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 12, 2021

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

Scrip Code: WHEELS

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

Scrip Code: 590073

Dear Sir / Madam,

**Subject: Notice of 62nd Annual General Meeting – Regulation 34 of SEBI LODR**

The 62nd Annual General Meeting (AGM) of the Company will be held on Wednesday, August 04, 2021 at 10.30 A.M. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we enclose herewith the copy of the Notice of 62nd AGM together with the Annual Report which have been sent to the shareholders of the Company today (i.e. July 12, 2021) through electronic mode and the same is hosted on the website of the Company at www.wheelsindia.com.

Further, in connection with the AGM and payment of dividend on equity shares, we wish to inform you the following:

| | |
|---|---|
| The Register of Members and Share Transfer Books of the Company will remain closed during | Thursday, **July 29, 2021** to Wednesday, **August 04, 2021** (both days inclusive) |
| The cut-off date for reckoning the eligibility of the members for e-voting and dividend | Wednesday, **July 28, 2021** |
| The e-voting shall commence on | Sunday, **August 01, 2021** at 9.00 A.M.(IST) |
| The e-voting shall end on | Tuesday, **August 03, 2021** at 5.00 P.M. (IST) |

Kindly take the above on record and disseminate the same on your website.

Thanking you.

Yours faithfully,

For **Wheels India Limited**

WHEELS INDIA LTD CHENNAI

K.V. Lakshmi

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

Encl.: As above

CC:

1. M/s. National Securities Depository Limited, Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
2. M/s. Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013
3. M/s. Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai – 600 002

# WHEELS INDIA LIMITED



## 62nd ANNUAL REPORT 2020-2021

# WHEELS INDIA LIMITED

Registered Office: No.21, Patullos Road, Chennai - 600 002
Website Address : www.wheelsindia.com
CIN : L35921TN1960PLC004175

## 62ND ANNUAL REPORT

- M.T.H ROAD, PADI, CHENNAI – 600 050
- NO.22 KM RAMPUR TANDA ROAD, POST - TANDA BADLI, DISTRICT - RAMPUR, UTTAR PRADESH – 244 925
- PLOT NO. C-1, MIDC, RANJANGAON GANPATI, KAREGAON VILLAGE, SHIRUR TALUK, PUNE DISTRICT, MAHARASHTRA – 412 220
- SINGAPERUMAL KOIL ROAD, PONDUR VILLAGE, SRIPERUMBUDUR, KANCHIPURAM DIST. – 602 105
- PLOT NO-56, SECTOR-11, I.I.E., PANTNAGAR, RUDRAPUR, DISTRICT - UDHAM SINGH NAGAR, UTTARAKHAND – 263 153
- PLOT NO. D-3, DEOLI GROWTH CENTRE, MIDC DEOLI, TALUKA DEOLI, DISTRICT WARDHA - 442 101
- 13/3, ARAKONAM ROAD, NAMACHIVAYAPURAM, THODUKADU VILLAGE & POST, TIRUVALLUR TALUK, TAMIL NADU – 602 105
- SURVEY NO. 281, PLOT NO. K-18/2, SIPCOT INDUSTRIAL PARK, PHASE - 2, MAMBAKKAM VILLAGE, SRIPERUMBUDUR, TAMIL NADU – 602 105
- SURVEY NO. 147/2B & 147/3, GST ROAD, PUKKATHURAI VILLAGE, MADURANTHAGAM TALUK, CHENGALPET DISTRICT, TAMIL NADU - 603 308
- PLOT NO A-4/1A PT.1 AND A-4/1B, SIPCOT INDUSTRIAL PARK, THERVOYKANDIGAI, GUMMIDIPOONDI TALUK, THIRUVALLUR, TAMIL NADU – 601 202
- NO.102, SUMANTHERABEDU VILLAGE, IRUNGATTUKOTAI, TAMIL NADU - 602 117

### BANKERS

- STATE BANK OF INDIA
- STANDARD CHARTERED BANK
- HDFC BANK LIMITED
- PUNJAB NATIONAL BANK
- AXIS BANK LIMITED
- KOTAK MAHINDRA BANK
- THE FEDERAL 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 | |
| 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

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# Financial Summary - Last Ten Years

Rs. in Crores

| | 31.03.21** | 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operating Results** | | | | | | | | | | |
| Total Revenue (Net off Excise duty) | **2,215.55** | 2,438.72 | 3,188.84 | 2,469.51 | 2,176.06 | 1,989.10 | 1,982.54 | 1,825.16 | 1,927.34 | 2,079.83 |
| Earnings before Interest Depreciation and Tax | **143.03** | 176.33 | 240.63 | 200.55 | 188.91 | 174.36 | 152.75 | 149.55 | 153.64 | 165.98 |
| Depreciation | **80.63** | 70.20 | 70.21 | 67.05 | 63.92 | 60.45 | 54.14 | 55.34 | 53.59 | 50.47 |
| Earnings before Finance costs and Tax | **62.40** | 106.13 | 170.42 | 133.50 | 124.99 | 113.91 | 98.61 | 94.21 | 100.05 | 115.51 |
| Finance costs* | **52.68** | 61.53 | 62.00 | 44.54 | 48.16 | 57.58 | 59.07 | 55.35 | 55.50 | 61.35 |
| Profit before tax before exceptional item | **9.72** | 44.60 | 108.42 | 88.96 | 76.83 | 56.33 | 39.54 | 38.86 | 44.55 | 54.16 |
| Exceptional Item | **-** | – | – | 12.49 | – | – | – | – | – | – |
| Profit before tax | **9.72** | 44.60 | 108.42 | 101.45 | 76.83 | 56.33 | 39.54 | 38.86 | 44.55 | 54.16 |
| **Financial Position** | | | | | | | | | | |
| Equity Share capital | **24.06** | 24.06 | 24.06 | 12.03 | 12.03 | 12.03 | 12.03 | 12.03 | 9.87 | 9.87 |
| Reserves and Surplus | **575.26** | 573.41 | 544.55 | 503.32 | 449.69 | 396.13 | 369.03 | 351.55 | 248.98 | 230.56 |
| Shareholders' equity | **599.32** | 597.47 | 568.61 | 515.35 | 461.72 | 408.16 | 381.06 | 363.58 | 258.85 | 240.43 |
| Borrowings | **609.18** | 574.80 | 452.88 | 358.57 | 369.07 | 386.13 | 389.23 | 331.66 | 419.57 | 387.68 |
| Gross block (includes Capital Work-in-Progress) | **1,645.99** | 1526.36 | 1320.35 | 1144.67 | 1186.12 | 1123.22 | 1054.67 | 989.07 | 922.93 | 816.68 |
| Net block (includes Capital Work-in-Progress) | **825.24** | 781.57 | 642.12 | 527.11 | 548.27 | 535.15 | 522.04 | 512.89 | 493.30 | 440.01 |
| Dividend - Amount | **2.41** | 13.60 | 19.25 | 18.05 | 15.64 | 10.83 | 9.03 | 9.01 | 7.99 | 9.87 |
| **Per equity Share (Rs.)** | | | | | | | | | | |
| Dividend Per Share*** | **1.00** | 5.65 | 8.00 | 15.00 | 13.00 | 9.00 | 7.50 | 8.20 | 8.10 | 10.00 |
| Book Value Per Share*** | **249.05** | 248.28 | 236.29 | 428.31 | 383.73 | 339.22 | 316.70 | 302.17 | 262.27 | 243.61 |
| Earnings Per Share*** | **2.80** | 22.49 | 31.45 | 29.82 | 48.51 | 33.24 | 24.72 | 27.06 | 30.61 | 34.80 |

* As per revised Schedule VI of Companies Act 1956 from March 31, 2011 and Schedules III of Companies Act, 2013 from March 31, 2015

** As per new Accounting Standards (Ind AS) applicable from the year ended March 31, 2017

*** Company issued 1:1 Bonus shares on August 13, 2018

# Notice to the Shareholders

**NOTICE** is hereby given that the **Sixty Second Annual General Meeting** of the shareholders of the Company will be held on Wednesday, the **August 04, 2021** at **10.30 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 March 31, 2021 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** a dividend of Re.1.00 per share (10%) on the paid-up capital consisting of 2,40,64,558 equity shares, absorbing a sum of Rs.2.41 Crores, as recommended by the Board, be approved and the same is hereby declared payable for the year ended March 31, 2021 as 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.7,50,000/- (Rupees Seven Lakhs Fifty Thousand 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 March 31, 2022, 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 a Special Resolution:

   **"RESOLVED THAT** Mr. S Viji (DIN:00139043), a Director retiring by rotation, being eligible for re-election, be and is hereby re-elected as a Director of the Company, liable to retire by rotation.**"**

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

   "**RESOLVED THAT** pursuant to the Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 including any amendment(s), modification(s), variation(s) or re-enactment(s) 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 57th Annual General Meeting, approval of the members of the Company be and are hereby accorded for payment of Commission to Mr. S Ram (DIN: 00018309), Non-Executive Director during the financial year ending March 31, 2022 exceeding fifty percent of the total remuneration that may be payable to all Non-executive Directors of the Company during the financial year ending March 31, 2022.

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

Regd. Office:
No. 21, Patullos Road
Chennai - 600 002

May 21, 2021

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 their circulars dated, April 08, 2020, April 13, 2020, May 05, 2020 read with January 13, 2021 (collectively referred to as "MCA Circulars") permitted to hold 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 LODR") and the 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 5 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. As the AGM is being held through VC / OAVM in accordance with the MCA circulars, 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 Circulars, 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 and after 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 July 29, 2021 to August 04, 2021 (both days inclusive) for payment of dividend on equity shares.

8. The 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 July 28, 2021. 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”, No.1, Club House Road, Chennai – 600 002.

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 2013-14 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 (IEPF). 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 their dividend on or before October 14, 2021, being the due date for transfer of unpaid / unclaimed dividend to IEPF.

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. Pursuant to the aforesaid provisions, during the year under review, the Company has, by way of corporate action, transferred 1,492 shares pertaining to the financial year 2012-13 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.

13. 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.

14. 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 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.

15. 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. In this regard, 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 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.

16. 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 page nos. 12 to 17).

17. The Board of Directors have 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. The Company has engaged the services of 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 during the e-voting period which would commence on August 01, 2021 (Sunday) at 9:00 A.M. (IST) and conclude on August 03, 2021 (Tuesday) at 5:00 P.M. (IST).

18. The Scrutinizer shall, immediately after the conclusion of the meeting, count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in presence of atleast two witnesses not in employment of

the Company. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of remote e-voting and e-voting during the 62nd 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 at www.wheelsindia.com and also be displayed on the website of CDSL at www.evotingindia.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges.

19. The shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **July 28, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants and for the members holding shares in physical form can submit their PAN and Bank mandate to the Company / RTA.

23. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. Other documents referred to in the notice, if any, will be available for electronic inspection. The members seeking to inspect such documents can send e-mail to investorservices@wheelsindia.com.

24. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at 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 or www.bseindia.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) at www.evotingindia.com.

25. Pursuant to the Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 01, 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 2021-22 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 15G/ 15H can be downloaded from the weblink https://investors.cameoindia.com to avail the benefit and e-mail to investor@cameoindia.com by 11:59 P.M. IST on July 28, 2021. 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.

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. The aforesaid declarations and documents should be submitted by the shareholders by 11:59 P.M. IST on July 28, 2021

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_2021.pdf

Any clarification required in this regard, you may contact Ms. Komalavalli R, Senior Manager, Cameo Corporate Services Limited (Ph. No. 044-28460395). No communication would be accepted from Members after July 28, 2021 regarding the tax withholding matters.

26. In compliance with the MCA Circulars, the Annual Report 2020-21 including, the Notice of the 62nd 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.

27. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, e-mail ID, mobile number to investorservices@wheelsindia.com from **July 15, 2021, 9:00 A.M. (IST) to July 19, 2021, 05:00 P.M. (IST)** only. The shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

# Annexure to the Notice

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

**Special Business**

**Item No. 3**

The Board, based 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.7,50,000/- (Rupees Seven Lakh Fifty Thousand only) per annum plus taxes, as applicable, 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 March 31, 2022.

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 Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for passing the resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022. 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**

In terms of 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.

Further, in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment / continuity as a Non-Executive Director who has attained the age of 75 years requires passing of a Special Resolution.

Accordingly, Mr. S Viji, Director, aged 75 years, is due for retirement and eligible for re-appointment at the 62nd Annual General Meeting, based on the duration in office since the last re-appointment.

Mr. S Viji 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 more than four decades of experience in financial services and the automotive industry. He has been on the Board of the Company since July 31, 1986. The Board feels that his association with Company is favourable and necessary for the Company for its continual growth. Accordingly, a Special Resolution is submitted for your consent.

The special resolution as set out under Item No. 4 of the Notice is accordingly submitted to the members for consideration. Except Mr. S Ram and Mr. Srivats Ram, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution.

The additional disclosures as required under the Act, Secretarial Standard-II and Regulation 36 of the SEBI LODR have been provided as an Annexure to this Notice.

**Item No. 5**

The payment of commission to Mr. S Ram, Non-Executive Director was approved by the members at their 57th Annual General meeting.

In terms of 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, 2022 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. 5 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 are in anyway concerned or interested, financially or otherwise, in the Resolution.

**Additional disclosure:**

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

| | |
|---|---|
| **Name** | Mr. S Viji |
| **DIN** | 00139043 |
| **Date of Birth** | June 07, 1946 |
| **Profile**<br>**Qualification**<br>**Experience and Expertise in specific functional area** | Mr. S. Viji holds Bachelor's degree in commerce from University of Madras, Master's degree in Commerce from the University of Michigan and member of ICAI. He has more than four decades of experience in financial services and automotive industry |
| **Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid** | Mr. S Viji being retiring Director, being eligible offer himself for reappointment |
| **Remuneration last drawn by such person, if applicable** | Entitled to get sitting fees only |
| **Date of first appointment on the Board** | July 31, 1986 |
| **Membership / Chairmanship of Committees of the Board of Directors of the Company** | Refer Corporate Governance Report section of the Annual Report |
| **Other Directorships and Membership / Chairmanship of Committees of other Boards** (Only Public Limited Company and Audit Committee and Stakeholders Relationship Committee) | **(A) Other Directorship:**<br>Sundaram Finance Limited<br>Royal Sundaram General Insurance Co. Limited<br>Sundaram Trustee Company Limited<br>**(B) Membership of Committee of other Boards:** Nil<br>**(C) Chairmanship of Committee of other Boards:** Nil |
| **Number of shares held in the Company** | Nil |
| **Relationship with other Directors / Manager / Key Managerial Personnel of the Company** | Brother of Mr. S Ram, Chairman & Non-Executive Director |
| **Number of Meetings of the Board attended during the year** | Refer Corporate Governance Report section of the Annual Report |

# INSTRUCTIONS TO SHAREHOLDERS

## A) FOR REMOTE E-VOTING:

i. The e-voting period shall commence on August 01, 2021 (Sunday) at 9:00 A.M (IST) and ends on August 03, 2021 (Tuesday) at 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 July 28, 2021 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

**Pursuant to aforementioned SEBI Circular, login method for e-voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are www.cdslindia.com or https://web.cdslindia.com/myeasi/home/login and click on Login icon and select New System Myeasi<br>2) After successful login of the Easi / Easiest facility user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly.<br>3) If the user is not registered for Easi/Easiest facility, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration<br>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM. |
| Individual Shareholders holding securities in demat mode with **NSDL** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting |

| | |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| **Login type** | **Helpdesk details** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

**v. Login method for e-voting and joining virtual meetings for Physical shareholders and non-individual shareholders holding shares in Demat form**

1. The members should log on to the e-voting website www.evotingindia.com
2. Click on Members module
3. 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
4. Next enter the Image Verification as displayed and Click on Login
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used

6. If you are a first time user follow the steps given below:

| For Physical shareholders and non-individual shareholders holding shares in Demat form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | Members who have not updated their PAN with the Company / Depository participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA |
| Dividend Bank Details OR Date of Birth (DOB) | 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 |
| | 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 |

vi. After entering these details appropriately, click on "SUBMIT" tab

vii. 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

viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice

ix. Click on the EVSN for the relevant **Wheels India Limited** on which you choose to vote

x. 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

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details

xii. 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

xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page

xv. 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

xvi. 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 and register themselves as "Corporates" module
- A scanned copy of the Registration Form bearing the stamp and sign

of the entity should be e-mailed to 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 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 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

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

i. 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

ii. 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

iii. Members are encouraged to join the meeting through laptops / iPads for better experience. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting

iv. Please note that the 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

v. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, e-mail ID, mobile number to investorservices@wheelsindia.com from **July 15, 2021, 9:00 A.M.** (IST) to **July 19, 2021, 05:00 P.M.** (IST) only. The members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The members who do not wish to speak during the AGM but have queries may send their queries to investorservices@wheelsindia.com from **July 15, 2021, 9:00 A.M.** (IST) to **July 19, 2021, 05:00 P.M.** (IST) only mentioning their name, demat account number / folio number, e-mail ID, mobile number. The Company will reply to these queries suitably by e-mail.

