31st March, 2020	10.87	2.21
<b>d) Amount recognised in the statement of Profit or Loss</b>		
Interest on Lease Liabilities	0.29	
Expenses relating to short term leases	0.72	
<b>e) Amount recognised in the statement of cash flow</b>		
Total Cash outflow for leases	1.76	

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

	Rs. In Crores	
	2019-20	2018-19
<b>Computer software &amp; Technical know how</b>		
Gross carrying amount at the beginning of the year	23.79	19.22
Acquired during the year	1.44	4.57
Deletion during the year	-	-
Gross carrying amount at the end of the year	25.23	23.79
Gross amortisation at the beginning of the year	18.19	16.66
Amortised during the year	2.47	1.53
Deletion during the year	-	-
Gross amortisation at the end of the year	20.66	18.19
Net carrying amount at the beginning of the year	5.60	2.56
Net carrying amount at the end of the year	4.57	5.60

- 48** The spread of COVID - 19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lock down period. The Company has resumed production and export and domestic sales are picking up. The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties.

Management has conducted the possible impact of known events arising from COVID -19 pandemic in the preparation of these financial statements and has analysed events post Balance Sheet date and believes that there will not be any material effect on the carrying values of the assets and liabilities of the Company on the reporting date and there is no change in its ability to continue as a Going Concern.

- 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  
17th June, 2020

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, 2020**

Rs. in Crores

	2019-20	2018-19
<b>A Cash Flow from Operating Activities</b>		
Total Comprehensive Income after tax	51.34	75.74
Add:		
Depreciation	70.20	70.21
Obsolescence	0.68	0.48
Lease Liabilities	0.72	1.47
Effect of Exchange Rate Change	(6.54)	4.89
Loss on Sale of Fixed Assets	0.12	0.20
Taxes on Income	(10.44)	32.78
Interest Expenses	61.53	62.00
	<u>116.27</u>	<u>172.03</u>
	<u>167.61</u>	<u>247.77</u>
Less:		
Interest Income	1.49	3.62
Gain/(Loss) on Fair Valuation of Investments	-	0.01
Dividend Income	0.97	0.73
	<u>2.46</u>	<u>4.36</u>
Cash flow from Operation before Working Capital Changes	<u>165.15</u>	<u>243.41</u>
Cash flow from Working Capital:		
Trade Receivables	109.06	(86.49)
Inventories	15.30	(54.40)
Advances & Other Current Assets	65.13	(22.53)
Trade Payables	(146.70)	115.04
Other Payables & Provisions	(37.58)	3.20
Taxes paid	(11.45)	(22.88)
<b>Net Cash Flow from Operating Activities (A)</b>	<u>158.91</u>	<u>175.35</u>
<b>B. Investing Activities</b>		
Purchase of Fixed Assets	(200.81)	(192.92)
Sale of Fixed Assets	0.36	7.03
Purchase of Investments	-	(0.24)
Dividend Received	0.97	0.73
Interest Received	0.65	2.48
<b>Net Cash used in Investing Activities (B)</b>	<u>(198.83)</u>	<u>(182.92)</u>



## Statement of Cash Flows (Contd.)

Rs. in Crores

	2019-20	2018-19
<b>B. Financing Activities</b>		
Proceeds from Long Term Borrowings	181.88	110.41
Repayment of Long Term Borrowings	(65.90)	(74.36)
Increase in Working Capital Borrowings	16.00	50.68
Repayment of Lease Liabilities	(1.47)	(1.47)
Dividend paid	(22.46)	(22.42)
Interest on Lease Liabilities	(0.29)	-
Interest paid	(56.24)	(63.18)
<b>Net Cash used in Financing Activities (C)</b>	<b>51.52</b>	<b>(0.34)</b>
 Net Increase in Cash & Cash Equivalents	 <b>11.60</b>	 <b>(7.91)</b>
 Closing Cash & Cash Equivalents	 <b>6.82</b>	 <b>(4.78)</b>
Opening Cash & Cash Equivalents	<b>(4.78)</b>	3.13
Net Increase in Cash and Cash Equivalents	<b>11.60</b>	<b>(7.91)</b>
 Closing Cash & Cash Equivalents as per Balance sheet	 <b>3.10</b>	 1.56
(Add) /Less: Cash Credit as at the end of the year	<b>(3.72)</b>	6.34
Cash & Cash Equivalents for the purpose of IndAS 7	<b>6.82</b>	<b>(4.78)</b>

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
17th June, 2020

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  
2019-2020**



# 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, 2020, 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, 2020, 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. Emphasis of Matter

We draw attention to Note 50 of the Statement wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

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

The Company's Board of Directors is 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, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

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.

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

The Holding Company's Board of Directors is 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.

## 7. 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.

## 8. Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 227.99 Crores as at 31st March, 2020, total revenues of Rs. 301.32 crores and net cash inflow amounting to Rs. 0.01 crores 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 loss of Rs. 0.07 crores for the year ended 31st March, 2020, 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.

## 9. 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 aforesaid 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 31st March, 2020 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 31st March, 2020 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 Group 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 28(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 : 17<sup>th</sup> June, 2020

Membership No. 025929

UDIN:20025929AAAAAJ5164

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

### Referred to in Paragraph 9 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, 2020, we have audited the internal financial controls over financial reporting of Wheels India Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

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

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

### Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 and one associate company which are incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