**PROCESS FOR THOSE MEMBERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES / RTA / COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

i. 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 e-mail to Company / RTA e-mail ID

ii. For Demat member, please update your e-mail ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository

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

i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting

ii. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting

iii. 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. Further, 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

iv. 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

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542 / 43

# Directors' Report to the Shareholders

Your Directors present the **Sixty Second Annual Report** together with the audited financial statements of your Company for the year ended March 31, 2021.

## Performance

The sales (net of Indirect taxes) for the year were Rs.2,198.44 Crores as compared to 2,407.81 Crores in the previous year showing a decrease of 8.70%.

## Financial highlights

The standalone financial highlights of the Company for the year are as below:

**Rs. in Crores**

| **Particulars** | **2020-21** | 2019-20 |
|---|---|---|
| Gross Profit before finance cost and depreciation | **143.03** | 176.33 |
| Finance cost | 52.68 | 61.53 |
| Depreciation | 80.63 | 70.20 |
| Profit before tax | **9.72** | 44.60 |
| Profit after tax | **6.75** | 54.11 |
| Total Comprehensive Income | 8.23 | 51.34 |
| Transfer to General Reserves | 2.00 | 22.00 |

## Dividend and transfer to General Reserve

Your Directors are pleased to recommend a dividend of Re.1.00 per equity share (10%) for the year ended March 31, 2021. The dividend recommended, subject to approval of shareholders at the 62nd Annual General Meeting, will be paid to all the shareholders whose name appear in the register of members as on July 28, 2021 (being the record date fixed for this purpose).

The Company proposes to transfer an amount of Rs.2.00 Crores to the General Reserves of the Company. An amount of Rs.94.21 Crores were proposed to be retained under Retained Earnings. The dividend distribution policy framed by the Company in accordance with Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and approved by the Board of Directors is available on the website of the Company at http://www.wheelsindia.com/pdf/dividend-distribution-policy.pdf

## Share capital & change in Promoter / Promoter Group

During the year under review, the paid-up capital of the Company stood at Rs. 24,06,45,580/- consisting of 2,40,64,558 equity shares of Rs.10/- each. There was no change in capital structure of the Company.

During the year, Titan Europe Limited (Titan), a person then belonging to Promoter / Promoter Group had divested their entire shareholdings i.e. 48,12,912 equity shares. Further, the shareholders of the Company, vide postal ballot dated December 10, 2020, approved the re-classification of Titan from "Promoter / Promoter Group" to "Public Category".

On an application made by the Company to the National Stock Exchange of India Limited (NSE) where the equity shares of the Company are listed, the NSE had approved the re-classification of Titan from "Promoter / Promoter Group" to "Public Category" effective March 23, 2021.

During the year, India Motor Parts & Accessories Limited (IMPAL) had acquired 10,98,655 shares of Rs.10/- each. The IMPAL has become a 'member of the Promoter Group' by virtue of TVS & Sons Private Limited being a common promoter for IMPAL and Wheels India Limited and holding more than 20% in Wheels India Limited.

During the year, Sundaram Finance Holdings Limited (SFHL) had acquired 23,32,021 equity shares of Rs.10/- each and thus, the Company has become an Associate to SFHL in terms of Section 2(6) of the Companies Act, 2013 ("Act").

## Management Discussion and Analysis

The global pandemic COVID-19 wreaked havoc across the global economy resulting in a global contraction of -3.5% in 2020. In the second half of the year, most economies started opening up their economies leading to some economic recovery. The mass vaccination has given confidence to the global economy that is expected to grow at 5.5% in 2021.

The Indian economy was not an exception to the health crisis in 2020-21. In response to the pandemic, the government took several proactive and mitigating measures. In order to control the spread of the virus in the country, the Government of India imposed a period of lockdown from the latter part of March to the middle of May in the year under review, with a dramatic reduction in economic activity across industries. The lockdown measures, ubiquitously affected employment, business, trade, manufacturing, and services activities.

The reduction in the national economic activity in the first quarter was so severe that despite a reasonable recovery in the latter part of the year, the Indian economy is expected to have contracted to the extent of -7.3% in 2020-21, despite a fairly strong performance by the agricultural sector.

Your Company was considerably hit by the lockdown in the first quarter of the year under review, as in addition to the stopping of operations across plants during the lockdown, we followed the direction of the government to pay full salaries for permanent and temporary staff even when they were not deployed for the period. This resulted in a significant loss in the first quarter of the year under review. As operations resumed post-lockdown, your Company established strict protocol for operations at its plants and these are being strictly followed. The economy started slowly reviving in the second quarter with demand strengthening in the third and fourth quarters of the year under review, enabling your Company to make a marginal profit for the year.

In addition to the swing in activity levels across your Company's business segments, the fortunes of different segments varied. Despite the lockdown period, your Company was able to grow its export business, which formed more than 25% of your Company' sales in the year.

In the automotive segment for both the passenger car and commercial vehicle segments, BS-VI emission norms came into force from April 1, 2020, notably increasing the cost of commercial vehicles. There was very little activity in these segments in the first quarter of the year. Following the opening up of the economy, post-lockdown, there was pent-up demand and a preference for personal mobility as opposed to shared mobility that drove demand in the passenger vehicle segment. There was increased cast aluminium wheel penetration further reducing demand for steel wheels.

In the commercial vehicle segment, demand took a longer time to return. However, the growth of e-commerce resulted in decent demand for intermediate commercial vehicles and small commercial vehicles. There was a fair amount of work on the infrastructure development that was being done driving the demand for tippers, particularly in the second part of the year. Despite this, the commercial vehicle industry faced its second consecutive year of significant decline in sales.

The agricultural tractor segment was driven by strong fundamentals including high water levels at reservoirs, good monsoons, higher minimum support prices and availability of financing. These favorable factors and the fact that the first wave of the pandemic had less impact on rural India, resulted in buoyant growth for agricultural tractors in the country. In addition to the domestic market, your Company has been successful in increasing its exports to global tractor customers.

Following the lockdown, the domestic construction equipment market saw strong demand, driven by the high infrastructural development in the country. The

demand from international construction equipment customers, where your Company is a major supplier, showed strong growth towards the latter part of the year as the global economy started recovering.

The pandemic and slowing economic cycle affected demand for railway and windmill components in the country. However, your Company has become a part of the global supply chain for windmill manufacturers and was able to grow the export business, as demand for clean energy and windmills grows in the developed countries.

The air suspension business was the worst hit segment of your Company's business, with demand for bus and truck suspension being negligible throughout the year, barring the last four months of the year.

Your Company and its employees have tried their utmost to meet or exceed customer expectations under very trying circumstances in the year under review. It was heartening to note that your Company, has been recognized as the Partner of the Year by Mahindra & Mahindra's Farm Sector.

Your Company commissioned a state-of-the-art cast aluminium wheel plant at Thervoy Kandigai, investing ~Rs 180 Crore to create a capacity of 350,000 wheels a year that with incremental investment could be increased to 750,000 wheels a year.

There was persistent industrial inflation with significant increases in steel and aluminium prices in each of the last two quarters of the year under review. The revival of the global economy is likely to ensure that metal prices remain strong even in the coming year.

The debtor and inventory turnover ratios appear deterioration compared to the previous year as a large part of the sales in the year under review was in the last few months. The period of lockdown in the first quarter and the loss incurred therein adversely affected the operating and net profit margin, as also the return on net worth and interest coverage ratio.

At the end of 2019-20, Titan Europe Limited was a promoter in your Company with a 20% stake. Subsequently, by the end of June 2020, they completely exited the Company and hold no shares in your Company, we received an approval for reclassification of Titan Europe Limited from "Promoter and Promoter group category" to "Public category" on March 23, 2021.

While it is expected that the global economy will grow at 5.5% in the coming year, it is expected that the Indian economy could grow moderately in the coming year, despite waves of pandemic affecting the country.

The demand for passenger and commercial vehicles in the coming year are likely to depend on the extent of lockdowns in states as the country goes through waves of the pandemic. It is expected that the agricultural tractor segment could see some growth, as many of the favorable factors that were present in the year under review, are expected to continue. The air suspension, windmill, and railway component domestic business will also be dependent on the effect of the pandemic on the economy.

We anticipate growth in the export business of your Company in three areas.

In the area of off-highway wheels, after the exit of Titan Europe, we have been able to win new business from international equipment manufacturers. This new business is expected to boost the export of both agricultural tractor wheels and construction wheels in the coming year.

Your Company has been able to establish itself as a supplier of forged aluminium wheels to the American and European markets. This business is expected to be strong in the coming year. Your Company has also started to manufacture cast aluminium wheels for the American after-market distributed by our existing customer. The demand for wheels from the new plant is expected to grow in the coming year.

In the last year, your Company established itself as a supplier of components to windmill manufacturers globally. There is anticipated to be strong demand for windmills in the west as developed countries look at increasing renewables in their energy mix. We are well placed to benefit from this trend.

Your Company had a small unit making large fabricated steel parts for thermal power plants. Your Company has decided to exit this business, as it is not profitable and has bleak prospects. It is expected that sale of the business will take place in the coming year.

The coming year will likely to carry all the uncertainty of a pandemic hit economy, both on the demand and supply side. It will also be a year where commodity inflation is likely to continue to affect your Company. Despite these factors, we are confident that we will be able to significantly grow our exports and mitigate to some extent risk from domestic demand fluctuations due to waves of the pandemic.

Your Company has a joint venture with Topy Industries Limited for manufacture of passenger car steel wheels named WIL Car Wheels Limited. This business was badly affected by the lockdowns, as demand for steel wheels declined not only due to muted demand for cars, but also due to the increasing penetration of cast aluminium wheels. The prospects for this business will depend on how the country and economy manages the pandemic in the coming year.

The year under review was a most difficult year for the Company that we have been able to manage, thanks to the dedication, bravery and efforts of our employees, the support of our bankers, customers and suppliers.

## Consolidated Financial Statements

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

The Consolidated profit after tax for the year 2020-21 was Rs.0.12 Crores and the Consolidated Net worth were Rs.660.69 Crores as on March 31, 2021 as against Rs.47.32 Crores and Rs. 663.73 Crores as on March 31, 2020, respectively.

## Subsidiary Company

WIL Car Wheels Limited (WCWL) reported a gross revenue of Rs.247.09 Crores and loss after tax of Rs. 6.53 Crores for the financial year 2020-21 as against Rs.301.32 Crores and loss after tax of Rs.6.79 Crores for the financial year 2019-20. The gross revenue of WCWL represents 8.82% of consolidated turnover of the Company.

## Associate Company

Axles India Limited (Axles) has achieved a turnover of Rs. 312.02 Crores and profit after tax of Rs. 2.96 Crores for the financial year 2020-21 as against the turnover of Rs.408.62 Crores and profit after tax of Rs.12.16 Crores for the financial year 2019-20.

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

In accordance with the provisions of Section 136 of the Act, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company will be available on our website at www.wheelsindia.com. These documents will also be available for inspection during business hours at the Registered office of the Company.

## Fixed Deposits

As at March 31, 2021, fixed deposits accepted by the Company from public and shareholders aggregated to Rs.105.29 Crores, which are within the limits prescribed under the Act and the rules framed thereunder.

The provisions of the 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+ with outlook revised to stable from negative for its fixed deposits from ICRA.

The details relating to deposits in accordance with Chapter-V of the Act are given in Annexure-II forming part of this Report.

### Credit rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been confirmed by ICRA by its ratings during the year under review. The credit rating details have been disclosed to stock exchanges and made available in the website of the Company. The Corporate Governance section of this annual report carries the details of credit rating.

### Board Evaluation

Pursuant to the provisions of Section 134 (3) (p), Section 149(8) read with Schedule-IV of the Act, SEBI LODR, an 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 carried out in accordance with the Nomination & Remuneration Policy adopted by the Board. 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 of Directors have also carried out the evaluation of the Directors, performance of Independent Directors and its Committees based on the guidelines prescribed by the SEBI.

### Particulars of Loans, Guarantees or Investments

The Company has not given any loan or security or guaranty in terms of Section 186 of the Act. The details of the investments made by Company are given in the notes to the financial statements.

### Board of Directors, Committees and Management

The composition of the Board of Directors and its Committees are in accordance with the Act and the SEBI LODR. The Corporate Governance Report given in Annexure-VI to this report contains the composition of the Board of Directors of the Company and its Committees.

### Re-appointment of director retiring by rotation

Mr. S Viji (DIN:00139043) is retiring by rotation at the ensuing 62nd AGM, being eligible, offers himself for re-appointment. The proposal for his re-appointment as a Director is included in the notice convening the 62nd AGM.

### 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, as amended, forms part of the Notice convening the ensuing Annual General meeting of the Company.

### Cessation of Directors

Mr. Paul G Reitz & Mr. Christopher Michael Benedict Akers, Non-Executive Directors ceased to be the Directors of the Company with effect from July 08, 2020 and they also confirmed to the Company in writing that there were no material reasons for their resignation.

## Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act & SEBI LODR and are independent of the Management.

All the Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and the SEBI LODR. They have also confirmed compliance with Section 150 of the Act regarding registration with the Independent Directors databank maintained by the Indian Institute of Corporate Affairs.

## Key Managerial Personnel

During the year there was no change in the Key Managerial Personnel of the Company.

## Remuneration Policy

The Board, based on the recommendations of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management Personnel and Key Managerial Personnel 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 to the Act, your Company has constituted a CSR Committee under the Board, to frame, monitor and execute the CSR activities of the Company. The Board has approved the CSR Policy and guidelines for implementation and the Committee effectively supervises the program. The salient features of the CSR policy are as follows:

- The CSR policy governs the activities that can be undertaken by the Company
- Further, the policy covers the scope, manner of execution of activities including the annul action plan, monitoring and reporting on CSR activities, resource utilization & its modalities, impact assessment, etc.
- The policy is available on the website of the Company at www.wheelsindia.com

Your Company has fulfilled its obligation towards CSR by spending a sum of Rs.162.03 lakhs during the year. The constitution of the CSR Committee and the report as required under the 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 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 Act and the members can view the details of the policy on www.wheelsindia.com.

### Directors' Responsibility Statement

The Directors acknowledges their responsibility of ensuring compliance with the provisions of Section 134(3)(c) of the 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 Act:

a. that in the preparation of the annual financial statements, the applicable Ind AS have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in the financial statements have been selected and applied consistently and 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, 2021 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 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; and

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 (RPT) which is being periodically reviewed by the Audit Committee and approved by the Board. The policy on RPT is available on the Company's website at www.wheelsindia.com.

All Related Party transactions that were entered into by the Company during the financial year 2020-21, 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 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. 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 were 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.

### Employees and details of Remuneration:

The statement of Disclosure of Remuneration under Section 197 of the 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 the 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 is committed to providing a safe and conducive work environment to all its employees and associates. 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. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under these provisions. During the year under review, there were no cases filed / pending for resolution pursuant to the above enactment.

### Corporate Governance

In accordance with the provisions of SEBI LODR, the 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 Auditor of the Company for a term of five consecutive years i.e. from the conclusion of the 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting of the Company.

The Company has received the eligibility certificate from the auditors confirming that they are not disqualified to act as Auditor and are eligible to hold office as Auditor of the Company.

### Cost Auditor

Pursuant to Section 148 of the Act read with the Companies (Cost Audit and Record) Rules, 2014, the cost records and the accounts are being maintained by the Company and same are being audited as per the requirement of the Act.

The Board, based 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 March 31, 2021. The said firm was appointed by the Board to conduct the Cost Audit for the year 2021-22 at the remuneration of Rs.7,50,000/- (Rupees Seven lakhs fifty thousand only) excluding applicable taxes and out of pocket expenses).

The report of the said Cost Auditor will be filed with the Central Government in accordance with the rules framed thereunder. The Act 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 2021-22 is included in the Notice convening the 62nd Annual General Meeting.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the rules framed thereunder, the Company had appointed M/s. S Dhanapal & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2020-21.

In terms of Regulation 24A of the SEBI LODR, the secretarial audit report of the Company together with material unlisted subsidiary namely WIL Car Wheels Limited for the financial year ended March 31, 2021 are given in the Annexure-VII and forms part of this report.

### Comments on Auditors' report

There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor and Secretarial Auditor in their reports respectively. During the year, there have been no incidents of fraud reported to the Audit Committee in terms of Section 143(12) of the Act.

### 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' capture and report 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 on major and minor incidents. 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. The safety training is conducted at all levels on a continuous basis and additional emphasis 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.

As the COVID-19 pandemic is raging, your Company has established thorough systems and processes to ensure a safe and healthy work environment for those in offices and in the factory. Your Company's processes meet or exceeds the government required protocols for operating during the pandemic. These processes start from the employee's journey to the factory, checking the employees for symptoms (body temperature, oxygen level, etc.) at entry and exit, mandating the use of masks and recommending use of face shield, following physical distancing standards around the factory. Your Company also has standard operating procedures for the shop floor, the offices, the

open areas. Employees who are eligible and permitted are encouraged to get vaccinated. Your Company is dedicated to providing a safe environment for all its employees 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.

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

The conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required under Section 134(3)(m) of the Act, read with rule 8(3) of the Companies (Accounts) rules, 2014 are enclosed as Annexure-VIII and forms part of this report.

### Business Responsibility Reporting

The Company practices various business responsibility initiatives as per the Business Responsibility policy laying down the broad principles guiding the Company in delivering various responsibilities to its stakeholders. The Business Responsibility Report in terms of Regulation 34(2) of SEBI LODR as applicable to the Company for the year 2020-21 is given in Annexure-IX and forms part of this report. A copy of this policy is available at www.wheelsindia.com.

### Other disclosures

a. The Company has complied with the Secretarial Standards, viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) as per section 118(10) of the Act.

b. The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this Annual Report.

c. The electronic copies of the 62nd Annual Report and the Notice Convening the 62nd AGM would be sent to all shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP). In terms of circulars issued by the Ministry of Corporate Affairs (MCA) read with circulars issued by the SEBI, the Company has not printed physical copies of the Annual Report for distribution. The full Annual Report is available on the website of the Company and shall also be disseminated to the stock exchanges.

d. In compliance with Section 134(3)(a) and 92(3) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at www.wheelsindia.com.

### Acknowledgement

The Directors wish to thank State Bank of India, Standard Chartered Bank, HDFC Bank, Kotak Mahindra Bank, Axis Bank, Federal Bank, Punjab National Bank and other Banks & 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**
**May 21, 2021**

**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**<br>CIN: U35999TN2017PLC116976 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | Reporting period is from April 2020 to March 2021 |
| 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 | 6,939.73 |
| 7 | Total assets | 26,512.98 |
| 8 | Total Liabilities | 19,073.25 |
| 9 | Investments | NIL |
| 10 | Turnover | 24,708.56 |
| 11 | Profit before taxation | (882.01) |
| 12 | Provision for taxation | (229.29) |
| 13 | Profit after taxation | (652.72) |
| 14 | Proposed Dividend | NIL |
| 15 | % of shareholding | 74 |
| Notes: The following information shall be furnished at the end of the statement:<br>1. Names of subsidiaries which are yet to commence operations;<br>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**<br>CIN: 27209TN1981PLC008630 |
|---|---|---|
| 1. | Latest audited Balance Sheet Date | March 31, 2021 |
| 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 | 12.88 Crores |
| 6. | Profit / Loss for the year 2020-21: | Net Profit of Rs. 2.50 Crores |
| | i. Considered in Consolidation | Net Loss of Rs. 0.13 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
DIN: 00018309

**SRIVATS RAM**
Managing Director
DIN: 00063415

**S PRASAD**
Director
DIN: 00063667

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

**R RAGHUNATHAN**
Chief Financial Officer

**K V LAKSHMI**
Company Secretary

Place : Chennai
Date : May 21, 2021

**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 | 105.29 |
| Remained unpaid or unclaimed as at the end of the year | 2.63 |
| 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

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

b) To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.

c) To formulate criteria for determining qualification, positive attributes and independence of a Director.

### Definitions

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

"Senior Management 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, KMPs 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 KMPs and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the organizational chart of the Company.

## B. Remuneration

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

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

The Committee shall recommend to the Board, all remuneration in whatever form payable to 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 2020-21

| | | |
|---|---|---|
| 1. | A brief outline of the Company's CSR policy | The CSR policy of the Company extends to all the CSR activities as covered under Schedule-VII of the Companies Act, 2013 and also covers additional / allied activities as may be notified by the Ministry of Corporate Affairs (MCA), from time to time. The CSR policy is available on the Company's website at http://wheelsindia.com/pdf/CSR-policy.pdf |

2. The Composition of the CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Srivats Ram, Chairman of the Committee | Managing Director | 1 | 1 |
| 2. | Mr.S Viji, Member | Non-Executive & Non Independent | 1 | 1 |
| 3. | Mr. S Prasad, Member | Non-Executive & Independent | 1 | 1 |
| 4. | Mr. Aroon Raman, Member | Non-Executive & Independent | 1 | 1 |

| | | |
|---|---|---|
| 3. | Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company | http://www.wheelsindia.com/policies.html |
| 4. | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - | Not applicable |
| 5. | Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any | Not applicable |
| 6. | Average net profit of the Company as per section 135(5) | Rs.7937.57 lakhs |
| 7. | Computation of CSR spent requirement: | |
| | a. Two percent of average net profit of the Company as per section 135(5): | Rs. 158.76 lakhs |
| | b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| | c. Amount required to be set off for the financial year, if any | Nil |
| | d. Total CSR obligation for the financial year (7a+7b-7c): | Rs. 158.76 lakhs |

| | | |
|---|---|---|
| 8. | CSR spent details | |
| | a. CSR amount spent or unspent for the financial year: | Amount spent:<br>Rs. 162.03 lakhs<br><br>Amount unspent: Nil |
| | b. Details of CSR amount spent against ongoing projects for the financial year: | Not applicable |
| | c. Details of CSR amount spent against other than ongoing projects for the financial year: | Please refer Annexure-I to this report |
| | d. Amount spent in Administrative Overheads: | Not applicable |
| | e. Amount spent on Impact Assessment, if applicable: | Not applicable |
| | f. Total amount spent for the Financial Year (8b+8c+8d+8e): | Rs. 162.03 lakhs |
| | g. Excess amount for set off, if any | Not applicable |
| 9. | Unspent and details on ongoing project | |
| | a. Details of Unspent CSR amount for the preceding three financial years: | Not applicable |
| | b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): | Not applicable |
| 10. | In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): | Not applicable |
| 11. | Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) | Not applicable |

**Chennai**
**May 21, 2021**

**Srivats Ram**
Managing Director &
Chairman of the CSR Committee
DIN: 00063415

**S Prasad**
Independent Director &
Member of the CSR Committee
DIN: 00063667

## Annexure-I to the CSR report 2020-21

**Corporate Social Responsibility Report**

Rs. in lakhs

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| **S. No** | **Name of the Project** | **Items from the list of activities in Schedule VII to the Act** | **Local Area Yes/ No.** | **Location of the Project State/ Project** | **Amount allocated for the project (in Rs.)** | **Mode of implementation - Direct (Yes / No)** | **Mode of implementation - through implementing agency / CSR Regn no.** |
| 1 | Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause | Education | Yes | Tamil Nadu , Maharashtra | 39.78 | Yes | Direct and through Implementing Agency<br>A) Rural Self Employment and Educational Development Society (RSEEDS)<br>(B) Iniya Udaiyam Charitable Trust<br>(C) Tirupur Auxilium Salesian Sisters Society<br>(D) Bro Siga Animation Centre<br>(E) AID INDIA<br>(F) Disha Foundation<br>(G) Nandambakkam Auxilium Salesian Sisters Social Service Society<br>(H) Mazzarello Foundation Educational Trust and direct -WIL Ranjangaon |
| 2 | Training of farmers/ Agriculture | Rural development projects | Yes | Maharashtra & Tamil Nadu | 9.03 | No | Implementing agencies<br>a) Dharamitra and<br>b) Gandhigram Trust |
| 3 | Promoting Health Care including Preventive Health Care and sanitation/ safe drinking water | Health | Yes | Rampur, Uttar Pradesh, Tamil Nadu | 3.22 | Yes | a) Direct and<br>b) through implementing agency IUCT |
| 4 | Protection of National Heritage, Arts and Culture | National Heritage, Arts and Culture | Yes | Tamil Nadu | 5.00 | Yes | Direct -WIL Padi |
| 5 | Covid 19 | PM Cares, State Disaster Management Authority & Disaster Management for Covid | No | Tamil Nadu & Maharashtra | 105.00 | Yes | Direct -WIL |
| **TOTAL** | | | | | **162.03** | | |

**Chennai**
**May 21, 2021**

**Srivats Ram**
Managing Director &
Chairman of the CSR Committee
DIN: 00063415

**S Prasad**
Independent Director &
Member of the CSR Committee
DIN: 00063667

## Annexure - V

# Disclosure pursuant to Rule 5 of the 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* | 2.74 |
| b) | Mr. S Viji, Director** | 0.43 |
| c) | Mr. Srivats Ram, Managing Director | 25.25 |
| d) | Mr. S Prasad** | 0.55 |
| e) | Mr. Aroon Raman** | 0.52 |
| f) | Mr. Paul G Reitz*** | - |
| g) | Mr. Christopher M B Akers*** | 0.04 |
| h) | Mr. R Raghuttama Rao ** | 0.51 |
| i) | Ms. Sumitra Gomatam** (ii) | 0.19 |
| j) | Mr. Rishikesha T Krishnan** (iii) | 0.23 |

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

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

*** Mr. Christopher M B Akers and Mr. Paul Reitz (Non-Executive Directors) resigned from the Board of the Company with effect from 08.07.2020

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

| | |
|---|---|
| Mr. Srivats Ram, Managing Director | -38% |
| 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 - Nil |
| **d.** | **Number of permanent employees on the rolls of Company** | As on 31.3.2021, the Company had 2308 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**

Nil

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

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

# REPORT ON CORPORATE GOVERNANCE

## 1. Report on Corporate Governance

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

## 2. Board of Directors

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"). The Board of Directors as on March 31, 2021 consists of eight (8) Directors, headed by the Chairman as mentioned below.

| Sl. 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 | 4 | Nil | 2 |
| 2 | Mr. S Viji | Non-Executive | 3 | Nil | Nil |
| 3 | Mr. Srivats Ram | Managing Director | 5 | 2 | Nil |
| 4 | Mr. S Prasad | Independent | 5 | 1 | 5 |
| 5 | Mr. Aroon Raman | Independent | 2 | 2 | Nil |
| 6 | Mr. Raghuttama Rao | Independent | 3 | 2 | Nil |
| 7 | Ms. Sumithra Gomatam | Independent | Nil | Nil | Nil |
| 8 | Mr. Rishikesha T Krishnan | Independent | Nil | Nil | Nil |

Note:

1. During the period, Mr. Paul G Reitz & Mr. Christopher M B Akers resigned as Non-Executive Directors effective July 08, 2020
2. For the purpose of reckoning Chairmanship / Membership, only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI LODR

   Mr. S Ram, Chairman is the father of Mr. Srivats Ram, Managing Director and brother of Mr. S Viji, Non-Executive Director. There is no inter-se relationship among other Directors of the Company.

   There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. 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 Regulation 26 of the SEBI LODR, across all public limited companies in which they are directors.

   In the opinion of Board, the Independent Directors fulfill the conditions specified in SEBI LODR and the provisions of the Companies Act, 2013 (Act) and are independent of the management of the Company.

All the Directors have complied with the provisions of maximum number of Directorships permitted under the Act read with Regulation 17A of SEBI LODR. The Directors periodically notify the Company about changes in the Directorship / Committee positions as and when they take place. The names of the listed entities (including this Company) 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 Ltd. | 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 Ltd. | ii. | Non-Executive-Non-Independent |
| | iii. | India Motor Parts & Accessories Ltd. | iii. | 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 Ltd. | 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. Raghuttama Rao | i. | Wheels India Limited | i. | Non-Executive- Independent |
| | ii. | Sundaram Finance limited | ii. | Non-Executive- Independent |
| Ms. Sumithra Gomatam | i. | Wheels India Limited | i. | Non-Executive- Independent |
| Mr. Rishikesha T Krishnan | i. | Wheels India Limited | i. | Non-Executive- Independent |

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

During the financial year 2020-21, the Board met five times on June 17, 2020, August 03, 2020, October 30, 2020, January 29, 2021 and March 29, 2021 with requisite quorum present throughout these meetings. The attendance particulars of the Directors are as under:

| Name of the Director | No. of Board meetings held during the year | No. of Board Meetings attended | Attendance at AGM held on July 30, 2020 |
|---|---|---|---|
| Mr. S Ram | 5 | 5 | Yes |
| Mr. S Viji | 5 | 5 | Yes |
| Mr. Srivats Ram | 5 | 5 | Yes |
| Mr. S Prasad | 5 | 5 | Yes |
| Mr. Aroon Raman | 5 | 5 | Yes |
| Mr. Christopher Akers@ | 1 | 1 | NA |
| Mr. Paul G Reitz@ | 1 | 0 | NA |
| Mr. R Raghuttama Rao | 5 | 5 | Yes |
| Ms. Sumithra Gomatam | 5 | 4 | Yes |
| Mr. Rishikesha T Krishnan | 5 | 5 | Yes |

@ Resigned as Non-Executive Directors effective July 08, 2020

**Pecuniary transactions with Non-Executive Directors**

During the financial year, there were no pecuniary transactions with Non-Executive Directors.

**Chart / matrix setting out the skills / expertise / competence of the Directors**

The Board comprises of qualified members who have skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standards of Corporate Governance. The skills, expertise and competencies of each of the Directors are as follows:

| Name of the Director | Skills |
|---|---|
| Mr. S Ram | 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 | 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.<br>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. Raghuttama Rao | Management skills |
| Ms. Sumithra Gomatam | Technical Skills, Information Technology |
| Mr. Rishikesha T Krishnan | Strategist, Specialized in the turnaround of the Company's operations / business |

## 3. Audit Committee

**Terms of reference**

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

**Composition, Meetings and Attendance**

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Act and Regulation 18 of the SEBI LODR. The Committee met seven (7) times during the year on June 17, 2020, July 24, 2020, August 03, 2020, October 30, 2020, November 25, 2020, January 29, 2021 and March 23, 2021 with requisite quorum present throughout these meetings. The Company Secretary acts as Secretary to the Committee.

The details of members and their attendance are as below:

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. S Prasad, Chairman | Independent Director | 7 | 7 |
| Mr. S Viji | Non-Executive Director | 7 | 6 |
| Mr. Aroon Raman | Independent Director | 7 | 7 |
| Mr. R Raghuttama Rao | Independent Director | 7 | 7 |

All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on July 30, 2020.

## 4. Nomination and Remuneration Committee

### Terms of Reference

The role of the Committee is in accordance with the provisions of the Act and SEBI LODR read with relevant rules framed thereunder. The Nomination & Remuneration Committee (NRC) 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, KMPs 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.

### Composition, Meetings and Attendance

The NRC consists of three Independent Directors constituted in accordance with Section 178 of the Act read with Regulation 19 of the SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met two (2) times during the year on June 09, 2020 and March 22, 2021 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

| Name | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. S Prasad, Chairman | Non-Executive and Independent | 2 | 2 |
| Mr. Aroon Raman | Non-Executive and Independent | 2 | 2 |
| Mr. R Raghuttama Rao | Non-Executive and Independent | 2 | 2 |

### Remuneration Policy

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

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

The Committee approved the payment of commission to Mr. S Ram, Chairman for the financial year 2020-21 for an amount not exceeding 1% of net profits of the Company subject to the approval of the members of the Company at the ensuing Annual General Meeting. The details of remuneration to the Directors during the year 2020-21 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 | – | – | 13.33 | – | 1.15 | - |
| Mr. S Viji | – | – | – | – | 2.25 | - |
| Mr. Srivats Ram | 112.65 | 0.91 | - | 19.44 | – | 53,072 |
| Mr. S Prasad | – | – | – | – | 2.90 | 3,200 |
| Mr. Aroon Raman | – | – | – | – | 2.75 | - |
| Mr. Paul G Reitz @ | – | – | – | – | - | - |
| Mr. Christopher M B Akers @ | – | – | – | – | 0.20 | - |
| Mr. R Raghuttama Rao | – | – | – | – | 2.70 | - |
| Ms. Sumithra Gomatam | – | – | – | – | 1.00 | - |
| Mr. Rishikesha T Krishnan | – | – | – | – | 1.20 | - |

@ Resigned as Non-Executive Directors effective July 08, 2020

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

^ No shares of the Company were pledged by the Directors. There is no stock option scheme prevailing in the Company

## 5. Stakeholders Relationship Committee

The Committee looks into the redressal of the investor complaints and redresses them expeditiously in accordance with Section 178 of the Act and Regulation 20 of SEBI LODR. 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 Mr. S Viji as Chairman, Mr. S Ram and Mr. S Prasad as its members. Ms. K V Lakshmi, Company Secretary and Compliance Officer acts as the Secretary to the Committee. The Committee met three (3) times on May 27, 2020, December 04, 2020 and March 03, 2021 which was attended by all the members of Committee and the requisite quorum present throughout these meetings.