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

**L. Ravi Sankar**

Place: Chennai

Partner

Date : 17<sup>th</sup> June, 2020

Membership No. 025929

UDIN:20025929AAAAAJ5164



# Consolidated Balance Sheet as at

Rs. in Crores

PARTICULARS	Note	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	738.89	704.18
b) Capital work-in-progress	2	197.71	65.38
c) Other Intangible Assets	3	4.94	6.25
d) Right of Use Assets	4	9.16	-
e) Financial Assets			
i) Investments	5	23.29	23.36
ii) Loans	6	21.85	19.67
iii) Others	7	0.62	2.43
f) Other Non Current Assets	8	10.77	22.48
		<b>1,007.23</b>	<b>843.75</b>
<b>2. Current assets</b>			
a) Inventories	9	411.66	435.17
b) Financial Assets			
i) Trade receivables	10	472.43	586.47
ii) Cash and cash equivalents	11a	4.46	2.91
iii) Bank Balances other than (ii) above	11b	1.58	6.02
iv) Others	12	12.94	10.04
c) Current Tax Assets (Net)	13	4.40	3.60
d) Other current assets	14	72.32	126.86
		<b>979.79</b>	<b>1,171.07</b>
<b>TOTAL</b>		<b>1,987.02</b>	<b>2,014.82</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	15	24.06	24.06
b) Other Equity	16	639.67	616.28
<b>Equity attributable to the owners of the Company</b>		<b>663.73</b>	<b>640.34</b>
Non Controlling Interest	17	20.98	22.85
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	18	282.97	200.45
ii) Lease Liabilities	19	7.21	-
b) Non Current Provisions	20	5.96	5.00
c) Deferred tax liabilities (Net)	21	45.68	70.44
		<b>341.82</b>	<b>275.89</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	22	227.52	221.57
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	23	26.41	29.67
B) total outstanding dues of creditors other than micro enterprises and small enterprises	23	478.94	615.41
iii) Lease Liabilities	24	2.25	-
iv) Others	25	167.18	104.08
b) Other current liabilities	26	32.95	75.97
c) Short-term provisions	27	25.24	29.04
		<b>960.49</b>	<b>1,075.74</b>
<b>TOTAL</b>		<b>1,987.02</b>	<b>2,014.82</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  
17th June, 2020

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	2020	2019
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		2,468.20	3,113.85
Sale of Services		20.86	30.40
Other operating revenues		182.55	297.08
Revenue from Operations		2,671.61	3,441.33
Other income	30	8.03	5.68
<b>TOTAL REVENUE</b>		<b>2,679.64</b>	<b>3,447.01</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	1,821.17	2,494.23
Changes in inventories of finished goods, Work-in-progress	32	37.54	(75.48)
Employee benefit expense	33	310.24	339.20
Finance Costs	35	66.52	65.91
Depreciation and amortisation expenses	1, 3 & 4	77.92	78.65
Other Expenses	34	330.71	438.08
<b>TOTAL EXPENSES</b>		<b>2,644.10</b>	<b>3,340.59</b>
Profit before exceptional items and tax		35.54	106.42
Exceptional items		-	-
Add: Share of Profit in Associate (Net of Tax)		(0.01)	1.83
Profit before tax		35.53	108.25
Tax expense:	36		
Current tax		12.12	24.83
Deferred tax		(23.91)	7.27
<b>Profit for the year</b>		<b>47.32</b>	<b>76.15</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
- Remeasurements of post employment defined benefit plan		(4.19)	(0.22)
- Income tax relating to the remeasurements		0.93	(0.03)
- Share of OCI in Associate (net of tax)		(0.06)	(0.15)
<b>Total Comprehensive Income for the year</b>		<b>44.00</b>	<b>75.76</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		49.06	76.51
- Non Controlling Interest		(1.74)	(0.36)
<b>Other Comprehensive Income for the year attributable to</b>			
- Owners of the Company		(3.19)	(0.31)
- Non Controlling Interest		(0.13)	(0.08)
<b>Total Comprehensive Income attributable to</b>			
- Owners of the Company		45.87	76.20
- Non Controlling Interest (NCI)		(1.87)	(0.44)
Earnings per equity share:	37		
1. Basic		20.39	31.79
2. Diluted		20.39	31.79
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  
17th June, 2020

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 Changes in Equity

## A) EQUITY SHARE CAPITAL

Rs. in Crores

	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	24.06	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>24.06</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, 2018</b>	-	143.55	357.28	75.22	2.03	(3.49)	23.29	597.88
Profit for the year				76.51			(0.36)	76.15
Remeasurement of defined benefit plans						(0.32)	(0.08)	(0.40)
Changes in Fair Valuation of Equity Instruments					0.01			0.01
<b>B. Total Comprehensive Income for the year 2018-19</b>	-	-	-	76.51	0.01	(0.32)	(0.44)	75.76
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>C. Total</b>	-	(12.03)	32.00	(54.48)	-	-	-	(34.51)
<b>D. Balance as at 31<sup>st</sup> March, 2019 (A+B+C)</b>	-	131.52	389.28	97.25	2.04	(3.81)	22.85	639.13
Profit for the year				49.06			(1.74)	47.32
Changes in Fair valuation of Equity Instrument					-			-
Remeasurement of defined benefit plans						(3.19)	(0.13)	(3.32)
<b>E. Total Comprehensive Income for the year 2019-20</b>	-	-	-	49.06	-	(3.19)	(1.87)	44.00
Interim Dividend 2019-20 including Dividend Tax				(8.70)				(8.70)
Final Dividend 2018-19 including Dividend Tax				(13.78)				(13.78)
Transfer to General Reserve			22.00	(22.00)				-
<b>F. Total</b>	-	-	22.00	(44.48)	-	-	-	(22.48)
<b>G. Balance as at 31<sup>st</sup> March, 2020 (D+E+F)</b>	-	131.52	411.28	101.83	2.04	(7.00)	20.98	660.65

\* 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

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
17th June, 2020

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



## Consolidated - Notes on Accounts

### 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. 31st March, 2020.

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 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. 01st 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-progress 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 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.

**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 Group 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:**

The Group has applied IND AS 116 using modified retrospective approach. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using



the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Leased Assets are depreciated on straight line basis over the period of lease.

#### **IND AS 17 (for Previous Years)**

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 liability is settled.