The Board had authorized Ms. K V Lakshmi, Company Secretary to approve request for transmission / dematerialization of shares, etc., when received in physical forms. The details of complaints are reported to the Board of Directors in each meeting in accordance with the SEBI LODR. The details of investor complaints for the year are as under:

| | |
|---|---|
| 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 Act, the Board of Directors have constituted the Corporate Social Responsibility Committee (CSR Committee). The Chairman of the Committee is an Executive Director and the committee also consists of Non-executive & Independent Directors. The Board has accepted all the recommendations of the Committee. The Company Secretary acts as the Secretary to the Committee. The Committee met on once on July 24, 2020. The attendance of each member of the Committee are given below:

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

## 7. Familiarization Program

Pursuant to Regulation 25 of SEBI LODR, the Company is required to conduct various program for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such program for familiarization of the Independent Directors are available on the website of the Company at www.wheelsindia.com.

**Independent Directors' Meeting**

During the year under review, a Separate Meeting of Independent Directors was held on March 24, 2021, 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

| | | |
|---|---|---|
| Financial year 2019-20 | Date | July 30, 2020 |
| | Location | Through Video Conferencing |
| | Time | 10.00 A.M. |
| | Special Resolution Passed | • Reappointment of Mr. S Ram (DIN:00018309) as Director liable to retire by rotation and approve his continuation on the Board<br>• Approve continuation of Mr. S Viji (DIN:00139043) as Non - Executive Director<br>• 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 |

| | | |
|---|---|---|
| Financial year 2018-19 | Date | August 13, 2019 |
| | Location | The Music Academy No.168, (old no. 306), TTK Road, Chennai – 600 014 |
| | Time | 10.30 A.M. |
| | Special Resolution Passed | • Re-appointment of Mr. S Prasad (DIN 00063667) as an Independent Director<br>• Re-appointment of Mr. Aroon Raman (DIN 00201205) as an Independent Director<br>• 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 |
| Financial year 2017-18 | Date | August 14, 2018 |
| | Location | The Music Academy No.168, (old no. 306), TTK Road, Chennai - 600 014 |
| | Time | 11:00 A.M. |
| | Special Resolution Passed | • Continuance of directorship of Mr. S Ram as Non-Executive Director on the Board of the Company with effect from 1.4.2019 |

During the year, an ordinary resolution was passed by the shareholders through postal ballot on December 10, 2020 approving the reclassification of Titan Europe Limited from 'Promoter / Promoter Group category' to 'Public category'. There was no Extra-Ordinary General Meeting during the financial year 2020-21.

## 9. e-Voting

The Company provides e-voting facility to the shareholders, in respect of the business set out in the Notice convening 62nd Annual General Meeting scheduled on August 04, 2021 in accordance with Section 108 & 109 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI LODR. In this regard, 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.

The results of the e-voting for the resolutions passed at the 61st Annual General Meeting of the Company along with the Scrutinizer Report are available in the Company's website at www.wheelsindia.com.

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

Please refer Annexure to the AGM notice on disclosure regarding appointment / re-appointment of Directors.

## 11. Vigil mechanism / Whistle Blower Policy

The 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. We affirm that no Personnel have been denied access to the Audit Committee

The policy framed by the Company:

- 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,
- ensures timely response to such reports in such a manner to provide complete transparency,
- provides complete protection to the Whistle blowers from any adverse action as a result of such disclosure and
- builds and strengthens trust in the Company

## 12. Means of Communication

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

The financial results, shareholding pattern and other disclosures / filings made pursuant to relevant provisions of SEBI LODR, wherever applicable, have been uploaded on the websites of the Stock Exchanges and the Company at www.wheelsindia.com.

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

## 13. 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 1,914 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 1,914 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

## 14. General Shareholder Information

| | |
|---|---|
| Date of Annual General Meeting | August 04, 2021 |
| Time | 10.30 A.M. |
| Venue | Video Conferencing (VC) / Other Audio-Visual Means (OAVM) |
| Date of Book Closure | July 29, 2021 to August 04, 2021 (both days inclusive) |
| Dividend Payment Date | Will be paid on or before September 02, 2021<br>Re.1.00 per share (10%) |

| | |
|---|---|
| Approval of financial results / statements (both standalone and consolidated) for the:<br>Quarter ending June 30, 2021<br>Quarter ending September 30, 2021<br>Quarter ending December 31, 2021<br>Year ending March 31, 2021 | Financial Year: April 01, 2021 to March 31, 2022<br><br>Last week of July 2021<br>Last week of October 2021<br>First week of February 2022<br>Last week of May 2022<br><br>The above dates are only tentative in nature and may undergo changes based on the administrative / legal requirements |
| 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 | The Company has made payment of listing fee to NSE within the prescribed time period. The shares of the Company were not suspended from trading during the FY 2020-21. |
| ISIN Code in NSDL and CDSL | INE 715A01015 |
| STOCK Code | NSE Symbol: WHEELS<br>BSE Scrip code: 590073 |
| Registrar and Share Transfer Agent | Cameo Corporate Services Limited,<br>"Subramanian Building",<br>1, Club House Road, Chennai - 600 002.<br>Phone: 044 - 28460390; Fax: 044 – 28460129<br>e-mail ID: investor@cameoindia.com |
| Share Transfer System | In terms of Regulation 40(1) of the SEBI LODR, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, the SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. The members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Company Secretary is authorized by the Board to approve transfers, which are noted at subsequent Board Meetings. |
| Dematerialization of shares and liquidity | According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from March 26, 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.<br>As on March 31, 2021, 99.16 % of the equity shares are held in dematerialized form. |

| | |
|---|---|
| Pattern of Shareholding as on March 31, 2021 | Data in statement form – forming part of this Report |
| Distribution of shareholding as on March 31, 2021 | 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 | **Registrar and Share Transfer Agents:**<br>Cameo Corporate Services Limited,<br>"Subramanian Building",<br>No. 1, Club House Road, Chennai - 600 002,<br>Phone : 044 - 28460390, Fax: 044 - 28460129<br>e-mail ID: investor@cameoindia.com<br><br>**Investor Correspondence / Compliance Officer**<br>Ms. K V Lakshmi,<br>Company Secretary & Compliance Officer<br>Wheels India Limited, Padi Chennai - 600 050<br>Phone: 044 - 26258511 Extn.: 2320, Fax: 044 - 26257121,<br>e-mail ID: investorservices@wheelsindia.com |

## 15. Plant locations

| | | |
|---|---|---|
| M.T.H Road, Padi,<br>Chennai – 600050 | No. 22 KM Rampur Tanda Road,<br>Post - Tanda Badli,<br>District - Rampur, Uttar<br>Pradesh – 244925 | Plot No. C1, MIDC, Ranjangaon<br>Ganpati, Karegaon Village,<br>Shirur Taluk, Pune District,<br>Maharashtra – 412 220 |
| Singaperumal Koil Road,<br>Pondur Village, Sriperumbudur,<br>Kanchipuram District - 602 105 | Plot No-56, Sector-11, I.I.E.,<br>Pantnagar, Rudrapur,<br>Udham Singh Nagar,<br>Uttarakhand- 263153 | Plot No. D-3,Deoli Growth Centre,<br>MIDC Deoli,Taluka Deoli,<br>Wardha District,<br>Maharashtra - 442101 |
| 13/3 Arakonam Road,<br>Namachivayapuram, Thodukadu<br>Village & Post, Tiruvallur Taluk &<br>District, Tamil Nadu - 602 105 | Survey No. 281, Plot No.<br>K-18/2, SIPCOT Industrial Park,<br>Phase - 2, Mambakkam Village,<br>Sriperumbudur – 602105 | Survey No. 147/2B & 147/3,<br>GST Road, Pukkathurai Village,<br>Maduranthagam Taluk,<br>Chengalpet District - 603308 |
| Plot No A-4/1A pt.1 and A-4/1B<br>SIPCOT Industrial Park,<br>Thervoykandigai,<br>Gummidipoondi Taluk, Thiruvallur,<br>Tamil Nadu - 601202 | No. 102, Sumantherabedu<br>Village, Irungattukotai,<br>Tamil Nadu 602 117 | |

## 16. Auditor's Certificate on Corporate Governance

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

## 17. Shareholding Pattern

| Categories of Shareholders | No. of Shares Held | Percentage |
|---|---|---|
| Promoters | 1,38,43,428 | 57.53 |
| Directors / Relatives | 2,37,066 | 0.99 |
| Insurance Companies | 3,50,740 | 1.46 |
| Investor Education and Protection Fund (IEPF) | 31,786 | 0.13 |
| Corporate Bodies | 15,53,447 | 6.46 |
| Resident Individuals | 25,89,072 | 10.75 |
| Non-Resident Indians | 1,00,221 | 0.42 |
| Hindu Undivided Families | 1,10,090 | 0.46 |
| Clearing Member | 32,074 | 0.13 |
| Banks | 45,384 | 0.19 |
| Mutual Funds | 51,54,542 | 21.41 |
| Foreign Portfolio Investor | 16,708 | 0.07 |
| **TOTAL** | **2,40,64,558** | **100.00** |

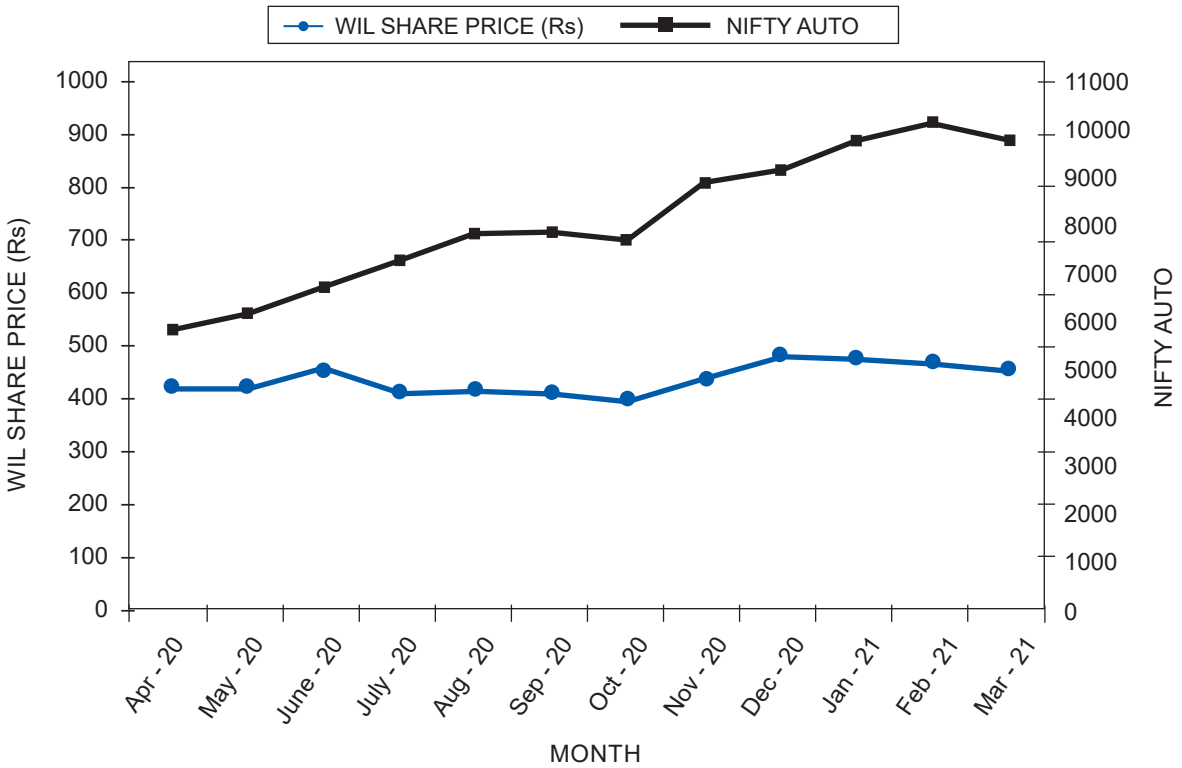
## 18. Distribution pattern

| No. of shares | Shareholders | | No. of shares | |
|---|---|---|---|---|
| | Number | % | Held | % |
| Up to - 500 | 12,591 | 92.03 | 9,03,877 | 3.75 |
| 501 – 1000 | 563 | 4.11 | 4,28,106 | 1.78 |
| 1001 – 2000 | 256 | 1.87 | 3,69,390 | 1.53 |
| 2001 – 3000 | 100 | 0.73 | 2,52,001 | 1.05 |
| 3001 – 4000 | 61 | 0.45 | 2,09,276 | 0.87 |
| 4001 – 5000 | 24 | 0.17 | 1,09,020 | 0.45 |
| 5001 –10000 | 53 | 0.38 | 3,74,211 | 1.55 |
| 10001 and above | 33 | 0.24 | 2,14,18,677 | 89.00 |
| **Total** | **13,681** | **100.00** | **24,064,558** | **100.00** |

## 19. Market price data

| FY 2020-21 | Quotation at NSE (Rs) | |
|---|---|---|
| **Month** | **High** | **Low** |
| Apr-20 | 499.50 | 317.35 |
| May-20 | 459.00 | 362.35 |
| Jun-20 | 600.00 | 403.85 |
| Jul-20 | 468.80 | 402.25 |
| Aug-20 | 482.00 | 404.95 |
| Sep-20 | 443.70 | 390.00 |
| Oct-20 | 418.90 | 373.85 |
| Nov-20 | 446.85 | 390.70 |
| Dec-20 | 518.50 | 425.00 |
| Jan-21 | 527.50 | 465.40 |
| Feb-21 | 505.35 | 464.00 |
| Mar-21 | 518.45 | 427.00 |

## 20. Performance in Comparison to Broad Based Indices




## 21. Unclaimed / unpaid dividend

**The details of dividends that are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, in accordance with the provisions of Section 124(5) of the Act are as under:**

| Nature of Dividend | Transferable to IEPF on | Amount as on March 31, 2021 (Amount in Rs.) |
|---|---|---|
| Final Dividend 2013-14 | 14th October 2021 | 2,18,282.40 |
| Interim Dividend 2014-15 | 11th March 2022 | 1,49,400.00 |
| Final Dividend 2014-15 | 18th September 2022 | 2,11,603.50 |
| Interim Dividend 2015-16 | 18th March 2023 | 1,79,588.50 |
| Final Dividend 2015-16 | 14th September 2023 | 2,68,004.00 |
| Interim Dividend 2016-17 | 16th March 2024 | 3,12,480.00 |
| Final Dividend 2016-17 | 14th September 2024 | 4,56,752.00 |
| Interim Dividend 2017-18 | 14th March 2025 | 2,74,848.00 |
| Final Dividend 2017-18 | 18th March 2025 | 3,67,614.00 |
| Interim Dividend 2018-19 | 14th March 2026 | 3,64,487.50 |
| Final Dividend 2018-19 | 17th October 2026 | 3,55,181.25 |
| Interim Dividend 2019-20 | 19th April 2027 | 3,13,077.00 |
| Final Dividend 2019-20 | 3rd October 2027 | 3,05,473.55 |

## 22. 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.

## 23. Details of credit ratings obtained by the Company are as under:

Credit ratings given by: ICRA Limited

| Name of the Instrument | Ratings obtained on March 31, 2021 | Ratings obtained on June 10, 2020 |
|---|---|---|
| Commercial Paper | A1 | A1 |
| Fixed Deposit | MA+ | MA+ |
| Term-loan facilities & fund based / unallocated facilities | A | A+ |
| Short-term Non-fund based facilities | A1 | A1 |

## 24. Code of conduct

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.