## Consolidated - Notes on Accounts (Contd.)

## NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Description	Gross Block at Cost			Depreciation / Amortisation			Rs. in Crores	
	As At 31.3.2019	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.3.2020	As At 31.3.2019	Additions	Deletions	As At 31.3.2020
<b>1. TANGIBLE ASSETS</b>								
Land (Free hold)	14.45	-	-	14.45	-	-	-	14.45
Land (Lease hold)	17.32	-	-	17.32	0.80	0.20	-	16.32
Buildings	145.09	3.33	-	148.42	46.78	4.73	-	96.91
Plant and Equipment	1172.83	103.15	4.85	1271.13	605.59	67.04	3.40	601.90
Furniture and Fixtures	6.84	0.12	-	6.96	4.51	0.34	-	2.11
Vehicles	0.13	-	-	0.13	0.10	-	-	0.03
Office Equipment	19.07	3.59	0.33	22.33	13.77	1.70	0.31	7.17
	1375.73	110.19	5.18	1480.74	671.55	74.01	3.71	738.89
<b>3. INTANGIBLE ASSETS</b>								
Computer Software	19.04	1.44	-	20.48	16.06	1.50	-	2.92
Technical Know-how	5.65	-	-	5.65	2.38	1.25	-	2.02
	24.69	1.44	-	26.13	18.44	2.75	-	4.94
Total	1400.42	111.63	5.18	1506.87	689.99	76.76	3.71	743.83
Previous year	1178.30	239.90	17.78	1400.42	620.94	78.65	9.60	710.43

## 4. RIGHT OF USE ASSETS

Description	Gross Block at Cost			Depreciation / Amortisation			Rs. in Crores	
	As At 01.04.2019	Transition to Ind AS 116	Additions	Deletions	As At 31.03.2020	As At 01.04.2019	Additions	Deletions
Leased Assets	-	2.14	8.18	-	10.32	-	1.16	-
	-	2.14	8.18	-	10.32	-	1.16	-

## 2. CAPITAL WORK IN PROGRESS

a) Buildings	31.03.2020	31.03.2019
	36.06	15.23
b) Plant and Machinery*	161.65	50.15
	197.71	65.38

\* Includes Machinery in Transit of Rs. 3.77 crores (Previous year - Nil)



Rs. in Crores

## NON CURRENT ASSETS

## 5 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)

Add: Share of profit

As at  
31.03.2020As at  
31.03.2019

2.72

2.72

10.29 13.01

10.36 13.08

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

1.04 8.19

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

0.20

0.20

**Siva Electric Generation Private Limited**

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

0.16

0.16

**Gamma Green Power Private Limited**

12,00,062 Equity shares of Rs.10/- each fully paid up

1.20

1.20

**Beta Wind Farm Private Limited**

2,25,370 Equity Shares of Rs. 10/- each fully paid up

0.43

0.43

**Siva Green Energy India Private Limited**

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

0.10 2.09

0.10 2.09

23.29

23.36

		Rs. in Crores	
		As at 31.03.2020	As at 31.03.2019
<b>6</b>	<b>LOANS</b>		
	<b>Unsecured - Considered good</b>		
	Security Deposits	21.85	19.67
		<u>21.85</u>	<u>19.67</u>
<b>7</b>	<b>NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
	a) Advances to employees	0.62	0.74
	b) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	-	1.69
		<u>0.62</u>	<u>2.43</u>
<b>8</b>	<b>OTHER NON CURRENT ASSETS</b>		
	a) Advances for Capital goods	10.69	22.35
	b) Prepaid expenses	0.08	0.13
		<u>10.77</u>	<u>22.48</u>
<b>CURRENT ASSETS</b>			
<b>9</b>	<b>INVENTORIES</b>		
	a) Raw Materials	182.32	161.36
	(Includes Goods in Transit Rs. 0.17 crores (previous year - Nil))		
	b) Work-in-Progress	101.22	128.99
	c) Finished goods	55.86	65.68
	d) Stores and Spares	49.36	53.92
	e) Loose tools	22.90	25.22
		<u>411.66</u>	<u>435.17</u>



Rs. in Crores		
	As at 31.03.2020	As at 31.03.2019
<b>10 TRADE RECEIVABLES</b>		
a. Unsecured - Considered good	472.43	586.47
	<u>472.43</u>	<u>586.47</u>
<b>11 CASH AND CASH EQUIVALENTS</b>		
a i) Current Accounts	2.07	2.70
ii) Cash on hand	0.10	0.08
iii) Fixed Deposits	2.29	0.13
	<u>4.46</u>	<u>2.91</u>
b Bank Balances with more than three months maturity		
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	0.98	1.40
ii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	-	4.12
iii) Unclaimed Dividend Accounts	0.41	0.39
iv) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed	0.19	0.11
	<u>1.58</u>	<u>6.02</u>
<b>12 CURRENT FINANCIAL ASSETS - OTHERS</b>		
Advances to employees	2.92	2.88
Duty Draw back receivable	0.58	2.00
Export Incentive License	9.10	4.61
Interest accrued on deposits and investments	0.34	0.55
	<u>12.94</u>	<u>10.04</u>
<b>13 CURRENT TAX ASSETS (Net)</b>		
Advance tax and Tax Deducted at Source (Net off Provision for taxation - Rs. 80.73 crores (Previous Year - Rs. 97.47 crores))	4.40	3.60
	<u>4.40</u>	<u>3.60</u>

		Rs. in Crores	
		As at 31.03.2020	As at 31.03.2019
<b>14 OTHER CURRENT ASSETS</b>			
<b>Unsecured - Considered good</b>			
a) Advances other than Capital Advances			
Advances to Vendors	7.30	9.53	
Other Advances	2.18	2.59	12.12
b) Balance with GST / Central Excise authorities	41.56		85.32
c) VAT receivable	0.90		0.90
d) Export incentives receivable	7.37		10.18
e) GST refund receivable on Exports	0.22		-
f) Prepaid expenses	12.79		18.34
	<b>72.32</b>		<b>126.86</b>

## EQUITY AND LIABILITIES

### 15 EQUITY SHARE CAPITAL

a) <b>Authorised</b>	50.00	50.00
5,00,00,000 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	24.06	24.06

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

	31.03.2020		31.03.2019	
	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	2,40,64,558	24.06	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	2,40,64,558	24.06

### 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 e-voting (remote e-voting / e-voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.



## Consolidated - Notes on Accounts (Contd.)

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

	31.03.2020 (Number of shares)	31.03.2019 (Number of shares)
T V Sundram Iyengar & Sons Private Limited	49,11,028	49,11,028
Southern Roadways Limited	22,32,628	22,32,628
Sundaram Finance Holdings Limited	32,69,096	26,67,482
Titan Europe Limited, UK	48,12,912	82,37,280

### 16 OTHER EQUITY

	As at 31.03.2020	As at 31.03.2019
a) Capital Reserves*	-	-
b) Securities Premium	131.52	131.52
c) General Reserves	411.28	389.28
d) Retained Earnings	101.83	97.25
e) Other Comprehensive Income Reserve	(4.96)	(1.77)
	<u>639.67</u>	<u>616.28</u>

\* Capital Reserve is Rs. 1713/-

Refer Note 38

### 17 NON CONTROLLING INTEREST

Name of the Subsidiary	Place of Incorporation	Ownership Interest held by Non Controlling Interest (%)	
		31.03.2020	31.03.2019
WIL Car Wheels Limited (WCWL)	India	26%	26%

Rs. in Crores

### NON CURRENT FINANCIAL LIABILITIES

### 18 BORROWINGS

#### A. SECURED BORROWINGS

##### a. Term Loans from Banks

By first Charge by way of hypothecation of specific machinery and fixed assets of the group at Mambattu, Andhra Pradesh and freehold land at Vanod, Gujarat.  
Term Loans from others

116.70 79.85

##### b. By first Charge by way of hypothecation of specific machinery

74.49 24.49

#### B. UNSECURED BORROWINGS

Fixed Deposits

91.78 96.11

(Includes Rs. 0.81 crores received from Directors (previous year Rs. 0.87 crores ))

282.97 200.45

Terms of Repayment : Refer Note 29

		Rs. in Crores	
		As at 31.03.2020	As at 31.03.2019
<b>19 Lease Liabilities</b>			
Lease Liabilities*		7.21	—
(*Refer Note 47)		7.21	—
<b>20 PROVISIONS</b>			
Provisions for employee benefits		5.96	5.00
		5.96	5.00
<b>21 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities		57.43	79.23
Deferred Tax Assets		(10.43)	(8.31)
Minimum Alternate Tax credit entitlement		(1.32)	(0.48)
		45.68	70.44

		Rs. In Crores			
Movement in Deferred Tax Assets and Liabilities		31.03.2020	Charge in Statement of Profit or Loss	31.03.2019	Charge in Statement of Profit or Loss
a)	Deferred Tax Liability				
	i) Depreciation	55.48	(20.13)	75.61	9.28
	ii) Export Incentives	1.75	(1.68)	3.43	1.43
	iii) Remeasurement of Financial Liabilities	0.20	0.01	0.19	(0.01)
		<b>57.43</b>	<b>(21.80)</b>	<b>79.23</b>	<b>10.70</b>
	Less:				
b)	Deferred Tax Assets				
	i) Expenses allowable for tax purpose on payment basis	4.03	(0.50)	4.53	0.68
	ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	6.39	2.62	3.77	2.75
	iii) Preliminary expenses to be claimed in subsequent years	0.01	—	0.01	—
c)	Minimum Alternate Tax credit entitlement	1.32	0.84	0.48	-
	<b>Net Deferred Tax Liability/ (Assets) (a-b-c)</b>	<b>45.68</b>	<b>(24.76)</b>	<b>70.44</b>	<b>7.27</b>



Rs. in Crores

**CURRENT FINANCIAL LIABILITIES****22 BORROWINGS****A. SECURED BORROWINGS**

a. Loans repayable on demand from Banks	<b>166.11</b>	206.17
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-progress, finished goods, consumable stores and spares, goods-in-transit and book debts.		

**B. UNSECURED BORROWINGS**

a. Loans repayable on demand from Banks	<b>55.00</b>	9.99
b. Fixed Deposits	<b>6.41</b>	5.41
(Includes NIL received from Directors)		

<b>227.52</b>	<b>221.57</b>
---------------	---------------

**23 TRADE PAYABLES**

Dues to Micro Enterprises and Small Enterprises	<b>26.41</b>	29.67
Dues to others	<b>478.94</b>	615.41
	<b>505.35</b>	645.08

(Refer Note 39 for details of dues to Micro Enterprises and Small Enterprises)

**24 Lease Liabilities**

Lease Liabilities*	<b>2.25</b>	—
(*Refer Note 47)	<b>2.25</b>	—

**25 CURRENT FINANCIAL LIABILITIES - OTHERS**

a) Current maturities of long-term debt (Refer Note 29) (Includes Rs. 0.09 received from Directors (previous year Rs. 0.15 crores))	<b>129.55</b>	72.75
b) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs. 2.14 crores (previous year Rs. 1.73 crores))	<b>20.46</b>	18.58
c) Interest accrued but not due on borrowings	<b>11.95</b>	9.02
d) Unclaimed Dividends	<b>0.41</b>	0.39
e) Trade Deposits	<b>1.20</b>	1.26
f) Recovery from Employees	<b>1.64</b>	1.04
g) Unclaimed matured deposits and interest accrued thereon	<b>1.97</b>	1.04
	<b>167.18</b>	104.08



## Consolidated - Notes on Accounts (Contd.)

Rs. in Crores		
	As at 31.03.2020	As at 31.03.2019
<b>26 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	2.68	2.28
Statutory dues	24.38	64.33
Provision for expenses	5.89	9.36
	<b>32.95</b>	<b>75.97</b>
<b>27 SHORT TERM PROVISIONS</b>		
a) Provision for employee benefits	19.63	22.77
b) Provision for Warranty (Refer Note below)	4.29	2.86
c) Due to Directors	1.32	3.41
	<b>25.24</b>	<b>29.04</b>

### 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, 2019	Additions	Amounts used	As at 31 <sup>st</sup> March, 2020
	Warranties	2.86	1.43	–	4.29

Rs. in Crores		
	As at 31.03.2020	As at 31.03.2019
<b>28 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>i) Contingent Liabilities</b>		
a) Bills discounted with Banks	37.36	53.79
b) Disputed amounts in respect of sales tax, service tax, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. 0.34 crores (previous year Rs. 0.34 crores) paid under protest appears under other Current Assets in the Balance Sheet)	6.67	6.59
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	31.51	53.15