## 25. Other Disclosures

i. There were no materially significant related party transactions that may have potential conflict with the interest of listed entity at large. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company

ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years

iii. The policies on Material Subsidiaries and Related Party Transactions are available on the Company's website at www.wheelsindia.com. The details of transactions entered into with related parties during the year under review have been given in the notes forming part of financial statements 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 were no instances of any non-compliance of Corporate Governance report in terms of Part-C (11) of Schedule-V to the 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 have been complied with

vii. The Company complied with all mandatory requirements prescribed under SEBI LODR

viii. The details of familiarization program imparted to Independent Directors are hosted on the website of the Company at 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 | 39.00 |
| Tax Audit Fees | 6.00 |
| Others | 10.30 |
| Reimbursement of expenses | 7.60 |
| **Total** | **62.90** |

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.

xii. In terms of regulation 25 of SEBI LODR, the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards

xiii. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement, hence, the details of utilization of funds does not arise.

xiv. The Company, on a periodical basis, reviews various policies framed under the Act and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices

## 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.

All the Board members and the Senior Management affirmed compliance to the code for the financial year 2020-21.

**Srivats Ram**
Managing Director
DIN: 00063415

**Chennai**
**May 21, 2021**

# Auditor's Certificate on Corporate Governance

## To the Members of Wheels India Limited

1. We, Brahmayya & Co., Chartered Accountants, the Statutory Auditors of Wheels India Limited ("the Company"), have examined the compliance of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) regulation 46 and para C and D of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"].

**Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**Opinion**

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"]
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**L. Ravi Sankar**
**Partner**
Membership No. 025929
UDIN: 21025929AAAA

**Chennai**
**May 21, 2021**

# 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, 2021, 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**
(A firm of Practising Company Secretaries)

**N Ramanathan**
(Partner)
FCS 6665
CP No. 11084
UDIN: F06665C000353429

**Chennai**
**May 21, 2021**

# Annexure - VII

## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT

For the Financial year ended Mach 31, 2021

[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, we hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2021 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, 2021 according to the applicable provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 and the rules made there under as applicable;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 as substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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 / Postal ballot:

a. Payment of remuneration to Cost auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2021;

b. Appointment of Mr. Rishikesha T Krishnan (DIN: 00064067) as an Independent Director

c. To approve payment of minimum remuneration to Mr. Srivats Ram, Managing Director in the event of loss or inadequacy of profits during any financial year commencing from 1st April, 2020;

d. Reappoint Mr. S Ram (DIN: 00018309) as Director liable to retire by rotation and approve his continuation on the Board;

e. Approve continuation of Mr. S. Viji (DIN: 00139043) as Non-executive Director;

f. 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;

g. Approval for re-classification of Titan Europe Limited from the 'Promoter and Promoter Group' category to the 'Public Shareholder' category.

**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.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

**We further report that** we have conducted entire secretarial audit only through online verification and examination of records, as requested and facilitated by the Company, due to prevailing Covid situation for the purpose of issuing this Report.

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

**S. Dhanapal**
(Partner)
FCS 6881
CP No. 7028
UDIN: F006881C000353799

**Chennai**
**May 21, 2021**

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

**Annexure - A**

To

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

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**S. Dhanapal**
(Partner)
FCS 6881
CP No. 7028
UDIN: F006881C000353799

**Chennai**
**May 21, 2021**

## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT

For the Financial year ended Mach 31, 2021

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

To

The Members,

**M/s. WIL CAR WHEELS LIMITED,**

Chennai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. WIL CAR WHEELS LIMITED** having **CIN: U35999TN2017PLC116976,** (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 understanding, the Company, during the audit period covering the financial year ended on March 31, 2021, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2021, 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 (Not applicable except to the extent of being a material unlisted subsidiary) -

   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 with 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 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is substituted with The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2);

ii) The Listing Agreements entered into by the Company and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable except for DEMAT of shares and filing of forms with the ROC and RBI.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

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 and that the Company is in the process of dematerializing its securities as mandated under the provisions of Companies Act, 2013.

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

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

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

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

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

**We further report that** during the audit period the Company has not sought the approval of its members for any major event, other than transaction of ordinary business at AGM.

**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.

**We further report that** we have conducted entire secretarial audit only through online verification and examination of records, as requested and facilitated by the Company, due to prevailing Covid situation for the purpose of issuing this Report.

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

**S. Dhanapal**
(Partner)
FCS 6881
CP No. 7028
UDIN: F006881C000339411

**Chennai**
**18-05-2021**

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

**Annexure - A**

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

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**S. Dhanapal**
(Partner)
FCS 6881
CP No. 7028
UDIN: F006881C000339411

**Chennai**
**May 18, 2021**

# Annexure-VIII

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

### Conservation of Energy

Your Company has included energy efficiency at the design stage for new projects executed during the year. This includes usage of energy efficient transformers, screw air compressors, chillers, motors, pumps, LED lighting, BLDC fans, and star rated air conditioners. Your Company has implemented various energy conservation activities across all plant locations.

There is a continuous focus on pneumatic systems within plants to identify and eliminate leakage points, and also to reduce compressed air consumption. Further, compressed air flow meters have been installed to monitor air consumption and air leakage. Your Company has substituted pneumatic tools with electric tools to reduce energy consumption. The broad use of energy efficient devices has lowered the electricity consumption.

Your Company extensively uses renewable energy sources to power its factories. For Tamil Nadu plants, approximately 55% of the energy is powered by wind energy.

### Technology Absorption

The benefits of 5 stage structured process in the new product development was evident by faster and timely completion of new products. Especially during the pandemic where employees are in multiple locations, this process has helped review and make decisions on new products on-line, which enables teams to stay connected and work seamlessly from remote locations. With the new process, your Company is also focused on digitizing data and reducing the time for analysis and product development.

This year your Company has introduced more than 250 new products across different product segments. Your Company is putting in extra effort to launch innovative products with improved safety, reliability, and performance.

In the year 2020-21, your Company has started supplying very large diameter wheels for large mining trucks to OEMs. Your Company has also invested in R&D competence for agricultural tractor wheels and forged aluminium wheels for global customers. In addition, your Company has invested in the research and development of cast aluminum wheels for cars and SUVs with 100+ new products developed in the year in review.

Your Company has developed and validated 12.5T Lift Axle System, TPMS for commercial vehicles and will start supplying customers in the coming year. Your Company has indigenised Central Tyre Inflation System this year and this product is being validated in the field. For electric vehicles, your Company has developed steel wheels, cast and forged aluminium wheels, and air suspension system for domestic manufacturers. Your Company has indigenously developed Ride & Retraction Control System for Defense Gun Carrier under the Atmanirbhar Bharat program.

### Expenditure incurred on R & D development

Rs. in Crores

| | |
|---|---|
| Capital | 1.19 |
| Revenue | 14.55 |
| Total as a percentage of turnover (%) | 0.71% |

### Foreign Exchange Earnings and Outgo:

The foreign exchange outgo to the Company during the year under review was Rs.129.72 Crores and the foreign exchange earned was Rs.446.12 Crores.

On behalf of the Board of Directors

**S Ram**
Chairman
DIN: 00018309

**Chennai**
**May 21, 2021**

# Business Responsibility Report for the financial year 2020-21

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

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN): | L35921TN1960PLC004175 |
| 2 | Name of the Company: | Wheels India Limited |
| 3 | Registered address: | No. 21, Patullos Road, Chennai - 600 002 |
| 4 | Website: | www.wheelsindia.com |
| 5 | E-mail id: | investorservices@wheelsindia.com |
| 6 | Financial Year reported: | 2020-21 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Motor Vehicles Parts and accessories sector<br>Wind Turbines and Railway parts<br>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<br>B. Manufacture of parts & accessories for machinery/ equipment used by construction and mining industries<br>C. Manufacture of Wind Turbine Parts |
| 9 | Total number of locations where business activity is undertaken by the Company<br>1. Number of International Locations (Provide details of Major 5)<br>2. Number of National Locations | <br>International Location: Nil<br>National Location: 11 |
| 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 March 31, 2021**

| | | |
|---|---|---|
| 1 | Paid up Capital (in Crore): | 24.06 |
| 2 | Total Turnover ( in Crore): | 2211.75 |
| 3 | Total Profit after taxes (in Crore): | 6.75 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) (in Crore) as percentage of profit after tax (%) | Rs.1.62 Crores (24% of PAT) |
| 5 | List of activities in which expenditure in 4 above has been incurred: | 1. Education<br>2. Healthcare<br>3. Rural development projects<br>4. Promotion of culture and heritage<br>5. COVID-19 (PM Cares) |

**Section C: Other Details**

1. **Does the Company have any Subsidiary Company / Companies?**
   As on March 31, 2021, 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. **1. Details of Director / Directors responsible for BR**

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

| | |
|---|---|
| DIN Number | 00063415 |
| Name | 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 | President (Operations) |
| 4 | Telephone number | 044-26234504 |
| 5 | e-mail 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? If 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 2020-21. 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 2020-21 as the Company is in the top 1000 Market capitalization. It is annexed to the Directors' Report (Annexure-IX) forming part of the Annual Report 2020-21 and is available on the website 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 2020-21 |
|---|---|
| Shareholders | Nil |
| Depositors | Nil |
| Customers | Received 41 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) Cast Aluminium Wheel – Recycling and reuse of scrap and swarf in a major portion by directly using in the foundry.

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 an established practice 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) Used oil is recycled and re-filtered for further use internally.

   c) Steel scraps generated are being sold to casting industries, re-rollers and to other industries as an input into their processes

   d) Aluminium scrap is being sent to smelting unit and is recycled into Aluminium ingots / billets for further use within our factories.

   e) 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: 2308
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 4785
3. Please indicate the Number of permanent women employees: 28
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?: 28.83%

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**

| Sl. 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: 100%

   (b) Permanent Women Employees:100%

   (c) Casual/ Temporary/ Contractual Employees:98%

   (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.

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

   Yes, being in the manufacturing business, the Company has mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environmental friendly organization and has a dedicated environmental policy across all its business units. As an example, an initiative to reduce and control the pollution level, there is usage of LPG/LDO 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 2020-21 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. 162.03 lakhs in the last fiscal year. Please refer to Annual Report on CSR activities for additional details.

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

   Please refer to Annual Report on CSR Activities for details.

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

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

   Nil

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

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

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

   None

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

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

On behalf of the Board of Directors

**S Ram**
Chairman
DIN: 00018309

**Chennai**
**May 21, 2021**

# 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 2021, 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, 2021, 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 No.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 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 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 Indian 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 28(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
Membership No. 025929
UDIN: 21025929AAAA

Place: Chennai
Date : 21st May, 2021

## "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, 2021 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 and 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 | 5.71 | Assessment Year 2009-10 to Assessment Year 2018-19 | 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 given 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
Membership No. 025929
UDIN: 21025929AAAA

Place: Chennai
Date : 21st May, 2021

# "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 2021 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 2021, 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
Membership No. 025929
UDIN: 21025929AAAA

Place: Chennai
Date : 21st May, 2021

# ACCOUNTS 2020-2021

# Balance Sheet as at

Rs. in Crores

| PARTICULARS | Note | 31st March 2021 | | 31st March 2020 | |
|---|---|---|---|---|---|
| **I ASSETS** | | | | | |
| **1. Non-current assets** | | | | | |
| a) Property, Plant and Equipment | 1 | **760.35** | | 634.31 | |
| b) Capital work-in-progress | 2 | **42.56** | | 133.71 | |
| c) Other Intangible Assets | 3 | **3.27** | | 4.57 | |
| d) Right of Use Assets | 4 | **19.06** | | 8.98 | |
| e) Financial Assets | | | | | |
| i) Investments | 5 | **16.68** | | 16.70 | |
| ii) Loans | 6 | **18.47** | | 20.67 | |
| iii) Others | 7 | **0.57** | | 0.62 | |
| f) Other Non Current Assets | 8 | **6.25** | | 10.45 | |
| | | | **867.21** | | 830.01 |
| **2. Current assets** | | | | | |
| a) Inventories | 9 | **512.09** | | 388.12 | |
| b) Financial Assets | | | | | |
| i) Trade receivables | 10 | **706.00** | | 458.38 | |
| ii) Cash and cash equivalents | 11a | **2.11** | | 3.10 | |
| iii) Bank Balances other than (ii) above | 11b | **0.51** | | 1.39 | |
| iv) Others | 12 | **3.82** | | 12.36 | |
| c) Current Tax Assets (Net) | 13 | **-** | | 3.46 | |
| d) Other current assets | 14 | **126.06** | | 64.74 | |
| | | | **1,350.59** | | 931.55 |
| **TOTAL** | | | **2,217.80** | | 1,761.56 |
| **II. EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| a) Equity Share Capital | 15 | **24.06** | | 24.06 | |
| b) Other Equity | 16 | **575.26** | | 573.41 | |
| | | | **599.32** | | 597.47 |
| **Liabilities** | | | | | |
| **1. Non-current liabilities** | | | | | |
| a) Financial Liabilities | | | | | |
| i) Borrowings | 17 | **303.94** | | 236.31 | |
| ii) Lease Liabilities | 18 | **15.00** | | 7.02 | |
| b) Provisions | 19 | **5.82** | | 4.22 | |
| c) Deferred tax liabilities (Net) | 20 | **50.74** | | 48.31 | |
| | | | **375.50** | | 295.86 |
| **2. Current liabilities** | | | | | |
| a) Financial Liabilities | | | | | |
| i) Borrowings | 21 | **214.18** | | 222.69 | |
| ii) Trade payables | | | | | |
| A) total outstanding dues of micro enterprises and small enterprises; and | 22 | **46.34** | | 26.26 | |
| B) total outstanding dues of creditors other than micro enterprises and small enterprises | 22 | **747.65** | | 414.77 | |
| iii) Lease Liabilities | 23 | **5.58** | | 2.25 | |
| iv) Others | 24 | **114.16** | | 148.17 | |
| b) Other current liabilities | 25 | **84.16** | | 28.95 | |
| c) Short-term provisions | 26 | **24.13** | | 25.14 | |
| d) Current Tax Liabilities (Net) | 27 | **6.78** | | - | |
| | | | **1,242.98** | | 868.23 |
| **TOTAL** | | | **2,217.80** | | 1,761.56 |
| 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
May 21, 2021

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 31st March

Rs. in Crores

| | Note | 2021 | | 2020 | |
|---|---|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | | | |
| Sale of Products | | **2,003.26** | | 2,201.75 | |
| Sale of Services | | **25.71** | | 34.42 | |
| Other operating revenues | | **182.78** | | 192.39 | |
| Revenue from Operations | | | **2,211.75** | | 2,428.56 |
| Other income | 30 | | **3.80** | | 10.16 |
| **TOTAL REVENUE** | | | **2,215.55** | | 2,438.72 |
| **EXPENSES** | | | | | |
| Cost of materials consumed | 31 | | **1,547.15** | | 1,637.50 |
| Changes in inventories of finished goods, Work-in-progress | 32 | | **(20.40)** | | 37.74 |
| Employee benefit expense | 33 | | **274.60** | | 284.10 |
| Finance Costs | 35 | | **52.68** | | 61.53 |
| Depreciation and amortisation expenses | 1, 3 & 4 | | **80.63** | | 70.20 |
| Other Expenses | 34 | | **271.17** | | 303.05 |
| **TOTAL EXPENSES** | | | **2,205.83** | | 2,394.12 |
| Profit before exceptional items and tax | | | **9.72** | | 44.60 |
| Exceptional items | | | **–** | | – |
| **Profit before tax** | | | **9.72** | | 44.60 |
| Tax expense: | 36 | | | | |
| Current tax | | **1.38** | | 12.12 | |
| Deferred tax | | **1.59** | **2.97** | (21.63) | (9.51) |
| **Profit for the year** | | | **6.75** | | 54.11 |
| **Other Comprehensive Income** | | | | | |
| *Items that will not be reclassified to profit or loss* | | | | | |
| - Changes in Fair valuation of Equity Instrument through Other Comprehensive Income | | **(0.02)** | | – | |
| - Remeasurements of post employment defined benefit plan | | **2.00** | | (3.70) | |
| Less: Income Tax relating to remeasurements | | **(0.50)** | **1.48** | 0.93 | (2.77) |
| **Total Comprehensive Income for the year** | | | **8.23** | | 51.34 |
| Earnings per equity share: | 37 | | | | |
| 1. Basic | | | **2.80** | | 22.49 |
| 2. Diluted | | | **2.80** | | 22.49 |
| 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
May 21, 2021

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

# Statement of changes in Equity

## A) EQUITY SHARE CAPITAL

Rs. in Crores

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| Balance at the beginning of the year | **24.06** | 24.06 |
| Changes in Equity share capital during the year | **-** | - |
| **Balance at the end of the year** | **24.06** | 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 | |
| **A. Balance as at 31st March, 2019** | **-** | **70.10** | **389.28** | **86.21** | **2.04** | **(3.08)** | **544.55** |
| 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. Total Comprehensive Income for the year 2019-20** | **-** | **-** | **-** | **54.11** | **-** | **(2.77)** | **51.34** |
| 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) | | | - |
| **C. Total** | **-** | **-** | **22.00** | **(44.48)** | **-** | **-** | **(22.48)** |
| **D. Balance as at 31st March, 2020 (A+B+C)** | **-** | **70.10** | **411.28** | **95.84** | **2.04** | **(5.85)** | **573.41** |
| Profit for the year | | | | 6.75 | | | 6.75 |
| Changes in Fair valuation of Equity Instrument | | | | | (0.02) | | (0.02) |
| Remeasurement of defined benefit plans | | | | | | 1.50 | 1.50 |
| **E. Total Comprehensive Income for the year 2020-21** | **-** | **-** | **-** | **6.75** | **(0.02)** | **1.50** | **8.23** |
| Final Dividend 2019-20 | | | | (6.38) | | | (6.38) |
| Transfer to General Reserve | | | 2.00 | (2.00) | | | - |
| **F. Total** | **-** | **-** | **2.00** | **(8.38)** | **-** | **-** | **(6.38)** |
| **G. Balance as at 31st March, 2021 (D+E+F)** | **-** | **70.10** | **413.28** | **94.21** | **2.02** | **(4.35)** | **575.26** |

* 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

**R RAGHUNATHAN**
Chief Financial Officer

**K V LAKSHMI**
Company Secretary

Chennai
May 21, 2021

Per our report of even date
For **BRAHMAYYA & Co.**
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 refered 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 occurence or non-occurence 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 mesurement 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.