**29 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.

		Rs. in Crores	
		2019-20	2018-19
<b>30 OTHER INCOME</b>			
a) Interest on deposits and advances		1.56	3.67
b) Profit on sale of fixed assets (Net)		-	0.06
c) Dividend Received		0.97	0.73
d) Other non-operating income		0.71	1.22
e) Net Gain on foreign currency transactions and translation		4.79	-
		<u>8.03</u>	<u>5.68</u>
<b>31 COST OF MATERIAL CONSUMED</b>			
Raw Material		1,285.08	1,887.76
Components		536.09	606.47
		<u>1,821.17</u>	<u>2,494.23</u>
<b>32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
a) Opening inventory of Finished Goods		65.68	46.19
Less: Closing inventory of Finished Goods		55.91	65.68
Net change in stock of Finished Goods		<u>9.77</u>	<u>(19.49)</u>
b) Opening inventory of Work in Progress		128.99	73.00
Less: Closing inventory of Work in Progress		101.22	128.99
Net change in stock of Work in Progress		<u>27.77</u>	<u>(55.99)</u>
Net change in Finished Goods and Work in Progress		<u>37.54</u>	<u>(75.48)</u>

Rs. in Crores

	2019-20	2018-19
<b>33 EMPLOYEE BENEFIT EXPENSE</b>		
a) Salaries, Wages, Bonus and Commission	272.16	300.93
b) Contribution to Provident and Other Funds	14.16	11.98
c) Staff Welfare expenses	23.92	26.29
	<u>310.24</u>	<u>339.20</u>
<b>34 OTHER EXPENSES</b>		
Consumption of Stores, tools and spare parts	76.07	109.60
Power and fuel	102.05	140.83
Rent including Lease Rent	16.07	16.65
Repairs to		
Buildings	8.37	9.23
Machinery	12.12	15.91
Insurance	4.08	3.59
Rates and taxes, excluding taxes on income	2.02	1.83
Directors sitting fees	0.17	0.16
Auditors' remuneration		
Statutory Audit	0.48	0.46
Tax Audit	0.08	0.08
Certification fees	0.13	0.12
Reimbursement of expenses	0.09	0.07
Expenditure on Corporate Social Responsibility	<u>1.86</u>	<u>1.54</u>
Freight	43.50	67.67
Net Loss on foreign currency transactions and translation	-	2.29
Miscellaneous expenses	63.62	68.05
	<u>330.71</u>	<u>438.08</u>
<b>35 FINANCE COSTS</b>		
a) Interest expense	65.55	64.61
b) Other borrowing costs	0.97	1.30
	<u>66.52</u>	<u>65.91</u>



		Rs. in Crores	
		2019-20	2018-19
<b>36 INCOME TAX EXPENSES</b>			
<b>A. Components of Income Tax Expense</b>			
<b>i) Tax Expenses recognised in Statement of Profit and Loss:</b>			
(a) Current Tax			
- on Current year Tax Income		12.12	24.83
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences		(23.91)	7.27
		(11.79)	32.10
<b>ii) Tax Expenses recognised in Other Comprehensive Income:</b>			
(a) Current Tax on Remeasurement of Post Employment Benefit obligation		(0.93)	0.03
<b>B. Reconciliation of Effective tax Rate</b>			
Total Comprehensive Income before tax		31.34	108.04
Less: Share of Profit of an Associate		(0.01)	1.83
Total Comprehensive Income before tax (excluding Share of an Associate)		31.35	106.21
Income Tax Expense	7.89 25.17%		37.12 34.94%
Income not chargeable to tax	(0.16)		(0.19)
Income Tax Incentives	(0.60)		(5.71)
Expenses not admissible	0.51		0.40
Write back of earlier years provision no longer required	-		(2.26)
Others	(0.61)		2.66
Taxed at Differential Rate			
- Effect of Differential Tax rate for Subsidiary	0.02		0.11
- Effect on account of change in tax rate in the year of reversal	0.03		-
Tax Expenses recognised in Profit and Loss Statement*	7.08 22.58%		32.13 30.25%

\* Pursuant to the Taxation (Amendment) Ordinance, 2019 issued by Ministry of Law and Justice on 20th September 2019 which is effective 01st April 2019, Domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess and accordingly an amount of Rs. 19.80 crores arising from the re-measurement of the deferred tax liability has been written back which is expected to reverse in future, to the statement of profit and loss.

		Rs. in Crores	
		2019-20	2018-19
<b>37 Earnings Per Share</b>			
Net profit as per P& L account		<b>49.06</b>	76.51
Weighted Average Number of Shares		<b>2,40,64,558</b>	2,40,64,558
Nominal value per share - Rupees		<b>10.00</b>	10.00
Basic & Diluted earnings per share - Rupees		<b>20.39</b>	31.79
<b>38</b>	Final dividend of Rs. 2.65 Per equity share amounting to Rs.6.38 Crores for the Financial year 2019-20 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	
		2019-20	2018-19
<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		<b>26.41</b>	29.67
- 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		<b>0.06</b>	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

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 Group on which the Auditors have relied upon.



		Rs. in Crores	
40	Expenditure incurred on Scientific Research and Development	2019-20	2018-19
	a) Revenue Expenditure	14.77	15.61
	b) Capital Expenditure	8.94	6.33

#### 41 Employee Benefits

##### Defined Contribution Plan

##### a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Group has contributed Rs. 5.75 crores for the year ended 31st March 2020 (previous year Rs. 4.43 crores) to Provident fund Authorities. The Group has no obligation towards the Interest accumulation thereon.

##### b) Superannuation:

The Group has contributed Rs. 0.61 crores for the period 2019-20 (previous year Rs. 0.64 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

##### Defined Benefit Plan

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 2.81 crores for the year ended 31st March, 2020 (previous year Rs. 2.12 crores) to the Provident Fund Trust. The interest payable by trust to the beneficiaries of trust as per the rate notified by the Government is met by the trust with contribution from company for the previous year ended 31st March 2020 of Rs. 1.55 crores. (previous year - Nil).

##### 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)	
	2019-20	2018-19	2019-20	2018-19
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	24.90	22.02	10.46	9.23
Current service cost	3.55	3.22	-	-
Interest cost	1.79	1.62	0.68	0.62
Actuarial loss / (gain) due to change in demographic & financial assumptions	2.49	0.26	0.41	0.13
Actuarial loss / (gain) arising from experience adjustments	(0.04)	(0.12)	1.45	2.81
Benefits paid	(2.65)	(2.10)	(2.60)	(2.33)
Closing defined benefit obligation	30.04	24.90	10.40	10.46

## Consolidated - Notes on Accounts (Contd.)

	Gratuity (funded)		Leave Salary (Partly funded)	
	2019-20	2018-19	2019-20	2018-19
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	21.83	20.38	3.18	2.95
Expected return on plan assets	1.69	1.37	0.24	0.23
Actuarial gain / (Loss) arising from Return on plan assets	(0.18)	0.12	0.01	-
Contribution by employer	3.65	2.06	2.10	1.98
Benefits paid	(2.65)	(2.10)	(2.60)	(1.98)
Closing fair value of plan assets	24.34	21.83	2.93	3.18
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	30.04	24.90	10.40	10.46
Fair value of plan assets at year end	24.34	21.83	2.93	3.18
Net (liability) / asset recognised as on 31 <sup>st</sup> March	(5.70)	(3.07)	(7.47)	(7.28)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	3.13	3.22	-	-
Interest on defined benefit obligation	1.79	1.62	0.68	0.62
Expected return on plan assets	(1.69)	(1.79)	(0.24)	(0.23)
Benefits transferred	-	-	-	-
Actuarial gain/ loss (on Leave Salary)	-	-	1.85	2.94
<b>Expenses recognised in the Profit &amp; Loss A/c</b>	3.23	3.05	2.29	3.33
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	2.49	0.26		
Actuarial loss / (gain) arising from Experience adjustments	(0.04)	(0.12)		
Actuarial gain / (Loss) arising from Return on plan assets	0.18	(0.12)		
<b>Expenses recognised in Other Comprehensive Income</b>	2.63	0.02	NA	NA

	Gratuity (funded)		Leave Salary (Partly funded)		Provident Fund	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Principal actuarial assumptions used</b>						
Discount rate (p.a)	6.62%-6.65%	7.58%-7.65%	6.56%-6.60%	7.40%-7.56%	6.56%	-
Attrition rate	1-3%	1-3%	1-3%	1-3%	1-3%	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Mortality Rate is IALM (2006-08)						
Ultimate constantly for both the plans						

### Risk Exposure:

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



The sensitivity analysis of the impact of changes in the above assumption is given in the below tables:

**Rs. in Crores**

<b>a) Gratuity Assumptions</b>	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2019-20	2018-19	2019-20	2018-19
Discount	0.50%	<b>28.70</b>	23.83	<b>31.48</b>	26.04
Salary escalation	0.50%	<b>31.49</b>	26.06	<b>28.67</b>	23.80
Mortality	5.00%	<b>30.04</b>	24.91	<b>30.03</b>	24.89
Attrition	5.00%	<b>30.05</b>	24.93	<b>30.02</b>	24.87

<b>b) Leave Salary</b>	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2019-20	2018-19	2019-20	2018-19
Discount	0.50%	<b>10.08</b>	10.17	<b>10.74</b>	10.77
Salary escalation	0.50%	<b>10.74</b>	10.77	<b>10.07</b>	10.15
Mortality	5.00%	<b>10.40</b>	10.46	<b>10.40</b>	10.46
Attrition	5.00%	<b>10.40</b>	10.45	<b>10.39</b>	10.45

<b>c) Provident Fund</b>	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2019-20	2018-19	2019-20	2018-19
Discount	0.50%	<b>0.77</b>	-	<b>0.79</b>	-
Shortfall	0.50%	<b>0.83</b>	-	<b>0.76</b>	-
Mortality	5.00%	<b>0.78</b>	-	<b>0.78</b>	-
Attrition	5.00%	<b>0.78</b>	-	<b>0.78</b>	-

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 31.03.2020	As at 31.03.2019
<b>Financial Assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	13.01	13.08
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	8.19	8.19
ii. Investment measured at Fair value through profit or loss	2.09	2.09
iii. Derivative financial instruments	22.65	-
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	449.78	586.47
Cash and cash equivalents	4.46	2.91
Bank balances other than Cash and cash equivalents	1.58	6.02
Loans	21.85	19.67
Other financial assets	13.56	12.47
<b>Financial Liabilities:</b>		
<b>Financial Liabilities measured at fair value:</b>		
Borrowings	-	6.34
<b>Financial Liabilities measured at amortised cost:</b>		
Borrowings	510.49	415.68
Trade payables	505.35	645.08
Other financial liabilities	176.64	104.08

## 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, 2020	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	—	—	10.28
Derivative financial instruments	—	22.65	—
Financial Liabilities :			
Derivative financial instruments	—	—	—
As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	—	—	10.28
Derivative financial instruments	—	—	—
Financial Liabilities :			
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:

For the year ended

Significant Unobservable Input:	31.03.2020	31.03.2019
a) Risk adjusted discount rate	11.52%	10.04%
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.

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

Rs. In Crores

	Payable within one year	More than one year	Total
<b>As at 31st March, 2020</b>			
Non-Derivative Liabilities			
Trade payable	505.35	—	505.35
Borrowings	227.52	282.97	510.49
Other Financial liabilities	169.43	7.21	176.64
Derivative Liabilities			
Forward exchange contracts	—	—	—
<b>As at 31st 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
Derivative liabilities			
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:

1. Currency risk;
2. Interest rate risk

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2020, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 77.04 crores. (Previous Year - 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. 3.85 Crores in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2020 is "3"(No. of Sell Contracts - 3) (31st March, 2019 - No. of Buy Contracts - 6)

**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. 408.31 crores Borrowings at Floating rate of Interest as at 31st March, 2020 (previous year Rs. 314.55 crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 4.08 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.

**i) 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.

**ii) Other financial assets:**

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2020 is the carrying value of each class of financial assets as on that date.

**43 Borrowing Costs in accordance with IndAS 23 :**

	Rs. In Crores	
	2019-20	2018-19
Borrowing Costs capitalised during the year	7.66	2.92
Capitalisation rate used for Borrowing Costs	7.12%	8.15%

**44 Segment information for the year ended 31st March, 2020 in accordance with Ind AS 108 - Operating Segments**

(i) The Group primarily operates in Automotive components segment. The Group also manufactures industrial components segment which includes components and structures for windmill, railways and thermal power plants. Accordingly the reportable segments are

a) Automotive Components and

b) Industrial Components

The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM).

Segment wise Revenue, Results, Assets and Liabilities for the year ended.