**l) Foreign Currency Transactions**

"Transactions in Foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date."

**m) Derivative contracts:**

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

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

**n) Earnings per share:**

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

**o) Income taxes**

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

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

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

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

## Notes on Accounts (Contd.)

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

Rs. in Crores

| Description | Gross Block at Cost | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 31.03.2020 | Additions (including Borrowing Cost Capitalised) | Deletions | As At 31.03.2021 | As At 31.03.2020 | Additions | Deletions | As At 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 |
| **1. TANGIBLE ASSETS** | | | | | | | | | | |
| Land (Free hold) | 0.94 | - | - | **0.94** | - | 0.00 | - | **0.00** | **0.94** | 0.94 |
| Land (Lease hold) | 17.32 | 10.18 | - | **27.50** | 1.00 | 0.21 | - | **1.21** | **26.29** | 16.32 |
| Buildings | 124.52 | 27.30 | 0.08 | **151.74** | 49.94 | 4.08 | - | **54.02** | **97.72** | 74.58 |
| Plant and Equipment | 1187.11 | 162.25 | 5.68 | **1343.68** | 652.62 | 67.93 | 4.33 | **716.22** | **627.46** | 534.49 |
| Furniture and Fixtures | 6.49 | 0.11 | 0.01 | **6.59** | 4.77 | 0.25 | 0.01 | **5.01** | **1.58** | 1.72 |
| Vehicles | 0.13 | - | - | **0.13** | 0.10 | 0.00 | - | **0.10** | **0.03** | 0.03 |
| Office Equipment | 20.89 | 2.10 | 0.07 | **22.92** | 14.66 | 1.99 | 0.06 | **16.59** | **6.33** | 6.23 |
| | 1357.40 | 201.94 | 5.84 | **1553.50** | 723.09 | 74.46 | 4.40 | **793.15** | **760.35** | 634.31 |
| **3. INTANGIBLE ASSETS** | | | | | | | | | | |
| Computer Software | 19.58 | 1.06 | 0.01 | **20.63** | 17.03 | 1.15 | 0.01 | **18.17** | **2.46** | 2.55 |
| Technical Know-how | 5.65 | - | - | **5.65** | 3.63 | 1.21 | - | **4.84** | **0.81** | 2.02 |
| | 25.23 | 1.06 | 0.01 | **26.28** | 20.66 | 2.36 | 0.01 | **23.01** | **3.27** | 4.57 |
| Total | 1382.63 | 203.00 | 5.85 | **1579.78** | 743.75 | 76.82 | 4.41 | **816.16** | **763.62** | |
| Previous year | 1278.67 | 108.76 | 4.80 | **1382.63** | 678.23 | 69.16 | 3.64 | **743.75** | - | 638.88 |

### 4. RIGHT OF USE ASSETS

Rs. in Crores

| Description | Gross Block at Cost | | | | Depreciation/Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 31.03.2020 | Additions | Deletions | As At 31.3.2021 | As At 31.3.2020 | Additions | Deletions | As At 31.3.2021 | As At 31.3.2021 | As At 31.3.2020 |
| Leased Assets | 10.02 | 14.18 | 0.55 | **23.65** | 1.04 | 3.81 | 0.26 | **4.59** | **19.06** | 8.98 |
| **Total** | 10.02 | 14.18 | 0.55 | **23.65** | 1.04 | 3.81 | 0.26 | **4.59** | **19.06** | - |
| Previous year | 0.00 | 10.02 | 0.00 | **10.02** | 0.00 | 1.04 | - | **1.04** | | 8.98 |

### 2. CAPITAL WORK IN PROGRESS

| | 31.03.2021 | 31.03.2020 |
|---|---|---|
| a) Buildings | **6.80** | 14.94 |
| b) Plant and Machinery* | **35.76** | 118.77 |
| | **42.56** | 133.71 |

* Includes machinery in transit - Rs.0.30 Crores (previous year - Rs. 3.77 Crores)

Rs. in Crores

## NON CURRENT ASSETS

| | As at 31.03.2021 | | As at 31.03.2020 | |
|---|---|---|---|---|
| **5 INVESTMENTS** | | | | |
| **Unquoted** | | | | |
| Investment in Equity instruments | | | | |
| i) In Subsidiary Company at Cost | | | | |
| **WIL Car Wheels Limited** | **3.70** | **3.70** | 3.70 | 3.70 |
| 37,00,000 Equity Shares of Rs.10/- each fully subscribed and paid-up | | | | |
| ii) In Associate Company at Cost | | | | |
| **Axles India Limited** | | | | |
| 24,24,661 Equity Shares of Rs.10/- each fully paid-up | **2.72** | **2.72** | 2.72 | 2.72 |
| iii) In Other Entity at Fair Value through Other Comprehensive Income | | | | |
| **Sundaram Hydraulics Limited** | **7.15** | | 7.15 | |
| 71,50,000 Equity Shares of Rs.10/- each fully paid up | | | | |
| **Add:** Addition due to Fair Valuation | **1.02** | **8.17** | 1.04 | 8.19 |
| iv) In Other Entities at Fair Value through Profit or Loss | | | | |
| **MEFCO Engineers Private Limited** | **0.20** | | 0.20 | |
| 20,000 Equity Shares of Rs.100/- each fully paid up | | | | |
| **Siva Electric Generation Private Limited** | **0.16** | | 0.16 | |
| 1,62,172 Equity shares of Rs.10/- each fully paid up | | | | |
| **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 |
| | | **16.68** | | 16.70 |

Rs. in Crores

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| **6** | **LOANS** | | |
| | **Unsecured - Considered good** | | |
| | Security Deposits | **18.47** | 20.67 |
| | | **18.47** | 20.67 |
| **7** | **NON CURRENT FINANCIAL ASSETS - OTHERS** | | |
| | Advances to employees | **0.57** | 0.62 |
| | | **0.57** | 0.62 |
| **8** | **OTHER NON CURRENT ASSETS** | | |
| | a) Advances for Capital goods | **5.64** | 10.42 |
| | b) Prepaid expenses | **0.61** | 0.03 |
| | | **6.25** | 10.45 |
| **CURRENT ASSETS** | | | |
| **9** | **INVENTORIES** | | |
| | a) Raw Materials | **261.75** | 171.75 |
| | (Includes Goods in Transit - Rs. 15.93 Crores) (previous year - Rs. 0.17 Crores) | | |
| | b) Work - in - Progress | **107.48** | 98.83 |
| | c) Finished goods | **63.95** | 52.20 |
| | d) Stores and Spares | **52.25** | 46.17 |
| | e) Loose tools | **26.66** | 19.17 |
| | | **512.09** | 388.12 |

Rs. in Crores

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **10 TRADE RECEIVABLES** | | |
| Unsecured - Considered good | **706.00** | 458.38 |
| | **706.00** | 458.38 |
| **11 CASH AND CASH EQUIVALENTS** | | |
| a i) Current Accounts | **1.28** | 0.73 |
| ii) Cash on hand | **0.06** | 0.08 |
| iii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014 | **0.77** | 2.29 |
| | **2.11** | 3.10 |
| b Bank Balances with more than three months maturity | | |
| i) Fixed Deposits (as a Guarantee to Commercial Taxes Department) | **0.13** | 0.98 |
| ii) Unclaimed Dividend Accounts | **0.38** | 0.41 |
| | **0.51** | 1.39 |
| **12 CURRENT FINANCIAL ASSETS - OTHERS** | | |
| Advances to employees | **2.19** | 2.35 |
| Duty Drawback Receivable | **1.06** | 0.58 |
| Export Incentive License | **0.56** | 9.10 |
| Interest accrued on deposits and investments | **0.01** | 0.33 |
| | **3.82** | 12.36 |
| **13 CURRENT TAX ASSETS (Net)** | | |
| Advance tax and Tax Deducted at Source | **-** | 3.46 |
| {Net off Provision for Taxation - (Previous year - Rs. 80.73 Crores)} | | |
| | **-** | 3.46 |

Rs. in Crores

| | As at 31.03.2021 | | As at 31.03.2020 | |
|---|---|---|---|---|
| **14 OTHER CURRENT ASSETS** | | | | |
| **Unsecured - Considered good** | | | | |
| a) Advances other than Capital Advances | | | | |
| Advances to Vendors | **4.39** | | 7.10 | |
| Other Advances | **1.84** | **6.23** | 2.18 | 9.28 |
| b) Balance with GST/ Central Excise authorities | | **85.35** | | 35.37 |
| c) VAT receivable | | **0.90** | | 0.90 |
| d) Export incentives receivable | | **8.73** | | 6.96 |
| e) GST refund receivable on Exports | | **13.75** | | 0.22 |
| f) Prepaid expenses | | **11.10** | | 12.01 |
| | | **126.06** | | 64.74 |
| **EQUITY AND LIABILITIES** | | | | |
| **15 EQUITY SHARE CAPITAL** | | | | |
| a) **Authorised** | | **50.00** | | 50.00 |
| 5,00,00,000 Equity Shares of Rs. 10/- each | | | | |
| b) **Issued, Subscribed and Fully Paid-up** | | | | |
| 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:** | 31.03.2021 | | 31.03.2020 | |
|---|---|---|---|---|
| | **No. of shares** | **Rs. in Crores** | **No. of shares** | **Rs. in Crores** |
| **Equity Shares of Rs.10/- each** | | | | |
| Outstanding at the beginning of the year | **240,64,558** | **24.06** | 240,64,558 | 24.06 |
| Change in Equity Share Capital during the year | **-** | **-** | - | - |
| Outstanding at the end of the year | **240,64,558** | **24.06** | 240,64,558 | 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

| | 31.03.2021 (Number of shares) | 31.03.2020 (Number of shares) |
|---|---|---|
| e) **Shareholding of shareholders holding more than 5% of shares as at** | | |
| T V Sundram Iyengar & Sons Private Limited | **49,11,028** | 49,11,028 |
| Southern Roadways Private Limited | **22,32,628** | 22,32,628 |
| Sundaram Finance Holdings Limited | **56,01,117** | 32,69,096 |
| Titan Europe Limited, UK | **-** | 48,12,912 |

**Rs. in Crores**

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **16 OTHER EQUITY** | | |
| a) Capital Reserves* | **-** | - |
| b) Securities Premium | **70.10** | 70.10 |
| c) General Reserves | **413.28** | 411.28 |
| d) Retained Earnings | **94.21** | 95.84 |
| e) Other Comprehensive Income Reserve | **(2.33)** | (3.81) |
| * Capital Reserve is Rs. 1713/- | **575.26** | 573.41 |
| Refer Note 38 | | |
| **NON CURRENT FINANCIAL LIABILITIES** | | |
| **17 BORROWINGS** | | |
| **A. SECURED BORROWINGS** | | |
| a) Term Loans from Banks | | |
| By first Charge by way of hypothecation of specific machinery | **99.76** | 70.04 |
| b) Term Loans from others | | |
| By first Charge by way of hypothecation of specific machinery | **49.21** | 74.49 |
| **B. UNSECURED BORROWINGS** | | |
| a) Fixed Deposits | **154.97** | 91.78 |
| Includes Rs. 0.19 Crores received from Directors (previous year Rs. 0.81 Crores )) | | |
| | **303.94** | 236.31 |
| Terms of Repayment : Refer Note 29 | | |

Rs. in Crores

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **18 Lease Liabilities** | | |
| Lease Liabilities* | **15.00** | 7.02 |
| | **15.00** | 7.02 |
| (*Refer Note 47) | | |
| **19 PROVISIONS** | | |
| Provisions for employee benefits | **5.82** | 4.22 |
| | **5.82** | 4.22 |
| **20 DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liabilities | **55.89** | 52.94 |
| Deferred Tax Assets | **(5.15)** | (3.79) |
| Minimum Alternate Tax credit entitlement | **-** | (0.84) |
| | **50.74** | 48.31 |

Rs. in Crores

| **Movement in Deferred Tax Assets and Liabilities** | 31.03.2021 | Charge in Statement of Profit or Loss | 31.03.2020 | Charge in Statement of Profit or Loss |
|---|---|---|---|---|
| a) Deferred Tax Liability | | | | |
| i) Depreciation | 53.39 | 2.40 | 50.99 | (20.61) |
| ii) Export Incentives | 2.20 | 0.45 | 1.75 | (1.68) |
| iii) Remeasurement of Financial Liabilities | 0.30 | 0.10 | 0.20 | 0.01 |
| | **55.89** | 2.95 | 52.94 | (22.28) |
| Less: | | | | |
| b) Deferred Tax Asset | | | | |
| Expenses allowable on payment basis | 5.15 | 1.36 | 3.79 | (0.65) |
| c) Minimum Alternate Tax credit entitlement* | - | (0.84) | 0.84 | 0.84 |
| **Net Deferred Tax Liability / (Assets) (a-b-c)** | **50.74** | 2.43 | 48.31 | (22.47) |

* 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 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **21 BORROWINGS** | | |
| **A. SECURED BORROWINGS** | | |
| a) Loans repayable on demand from Banks | **133.54** | 161.28 |
| 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 | **70.00** | 55.00 |
| b) Fixed Deposits | **10.64** | 6.41 |
| (Includes Nil received from Directors) | | |
| | **214.18** | 222.69 |
| **22 TRADE PAYABLES** | | |
| Dues to Micro Enterprises and Small Enterprises | **46.34** | 26.26 |
| Dues to Others | **747.65** | 414.77 |
| | **793.99** | 441.03 |
| (Refer Note 39 for details of dues to Micro Enterprises and Small Enterprises) | | |
| **23 LEASE LIABILITIES** | | |
| Lease Liabilities* | **5.58** | 2.25 |
| (*Refer Note 47) | **5.58** | 2.25 |
| **24 CURRENT FINANCIAL LIABILITIES - OTHERS** | | |
| a) Current maturities of long-term debt (Refer Note 29) (Includes Rs. 0.63 Crores received from Directors (previous year Rs. 0.09 Crores)) | **91.06** | 115.80 |
| b) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs .0.79 Crores (previous year Rs. 2.14 Crores)) | **8.18** | 15.75 |
| c) Interest accrued but not due on borrowings | **9.13** | 11.48 |
| d) Unclaimed Dividends | **0.38** | 0.41 |
| e) Trade Deposits | **1.26** | 1.12 |
| f) Recovery from Employees | **1.52** | 1.64 |
| g) Unclaimed matured deposits and interest accrued thereon | **2.63** | 1.97 |
| | **114.16** | 148.17 |