	Rs. in Crores	
	2019-20	2018-19
<b>1. Segment Revenue</b>		
(a) Automotive Components	2,173.60	3,133.49
(b) Industrial Components	498.01	307.84
Total	2,671.61	3,441.33
Less: Inter Segment Revenue	-	-
Revenue from Operations	2,671.61	3,441.33
<b>2. Segment Results (Profit / (Loss) before tax and interest from each segment)</b>		
(a) Automotive Components	73.87	152.40
(b) Industrial Components	27.18	19.08
Total	101.05	171.48
Less:		
(i) Interest	66.52	65.91
(ii) other unallocable income	(1.00)	(2.68)
Total Profit Before Tax	35.53	108.25
<b>3. Capital Employed</b>		
<b>Segment Assets</b>		
(a) Automotive Components	1,612.35	1,701.14
(b) Industrial Components	337.41	286.33
(c) unallocated	37.26	27.35
Total	1,987.02	2,014.82
<b>Segment Liabilities</b>		
(a) Automotive Components	494.40	680.67
(b) Industrial Components	98.40	95.30
(c) unallocated	730.49	598.51
Total	1,323.29	1,374.48
<b>4. Capital Expenditure</b>		
(a) Automotive Components	225.46	213.01
(b) Industrial Components	18.81	27.91
<b>5. Depreciation &amp; Amortisation expense</b>		
(a) Automotive Components	67.20	71.66
(b) Industrial Components	10.72	6.99



## (ii) Geographical Information:

Rs. in Crores

Particulars	2019-20	2018-19
<b>1. Revenue from Operations</b>		
within India*	2,176.58	2,820.58
Outside India	495.03	620.75
<b>Total</b>	<b>2,671.61</b>	<b>3,441.33</b>
<b>2. Non Current Assets</b>		
within India	1,007.23	843.75
Outside India	-	-
<b>Total</b>	<b>1,007.23</b>	<b>843.75</b>

\* Includes Sale of Rs. 268.81 crores (previous year Rs.440.14 and 350.91 made to two of the major customers) made to one of the major customers.

**45 Disclosure on Accounting for revenue from customers in accordance with IND AS 115****Disaggregated revenue information**

Rs. in Crores

		31st March 2020	31st March 2019
<b>a) Type of goods and service</b>			
a) Sale of products		2468.20	3113.85
b) Sale of services		20.86	30.40
c) Other operating revenues		182.55	297.08
Total operating revenue		2671.61	3441.33
In India		2176.58	2820.58
Outside India		495.03	620.75
<b>b) Timing of revenue recognition</b>		At a point of time	At a point of time
Sale of products and other operating income		2671.61	3441.33
<b>c) Revenue recognised in relation to contract liabilities</b>		Nil	Nil
<b>d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>			
Revenue at contracted prices		2671.61	3441.33
Revenue from contract with customers		2671.61	3441.33
Difference		-	-
<b>e) Unsatisfied or partially satisfied performance obligation</b>		Nil	Nil

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**46 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



Nature of transactions	Rs. In Crores	
	2019-20	2018-19
<b>Associates</b>		
Dividend Received	0.97	0.73
Dividend paid	9.16	10.19
Purchase of goods	0.05	0.05
Receiving of Services	0.78	1.30
Rendering of Services	0.15	0.25
Sale of goods	26.78	28.17
Royalty Paid	2.33	2.83
Balance Payable	0.92	2.85
Balance Receivable	2.14	2.35
<b>Associate's subsidiary</b>		
Purchase of goods	26.81	32.30
Receiving of Services	1.10	1.35
Rendering of Services	0.01	0.10
Sale of goods	61.61	67.41
Balance Payable	1.24	4.78
Balance Receivable	11.64	22.73



Key Managerial Personnel	Rs. in Crores			
	2019-20		2018-19	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
a) Short term employee benefits				
Remuneration, Perquisites and Commission	0.44	1.88	1.14	3.69
Commission outstanding	0.44	0.88	1.14	2.27
b) Post Employment Benefits*		0.29		0.24
c) Others				
Interest on fixed deposits	-	0.08	-	0.07
Dividend paid during the year	-	0.04	-	0.04
Deposits balance outstanding	-	0.91	-	0.87

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

#### Employees Benefit Plans:

	Rs. in Crores			
	2019-20		2018-19	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	3.60	5.04	2.06	3.07
Wheels India Limited Staff Provident Fund	2.81	0.23	2.12	0.19
Wheels India Senior Officers Superannuation Trust	0.61	0.61	0.64	0.64

#### 47 Disclosures relating to leases in accordance with IndAS116 :

The Group has applied Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application. The lessee shall recognise the cumulative effect of applying this standard as an adjustment to the opening balance of retained earnings. The comparative information in the financial statement would not be restated and will be presented as per Accounting Standard Ind AS 17. As at the date of transition, as a practical expedient, the Company has not reassessed whether a contract is, or contains a lease as per the option given in the standard. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Group has not applied the requirements of Ind AS 116 to leases for which remaining lease period is less than 12 months. Accordingly they are classified as short term leases. The Group has recognised lease liability at present value of remaining payments at Rs. 1.84 crores discounted at incremental borrowing rate of 9.30% . The Group has measured Right of Use Assets at an amount equal to the lease liability as provided by Ind AS 116.



	Rs. in Crores
<b>a) Measurement of Lease Liability</b>	
Lease Liability as at 31.03.2019	2.52
Less: Adjustment for discounting the lease payments	0.29
Less: Adjustments on account of termination or extension of contracts	0.09
Lease Liability as at 01.04.2019	2.14
Current Liability	0.82
Non Current Liability	1.32
<b>b) Movement in Lease Liability</b>	
Balance as at 01st April 2019	2.14
Additions during the year	8.18
Finance Cost Accrued during the year	0.31
Payment of Lease Liabilities	(1.17)
Balance as at 31st March 2020	9.46
Current Liability (Note 24)	2.25
Non Current Liability (Note 19)	7.21

	Rs. In Crores	
Particulars	2019-20	2018-19
<b>c) Maturity Analysis of Lease Liabilities</b>		
Not later than 1 year	2.57	0.17
Later than 1 year and not later than 5 years	8.50	2.35
Total Undiscounted Lease Liability as at 31st March 2020	11.07	2.52
<b>d) Amount recognised in the statement of Profit or Loss</b>		
Interest on Lease Liabilities	0.31	
Expenses relating to short term leases	0.78	
<b>e) Amount recognised in the statement of cash flow</b>		
Total Cash outflow for leases	1.95	