Rs. in Crores

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| **25** | **OTHER CURRENT LIABILITIES** | | |
| | Advance from Customers | **8.07** | 2.68 |
| | Statutory dues | **71.43** | 22.65 |
| | Provision for expenses | **4.66** | 3.62 |
| | | **84.16** | 28.95 |
| **26** | **SHORT TERM PROVISIONS** | | |
| a) | Provision for employee benefits | **18.28** | 19.53 |
| b) | Provision for Warranty (Refer Note below) | **5.72** | 4.29 |
| c) | Due to Directors | **0.13** | 1.32 |
| | | **24.13** | 25.14 |

**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 01st April, 2020 | Additions | Amounts used | As at 31st March, 2021 |
|---|---|---|---|---|
| Warranties | 4.29 | 1.43 | - | **5.72** |

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| **27** | **CURRENT TAX LIABILITIES** | | |
| | Provision for Taxation less Advance Tax and Tax deducted at Source (Net of Advance Tax and Tax Deducted - Rs. 2.55 **Crores**) (Previous year Nil) | **6.78** | - |
| | Less: Minimum Alternate Tax credit entitlement set off | - | - |
| | | **6.78** | - |

Rs. in Crores

| 28 CONTINGENT LIABILITIES AND COMMITMENTS | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **i) Contingent Liabilities** | | |
| a) Bills discounted with Banks | **38.08** | 37.36 |
| 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) | **6.75** | 6.67 |
| **ii) Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | **22.50** | 26.22 |

**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

| | 2020-21 | 2019-20 |
|---|---|---|
| **30 OTHER INCOME** | | |
| a) Interest on deposits and advances | **1.76** | 1.49 |
| b) Dividend Received | **0.36** | 0.97 |
| c) Other non-operating income | **1.68** | 2.95 |
| d) Net Gain on foreign currency transactions and translation | **-** | 4.75 |
| | **3.80** | 10.16 |
| **31 COST OF MATERIAL CONSUMED** | | |
| Raw Material | **1,222.96** | 1,107.42 |
| Components | **324.19** | 530.08 |
| | **1,547.15** | 1,637.50 |

Rs. in Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| **32** | **CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS** | | | | |
| a) | Opening inventory of Finished Goods | | **52.20** | | 61.14 |
| | Less: Closing inventory of Finished Goods | | **63.95** | | 52.20 |
| | Net change in stock of Finished Goods | | **(11.75)** | | 8.94 |
| b) | Opening inventory of Work - in - Progress | | **98.83** | | 127.63 |
| | Less: Closing inventory of Work - in - Progress | | **107.48** | | 98.83 |
| | Net change in stock of Work - in - Progress | | **(8.65)** | | 28.80 |
| | Net change in Finished Goods and Work in Progress | | **(20.40)** | | 37.74 |
| **33** | **EMPLOYEE BENEFIT EXPENSE** | | | | |
| a) | Salaries, Wages, Bonus and Commission | | **240.23** | | 249.13 |
| b) | Contribution to Provident and Other Funds | | **13.39** | | 12.95 |
| c) | Staff Welfare expenses | | **20.98** | | 22.02 |
| | | | **274.60** | | 284.10 |
| **34** | **OTHER EXPENSES** | | | | |
| | Consumption of Stores, tools and spare parts | | **66.40** | | 69.38 |
| | Power and fuel | | **92.00** | | 91.19 |
| | Rent including Lease Rent | | **13.34** | | 16.03 |
| | Repairs to | | | | |
| | Buildings | | **7.57** | | 8.09 |
| | Machinery | | **9.40** | | 11.73 |
| | Insurance | | **4.82** | | 3.80 |
| | Rates and taxes, excluding taxes on income | | **1.63** | | 1.90 |
| | Directors sitting fees | | **0.14** | | 0.14 |
| | Auditors' remuneration | | | | |
| | Statutory Audit | **0.39** | | 0.39 | |
| | Tax Audit | **0.06** | | 0.06 | |
| | Certification fees | **0.10** | | 0.12 | |
| | Reimbursement of expenses | **0.08** | **0.63** | 0.09 | 0.66 |
| | Expenditure on Corporate Social Responsibility (Refer Note 49) | | **1.62** | | 1.86 |
| | Freight | | **32.23** | | 41.28 |
| | Net Loss on foreign currency transactions and translation | | **0.49** | | - |
| | Miscellaneous expenses | | **40.90** | | 56.99 |
| | | | **271.17** | | 303.05 |

Rs. in Crores

| | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| **35 FINANCE COSTS** | | | | |
| a) Interest expense | **51.41** | | 60.56 | |
| b) Other borrowing costs | **1.27** | | 0.97 | |
| | **52.68** | | 61.53 | |
| **36 INCOME TAX EXPENSES** | | | | |
| **A. Components of Income Tax Expense** | | | | |
| **i) Tax Expenses recognised in Statement of Profit and Loss:** | | | | |
| (a) Current Tax | | | | |
| - on Current year Tax Income | **1.38** | | 12.12 | |
| (b) Deferred Tax | | | | |
| - on Origination and Reversal of Temporary Differences | **1.59** | | (21.63) | |
| | **2.97** | | (9.51) | |
| **ii) Tax Expenses recognised in Other Comprehensive Income:** | | | | |
| (a) Current Tax on Remeasurement of Post Employment Benefit obligation | **0.50** | | (0.93) | |
| **B. Reconciliation of Effective tax Rate** | | | | |
| Total Comprehensive Income before tax | **11.70** | | 40.90 | |
| Income Tax Expense | **2.94** | **25.17%** | 10.29 | 25.17% |
| Income not chargeable to tax | **(0.09)** | | (0.23) | |
| Income Tax Incentives | **(0.16)** | | (0.60) | |
| Expenses not admissible | **0.25** | | 0.52 | |
| Others | **0.53** | | (0.62) | |
| Tax Expenses recognised in Profit or Loss Statement* | **3.47** | **29.70%** | 9.36 | 22.87% |

*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 during the financial year 2019-20.

Rs. in Crores

| | 2020-21 | 2019-20 |
|---|---|---|
| **37 EARNINGS PER SHARE** | | |
| Net profit as per P& L account | **6.75** | 54.11 |
| Weighted Average Number of Shares | **240,64,558** | 240,64,558 |
| Nominal value per share - Rupees | **10.00** | 10.00 |
| Basic & Diluted earnings per share - Rupees | **2.80** | 22.49 |

**38** Dividend of Re.1 Per equity share amounting to Rs.2.41 Crores for the Financial year 2020-21 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

| | 2020-21 | 2019-20 |
|---|---|---|
| **39 Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"** | | |
| **Particulars** | | |
| 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 | **46.34** | 26.26 |
| - Interest due on above | **-** | - |
| b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | **-** | - |
| c. The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | **-** | - |
| d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | **-** | - |
| e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | **-** | - |

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

Rs. in Crores

| 40 Expenditure incurred on Scientific Research and Development | 2020-21 | 2019-20 |
|---|---|---|
| a) Revenue Expenditure | **14.55** | 14.77 |
| b) Capital Expenditure | **1.19** | 8.94 |

**41 EMPLOYEE BENEFITS**

**Defined Contribution Plan**

**a) Provident Fund**

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 5.63 Crores for the year ended 31st March 2021 (previous year Rs. 4.88 Crores) to Provident fund Authorities.

**b) Superannuation :**

The Company has contributed Rs. 0.54 Crores for the period 2020-21 (previous year Rs. 0.61 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. 2.75 Crores for the year ended 31st March,2021 (previous year Rs. 2.81 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 2021 of Rs. 1.87 Crores. (previous year - Rs. 1.55 Crores).

**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) | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Change in defined benefit obligation** | | | | |
| Opening defined benefit obligation | **27.45** | 22.46 | **9.20** | 8.78 |
| Current service cost | **3.90** | 3.31 | **-** | - |
| Interest cost | **1.71** | 1.63 | **0.54** | 0.57 |
| Actuarial loss / (gain) due to change in demographic & financial Assumptions | **(0.70)** | 2.23 | **(0.21)** | 0.33 |
| Actuarial loss / (gain) arising from experience adjustments | **(2.49)** | (0.25) | **2.12** | 1.62 |
| Benefits paid | **(3.32)** | (1.93) | **(2.03)** | (2.10) |
| Closing defined benefit obligation | **26.55** | 27.45 | **9.62** | 9.20 |
| **Change in fair value of assets** | | | | |
| Opening fair value of plan assets | **22.41** | 19.37 | **3.43** | 3.18 |
| Expected return on plan assets | **1.56** | 1.53 | **0.23** | 0.24 |
| Actuarial gain / (Loss) arising from return on plan assets | **(0.09)** | (0.16) | **(0.01)** | 0.01 |
| Contribution by employer | **5.52** | 3.60 | **2.03** | 2.10 |
| Benefits paid | **(3.32)** | (1.93) | **(2.03)** | (2.10) |
| Closing fair value of plan assets | **26.08** | 22.41 | **3.65** | 3.43 |

Rs. in Crores

| | Gratuity (funded) | | Leave Salary (Partly funded) | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Amount recognised in the Balance Sheet** | | | | |
| Present value of obligations at year end | **26.55** | 27.45 | **9.62** | 9.20 |
| Fair value of plan assets at year end | **26.08** | 22.41 | **3.65** | 3.43 |
| Net (liability) / asset recognised as on 31st March | **(0.47)** | (5.04) | **(5.97)** | (5.78) |
| **Expenses recognised in the Profit & Loss Statement** | | | | |
| Current Service cost | **3.59** | 2.89 | **-** | - |
| Interest on defined benefit obligation | **1.71** | 1.63 | **0.54** | 0.57 |
| Expected return on plan assets | **(1.56)** | (1.53) | **(0.23)** | (0.24) |
| Actuarial (gain)/ loss (on Leave Salary) | **-** | - | **1.92** | 1.94 |
| Expenses recognised in the Profit & Loss A/c | **3.74** | 2.99 | **2.23** | 2.27 |
| **Remeasurement on the net defined benefit liability** | | | | |
| Actuarial loss / (gain) due to change in demographic & financial Assumptions | **(0.70)** | 2.23 | | |
| Actuarial loss / (gain) arising from experience adjustments | **(2.49)** | (0.25) | | |
| Actuarial gain / (Loss) arising from return on plan assets | **0.09** | 0.16 | | |
| **Expenses recognised in Other Comprehensive Income** | **(3.10)** | 2.14 | **NA** | NA |

| | Gratuity (funded) | | Leave Salary (Partly funded) | | Provident Fund | |
|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Principal actuarial assumptions used** | | | | | | |
| Discount rate (p.a) | **6.91%** | 6.62% | **6.76%** | 6.56% | **6.95%** | 6.56% |
| Attrition rate | **1-3%** | 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 .

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 | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **25.41** | 26.25 | **27.78** | 28.74 |
| Salary escalation | 0.50% | **27.79** | 28.75 | **25.38** | 26.22 |
| Mortality | 5.00% | **26.56** | 27.45 | **26.54** | 27.44 |
| Attrition | 5.00% | **26.57** | 27.46 | **26.53** | 27.43 |

**b) Leave Salary** **Rs. in Crores**

| | Change in Assumption | Increase in Assumption | | Decrease in Assumption | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **9.34** | 8.94 | **9.92** | 9.50 |
| Salary escalation | 0.50% | **9.93** | 9.50 | **9.33** | 8.93 |
| Mortality | 5.00% | **9.62** | 9.21 | **9.62** | 9.21 |
| Attrition | 5.00% | **9.63** | 9.21 | **9.62** | 9.20 |

**c) Provident Fund** **Rs. in Crores**

| | Change in Assumption | Increase in Assumption | | Decrease in Assumption | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **1.86** | 0.77 | **1.89** | 0.79 |
| Shortfall | 0.50% | **1.92** | 0.83 | **1.86** | 0.76 |
| Mortality | 5.00% | **1.87** | 0.78 | **1.88** | 0.78 |
| Attrition | 5.00% | **1.87** | 0.78 | **1.88** | 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.

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## 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 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **Financial Assets:** | | |
| **Financial assets measured at Cost:** | | |
| i. Investment in Equity shares | **6.42** | 6.42 |
| **Financial assets measured at fair value:** | | |
| i. Investment measured at Fair value through other comprehensive income | **8.17** | 8.19 |
| ii. Investment measured at Fair value through profit or loss | **2.09** | 2.09 |
| iii. Derivative financial instruments | **-** | 22.65 |
| **Financial assets measured at amortised cost:** | | |
| Trade receivables | **706.00** | 435.73 |
| Cash and cash equivalents | **2.11** | 3.10 |
| Bank balances other than Cash and cash equivalents | **0.51** | 1.39 |
| Loans | **18.47** | 20.67 |
| Other financial assets | **4.39** | 12.98 |
| **Financial Liabilities:** | | |
| **Financial liabilities measured at fair value:** | | |
| Borrowings | **-** | - |
| Derivative financial instruments | **-** | - |
| **Financial liabilities measured at amortised cost:** | | |
| Borrowings | **518.12** | 459.00 |
| Trade payables | **793.99** | 441.03 |
| Other financial liabilities | **134.74** | 157.44 |

**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, 2021** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| Equity shares | - | - | 10.26 |
| Derivative financial instruments | - | - | - |
| Total | - | - | - |
| Financial Liabilities : | - | - | - |
| Derivative financial instruments | | - | - |
| | | | |
| **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 | - | - | - |

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** | **31.03.2021** | **31.03.2020** |
| a) Risk adjusted discount rate | **9.58%** | 11.52% |
| 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 |
|---|---|---|---|
| **As at 31st March, 2021** | | | |
| **Non-Derivative Liabilities** | | | |
| **Trade Payables** | **793.99** | **-** | **793.99** |
| **Borrowings** | **214.18** | **303.94** | **518.12** |
| **Other Financial Liabilities** | **119.74** | **15.00** | **134.74** |
| **Derivative Liabilities** | | | |
| Forward exchange contracts | - | - | - |
| **As at 31st March, 2020** | | | |
| 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 |
| **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, 2021, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 161.16 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. 8.06 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, 2021 is "0" (31st March,2020 - 3 sell 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. 408.71 Crores Borrowings at Floating rate of Interest as at 31st March, 2021 (previous year Rs. 408.31 Crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 4.09 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, 2021 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

| | 2020-21 | 2019-20 |
|---|---|---|
| Borrowing Costs capitalised during the year | **5.38** | 4.53 |
| Capitalisation rate used for Borrowing Costs | **5.39%** | 7.12% |

**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** | **31-Mar-21** | **31-Mar-20** |
| | a) Sale of products | **2003.26** | 2201.75 |
| | b) Sale of services | **25.71** | 34.42 |
| | c) Other operating revenues | **182.78** | 192.39 |
| | **Total operating revenue** | **2211.75** | 2428.56 |
| | In India | **1,645.76** | 1,940.81 |
| | Outside India | **565.99** | 487.75 |
| **b)** | **Timing of revenue recognition** | **At a point of time** | At a point of time |
| | Sale of products and other operating income | **2211.75** | 2428.56 |
| **c)** | **Revenue recognised in relation to contract liabilities** | **Nil** | Nil |
| **d)** | **Reconciliation of revenue recognised in the statement of profit and loss with the contracted price** | | |
| | Revenue at contracted prices | **2211.75** | 2428.56 |
| | Revenue from contract with customers | **2211.75** | 2428.56 |
| | Difference | **-** | - |
| **e)** | **Unsatisfied or partially satisfied performance obligation** | **Nil** | Nil |

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

**46 Related Party disclosures in accordance with IndAS 24 :**

**i) Subsidiary:**

WIL Car Wheels Limited

**ii) a) Associates:**

Axles India Ltd.

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

T.V.Sundram Iyengar & Sons Private Ltd.