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

		Rs. In Crores	
		2019-20	2018-19
<b>Computer software &amp; Technical know how</b>	Refer to Note 3		
Gross carrying amount at the beginning of the year		24.69	19.37
Acquired during the year		1.44	5.32
Deletion during the year		-	-
Gross carrying amount at the end of the year		26.13	24.69
Gross amortisation at the beginning of the year		18.44	16.69
Amortised during the year		2.75	1.75
Deletion during the year		-	-
Gross amortisation at the end of the year		21.19	18.44
Net carrying amount at the beginning of the year		6.25	2.68
Net carrying amount at the end of the year		4.94	6.25

**49. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint ventures**

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
<b>2019-20</b>								
Parent: Wheels India Limited	86.32%	591.05	114.35%	54.11	83.43%	(2.77)	116.68%	51.34
<b>I. Subsidiary</b>								
Indian:								
WIL Car Wheels Limited	8.71%	59.67	(10.66%)	(5.04)	10.85%	(0.36)	(12.28%)	(5.40)
Non Controlling Interest in Subsidiary	3.06%	20.98	(3.67%)	(1.74)	3.92%	(0.13)	(4.24%)	(1.87)
<b>II. Associates: ( Investments as per Equity method)</b>								
Indian:								
Axles India Limited	1.91%	13.01	(0.02%)	(0.01)	1.80%	(0.06)	(0.16%)	(0.07)
Total	100.00%	684.71	100.00%	47.32	100.00%	(3.32)	100.00%	44.00



## Consolidated - Notes on Accounts (Contd.)

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
<b>2018-19</b>								
Parent: Wheels India Limited	84.77%	562.19	99.26%	75.67	(17.95%)	0.07	99.87%	75.74
<b>I. Subsidiary</b>								
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)
<b>II. Associates: (Investments as per Equity method)</b>								
Indian:								
Axles India Limited	1.97%	13.08	2.40%	1.83	37.44%	(0.15)	2.22%	1.68
Total	100.00%	663.19	100.00%	76.23	100.00%	(0.39)	100.00%	75.84

50 The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lock down period. The Company has resumed production and export and domestic sales are picking up. The situation is evolving and the assessment of impact due to COVID-19 is a continuous process, given the uncertainties.

Management has conducted the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements and has analysed events post Balance Sheet date and believes that there will not be any material effect on the carrying values of the assets and liabilities of the Company on the reporting date and there is no change in its ability to continue as a Going Concern.

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

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

**K V LAKSHMI**  
Company Secretary

Chennai  
17th June, 2020

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 Cash Flows in Accordance with Ind AS 7 Annexed to the Balance Sheet for the year ended 31st March 2020

		Rs. In Crores	
		2019-20	2018-19
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Total Comprehensive Income after tax	44.00	75.76
	Add:		
	Depreciation	77.92	78.65
	Obsolescence	0.68	0.48
	Lease Liabilities	0.72	1.62
	Effect of Exchange Rate Change	(6.55)	4.89
	Loss on Sale of Fixed Assets	0.26	0.14
	Taxes on Income	(12.72)	32.78
	Interest Expenses	66.52	65.91
		<u>126.83</u>	<u>184.47</u>
		170.83	260.23
	Less:		
	Share of an Associate	(0.07)	1.68
	Interest Income	1.56	3.67
	Gain/(Loss) on Fair Valuation of Investments	—	0.32
	Dividend Income	0.97	0.73
		<u>2.46</u>	<u>6.40</u>
	Cash flow from Operation before Working Capital Changes	168.37	253.83
	Cash flow from Working Capital :		
	Trade Receivables	139.53	(87.67)
	Inventories	23.58	(61.75)
	Advances & Other Current Assets	64.63	(24.91)
	Trade Payables	(158.70)	133.77
	Other Payables & Provisions	(42.16)	(6.31)
		<u>26.88</u>	<u>(46.87)</u>
	Taxes paid	(11.46)	(23.46)
	<b>Net Cash Flow from Operating Activities (A)</b>	<u>183.79</u>	<u>183.51</u>
<b>B</b>	<b>Investing Activities</b>		
	Purchase of Fixed Assets	(244.27)	(240.92)
	Sale of Fixed Assets	0.54	7.57
	Purchase of Investments	-	(0.24)
	Dividend Received	0.97	0.73
	Interest Received	0.71	2.53
	<b>Net Cash used in Investing Activities (B)</b>	<u>(242.05)</u>	<u>(230.33)</u>



## Consolidated Statement of Cash Flows (Contd.)

Rs. In Crores

	2019-20	2018-19
<b>C Financing Activities</b>		
Proceeds from Long Term Borrowings	210.22	147.48
Repayment of Long Term Borrowings	(70.90)	(74.36)
Increase in Working Capital Borrowings	16.01	55.50
Repayment of Lease Liabilities	(1.64)	(1.63)
Dividend paid	(22.46)	(22.42)
Interest of Lease Liabilities	(0.31)	-
Interest paid	(61.05)	(66.78)
<b>Net Cash used in Financing Activities (C)</b>	<b>69.87</b>	<b>37.79</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>11.61</b>	<b>(9.03)</b>
Closing Cash & Cash Equivalents	8.18	(3.43)
Opening Cash & Cash Equivalents	(3.43)	5.60
<b>Net Increase in Cash and Cash Equivalents</b>	<b>11.61</b>	<b>(9.03)</b>
Closing Cash & Cash Equivalents as per Balance sheet	4.46	2.91
(Add)/ Less: Cash Credit as at the end of the year	(3.72)	6.34
<b>Cash &amp; Cash Equivalents for the purpose of IndAS 7</b>	<b>8.18</b>	<b>(3.43)</b>

**S RAM**  
Chairman

**SRIVATS RAM**  
Managing Director

**S PRASAD**  
Director

**R RAGHUNATHAN**  
Chief Financial Officer

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



# WHEELS INDIA LIMITED



## Automotive Wheels



## Energy & Railway Components



## Air Suspension



## Construction Wheels