Titan Europe Limited., UK (upto 04th June 2020)

Sundaram Finance Holdings Limited (With effect from 29th June 2020)

**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 (upto 04th June 2020)

Titan Wheels Corporation of Illinois (upto 04th June 2020)

Titan Australia PTY Ltd (upto 04th June 2020)

PT Titan Wheels Indonesia (upto 04th June 2020)

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

Rs. In Crores

| Nature of transactions | 2020-21 | 2019-20 |
|---|---|---|
| **Subsidiary** | | |
| Sale of goods | **4.16** | 2.82 |
| Purchase of goods | **33.06** | 41.46 |
| Rendering of Services | **8.67** | 13.39 |
| Receiving of Services | **1.02** | 2.71 |
| Sale of Assets | **0.06** | 0.13 |
| Balance Payable | **6.09** | 4.17 |
| Balance Receivable | **1.94** | 2.60 |
| **Associates** | | |
| Dividend Received | **0.36** | 0.97 |
| Dividend paid | **2.79** | 9.16 |
| Purchase of goods | **0.46** | 0.05 |
| Receiving of Services | **1.05** | 0.67 |
| Rendering of Services | **0.06** | 0.15 |
| Sale of goods | **21.43** | 26.78 |
| Balance Payable | **0.12** | 0.08 |
| Balance Receivable | **1.84** | 2.14 |
| **Associate's subsidiary** | | |
| Purchase of goods | **11.88** | 26.81 |
| Receiving of Services | **1.89** | 1.10 |
| Rendering of Services | **-** | 0.01 |
| Sale of goods | **7.60** | 61.61 |
| Balance Payable | **4.56** | 1.24 |
| Balance Receivable | **1.18** | 11.64 |

Rs. in Crores

| Key Managerial Personnel | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| | Mr S Ram | Mr Srivats Ram | Mr S Ram | Mr Srivats Ram |
| a) Short term employee benefits | | | | |
| Remuneration, Perquisites and Commission | **0.13** | **1.14** | 0.44 | 1.88 |
| Commission outstanding | **0.13** | **-** | 0.44 | 0.88 |
| b) Post Employment Benefits* | | **0.19** | | 0.29 |
| c) Others | | | | |
| Interest on fixed deposits | **-** | **0.08** | **-** | 0.08 |
| Dividend paid during the year | **-** | **0.01** | **-** | 0.04 |
| Deposits balance outstanding | **-** | **0.81** | **-** | 0.91 |

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

Rs. in Crores

| Employees Benefit Plans | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| | Contribution | Payable | Contribution | Payable |
| Wheels India Employees Gratuity Trust | **5.21** | **0.47** | 3.60 | 5.04 |
| Wheels India Limited Staff Provident Fund | **2.75** | **0.25** | 2.81 | 0.23 |
| Wheels India Senior Officers Superannuation Trust | **0.54** | **0.54** | 0.61 | 0.61 |

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

Rs. in Crores

| | |
|---|---|
| **a) Movement in Lease Liability** | |
| **Balance as at 31st March 2020** | **9.27** |
| Additions during the year | **13.51** |
| modications to lease | **(0.29)** |
| Finance Cost Accrued during the year | **1.12** |
| Payment of Lease Liabilities | **(3.03)** |
| **Balance as at 31st march 2021** | **20.58** |
| | |
| **Current Liability (Note 23)** | **5.58** |
| **Non Current liabiliy (Note 18)** | **15.00** |

Rs. In Crores

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **b) Maturity Analysis of Lease Liabilities** | | |
| Not later than 1 year | **6.18** | 2.46 |
| Later than 1 year and not later than 5 years | **17.49** | 8.41 |
| Total Undiscounted Lease Liability as at 31st March, 2021 | **23.67** | 10.87 |
| **c) Amount recognised in the satement of Profit or Loss** | | |
| Interest on Lease Liabilities | **1.12** | 0.29 |
| Expenses relating to short term leases | **0.69** | 0.72 |
| **d) Amount recognised in the satement of cash flow** | | |
| Total Cash outflow for leases | **3.72** | 1.76 |

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

| | | Rs. In Crores | |
|---|---|---|---|
| | | 2020-21 | 2019-20 |
| **Computer software & Technical know how** | Refer to Note 3 | | |
| Gross carrying amount at the beginning of the year | | **25.23** | 23.79 |
| Acquired during the year | | **1.06** | 1.44 |
| Deletion during the year | | **0.01** | - |
| Gross carrying amount at the end of the year | | **26.28** | 25.23 |
| Gross amortisation at the beginning of the year | | **20.66** | 18.19 |
| Amortised during the year | | **2.36** | 2.47 |
| Deletion during the year | | **0.01** | - |
| Gross amortisation at the end of the year | | **23.01** | 20.66 |
| Net carrying amount at the beginning of the year | | **4.57** | 5.60 |
| Net carrying amount at the end of the year | | **3.27** | 4.57 |

**49 Note on Corporate Social Responsibility**

| | | |
|---|---|---|
| a) Gross amount required to be spent by the Company during the year | **1.59** | 1.84 |
| a) Amount approved by the board to be spent during the year | **1.59** | 1.84 |
| c) Amount spent during the year on | | |
| i) Construction / acquisition of any other asset | **-** | - |
| ii) on purposes other than (i) above | **1.62** | 1.86 |

**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 situation is evolving and the assessment of impact due to COVID -19 is a continuous process, given the uncertainities.

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
21st May, 2021

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 31st March, 2021

Rs. in Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| **A** | **Cash Flow from Operating Activities** | | | | |
| | Total Comprehensive Income after tax | | **8.23** | | 51.34 |
| | Add: | | | | |
| | Depreciation | **80.63** | | 70.20 | |
| | Obsolescence | **0.81** | | 0.68 | |
| | Lease Liabilities | **0.69** | | 0.72 | |
| | Effect of Exchange Rate Change | **2.89** | | (6.54) | |
| | Loss on Sale of Fixed Assets | **0.02** | | 0.12 | |
| | Taxes on Income | **3.47** | | (10.44) | |
| | Interest Expenses | **52.68** | **141.19** | 61.53 | 116.27 |
| | | | **149.42** | | 167.61 |
| | Less: | | | | |
| | Interest Income | **1.76** | | 1.49 | |
| | Gain/(Loss) on Fair Valuation of Investments | **(0.02)** | | - | |
| | Dividend Income | **0.36** | **2.10** | 0.97 | 2.46 |
| | Cash flow from Operation before Working Capital Changes | | **147.32** | | 165.15 |
| | Trade Receivables | **(252.43)** | | 109.06 | |
| | Inventories | **(123.97)** | | 15.30 | |
| | Advances & Other Current Assets | **(47.28)** | | 65.13 | |
| | Trade Payables | **354.90** | | (146.70) | |
| | Other Payables & Provisions | **48.91** | **(19.87)** | (37.58) | 5.21 |
| | Taxes paid | | **10.10** | | (11.45) |
| | **Net Cash Flow from Operating Activities (A)** | | **137.55** | | 158.91 |
| **B.** | **Investing Activities** | | | | |
| | Purchase of Fixed Assets | **(111.86)** | | (200.81) | |
| | Sale of Fixed Assets | **0.62** | | 0.36 | |
| | Dividend Received | **0.36** | | 0.97 | |
| | Interest Received | **1.15** | | 0.65 | |
| | **Net Cash used in Investing Activities (B)** | | **(109.73)** | | (198.83) |

Rs. in Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| C. | **Financing Activities** | | | | |
| | Proceeds from Long Term Borrowings | **166.30** | | 181.88 | |
| | Repayment of Long Term Borrowings | **(123.41)** | | (65.90) | |
| | Increase in Working Capital Borrowings | **(6.76)** | | 16.00 | |
| | Repayment of Lease Liabilities | **(2.59)** | | (1.47) | |
| | Dividend paid | **(6.41)** | | (22.46) | |
| | Interest on Lease Liabilities | **(1.12)** | | (0.29) | |
| | Interest paid | **(53.07)** | | (56.24) | |
| | **Net cash used in Financing Activities (C)** | | **(27.06)** | | 51.52 |
| | Net Increase in Cash & Cash Equivalents | | **0.76** | | 11.60 |
| | Closing Cash & Cash Equivalents | | **7.58** | | 6.82 |
| | Opening Cash & Cash Equivalents | | **6.82** | | (4.78) |
| | Net Increase in Cash and Cash Equivalents | | **0.76** | | 11.60 |
| | Closing Cash & Cash Equivalents as per Balance sheet | | **2.11** | | 3.10 |
| | (Add) /Less: Cash Credit as at the end of the year | | **(5.47)** | | (3.72) |
| | Cash & Cash Equivalents for the purpose of IndAS 7 | | **7.58** | | 6.82 |

**S RAM**
Chairman

**SRIVATS RAM**
Managing Director

**S PRASAD**
Director

**R RAGHUNATHAN**
Chief Financial Officer

**K V LAKSHMI**
Company Secretary

Chennai
21st May, 2021

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 2020-2021

# 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, 2021, 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, 2021, 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 No.52 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.

## 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 Indian 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 it's 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. 265.13 Crores as at 31st March, 2021, total revenues of Rs. 247.09 Crores and net cash outflow amounting to Rs. 1.24 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. 0.13 Crores for the year ended 31st March, 2021, in respect of one associate, whose financial statements have not been audited by us. These financial statements of the subsidiary and associate Company 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, 2021 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, 2021 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 29(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
Membership No. 025929
UDIN: 21025929AAAA

Place: Chennai
Date : 21st May, 2021

# "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, 2021, 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, 2021, 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**
Partner
Membership No. 025929
UDIN: 21025929AAAA

Place: Chennai
Date : 21st May, 2021

# Consolidated Balance Sheet as at

Rs. in Crores

| PARTICULARS | Note | 31st March 2021 | | 31st March 2020 | |
|---|---|---|---|---|---|
| **I ASSETS** | | | | | |
| **1. Non-current assets** | | | | | |
| a) Property, Plant and Equipment | 1 | **860.92** | | 738.89 | |
| b) Capital work-in-progress | 2 | **113.86** | | 197.71 | |
| c) Other Intangible Assets | 3 | **3.39** | | 4.94 | |
| d) Right of Use Assets | 4 | **19.14** | | 9.16 | |
| e) Financial Assets | | | | | |
| i) Investments | 5 | **23.14** | | 23.29 | |
| ii) Loans | 6 | **19.58** | | 21.85 | |
| iii) Others | 7 | **0.57** | | 0.62 | |
| f) Other Non Current Assets | 8 | **6.61** | | 10.77 | |
| | | | **1,047.21** | | 1,007.23 |
| **2. Current assets** | | | | | |
| a) Inventories | 9 | **547.87** | | 411.66 | |
| b) Financial Assets | | | | | |
| i) Trade receivables | 10 | **740.98** | | 472.43 | |
| ii) Cash and cash equivalents | 11a | **2.22** | | 4.46 | |
| iii) Bank Balances other than (ii) above | 11b | **1.25** | | 1.58 | |
| iv) Others | 12 | **4.06** | | 12.94 | |
| c) Current Tax Assets (Net) | 13 | **-** | | 4.40 | |
| d) Other current assets | 14 | **132.71** | | 72.32 | |
| | | | **1,429.09** | | 979.79 |
| **TOTAL** | | | **2,476.30** | | 1,987.02 |
| **II EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| a) Equity Share Capital | 15 | **24.06** | | 24.06 | |
| b) Other Equity | 16 | **636.63** | | 639.67 | |
| **Equity attributable to the owners of the Company** | | | **660.69** | | 663.73 |
| Non Controlling Interest | 17 | | **19.31** | | 20.98 |
| **Liabilities** | | | | | |
| **1. Non-current liabilities** | | | | | |
| a) Financial Liabilities | | | | | |
| i) Borrowings | 18 | **334.51** | | 282.97 | |
| ii) Lease Liabilities | 19 | **15.09** | | 7.21 | |
| b) Non Current Provisions | 20 | **7.74** | | 5.96 | |
| c) Deferred tax liabilities (Net) | 21 | **45.87** | | 45.68 | |
| | | | **403.21** | | 341.82 |
| **2. Current liabilities** | | | | | |
| a) Financial Liabilities | | | | | |
| i) Borrowings | 22 | **235.18** | | 227.52 | |
| ii) Trade payables | | | | | |
| A) total outstanding dues of micro enterprises and small enterprises; and | 23 | **46.89** | | 26.41 | |
| B) total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | **850.00** | | 478.94 | |
| iii) Lease Liabilities | 24 | **5.58** | | 2.25 | |
| iv) Others | 25 | **132.04** | | 167.18 | |
| b) Other current liabilities | 26 | **91.45** | | 32.95 | |
| c) Short-term provisions | 27 | **25.38** | | 25.24 | |
| d) Current Tax Liabilities (Net) | 28 | **6.57** | | - | |
| | | | **1,393.09** | | 960.49 |
| **TOTAL** | | | **2,476.30** | | 1,987.02 |
| 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
21st May, 2021

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 31st March

Rs. in Crores

| | Note | 2021 | | 2020 | |
|---|---|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | | | |
| Sale of Products | | **2,201.11** | | 2,468.20 | |
| Sale of Services | | **17.79** | | 20.86 | |
| Other operating revenues | | **194.47** | | 182.55 | |
| Revenue from Operations | | | **2,413.37** | | 2,671.61 |
| Other income | 31 | | **2.36** | | 8.03 |
| **TOTAL REVENUE** | | | **2,415.73** | | 2,679.64 |
| **EXPENSES** | | | | | |
| Cost of materials consumed | 32 | | **1,697.43** | | 1,821.17 |
| Changes in inventories of finished goods, Work-in-progress | 33 | | **(20.81)** | | 37.54 |
| Employee benefit expense | 34 | | **299.51** | | 310.24 |
| Finance Costs | 36 | | **58.87** | | 66.52 |
| Depreciation and amortisation expenses | 1, 3 & 4 | | **85.60** | | 77.92 |
| Other Expenses | 35 | | **294.24** | | 330.71 |
| **TOTAL EXPENSES** | | | **2,414.84** | | 2,644.10 |
| Profit before exceptional items and tax | | | **0.89** | | 35.54 |
| Exceptional items | | | **–** | | - |
| Add: Share of Profit in Associate (Net of Tax) | | | **(0.09)** | | (0.01) |
| **Profit before tax** | | | **0.80** | | 35.53 |
| Tax expense: | 37 | | | | |
| Current tax | | **1.38** | | 12.12 | |
| Deferred tax | | **(0.70)** | **0.68** | (23.91) | (11.79) |
| **Profit for the year** | | | **0.12** | | 47.32 |
| **Other Comprehensive Income** | | | | | |
| *Items that will not be reclassified to profit or loss* | | | | | |
| - Changes in Fair valuation of Equity Instrument through Other Comprehensive Income | | **(0.02)** | | - | |
| - Remeasurements of post employment defined benefit plan | | **2.15** | | (4.19) | |
| - Income tax relating to the remeasurements | | **(0.54)** | | 0.93 | |
| - Share of OCI in Associate (net of tax) | | **(0.04)** | **1.55** | (0.06) | (3.32) |
| **Total Comprehensive Income for the year** | | | **1.67** | | 44.00 |
| **Profit for the year attributable to** | | | | | |
| - Owners of the Company | | | **1.82** | | 49.06 |
| - Non Controlling Interest | | | **(1.70)** | | (1.74) |
| **Other Comprehensive Income for the year attributable to** | | | | | |
| - Owners of the Company | | | **1.52** | | (3.19) |
| - Non Controlling Interest | | | **0.03** | | (0.13) |
| **Total Comprehensive Income attributable to** | | | | | |
| - Owners of the Company | | | **3.34** | | 45.87 |
| - Non Controlling Interest (NCI) | | | **(1.67)** | | (1.87) |
| Earnings per equity share: | 38 | | | | |
| 1. Basic | | | **0.76** | | 20.39 |
| 2. Diluted | | | **0.76** | | 20.39 |
| 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
21st May, 2021

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 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| Balance at the beginning of the year | **24.06** | 24.06 |
| Changes in Equity share capital during the year | **-** | - |
| **Balance at the end of the year** | **24.06** | **24.06** |

## 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 | | |
| **A. Balance as at 31st March, 2019** | **-** | **131.52** | **389.28** | **97.25** | **2.04** | **(3.81)** | **22.85** | **639.13** |
| Profit for the year | | | | 49.06 | | | (1.74) | 47.32 |
| Remeasurement of defined benefit plans | | | | | | (3.19) | (0.13) | (3.32) |
| Changes in Fair Valuation of Equity Instruments | | | | | - | | | - |
| **B. Total Comprehensive Income for the year 2019-20** | **-** | **-** | **-** | 49.06 | **-** | (3.19) | (1.87) | 44.00 |
| 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) | | | | - |
| **C. Total** | **-** | **-** | 22.00 | (44.48) | **-** | **-** | **-** | (22.48) |
| **D. Balance as at 31st March, 2020 (A+B+C)** | **-** | **131.52** | **411.28** | **101.83** | **2.04** | **(7.00)** | **20.98** | **660.65** |
| Profit for the year | | | | 1.82 | | | (1.70) | 0.12 |
| Changes in Fair valuation of Equity Instrument | | | | | (0.02) | | | (0.02) |
| Remeasurement of defined benefit plans | | | | | | 1.54 | 0.03 | 1.57 |
| **E. Total Comprehensive Income for the year 2020-21** | **-** | **-** | **-** | **1.82** | **(0.02)** | **1.54** | **(1.67)** | **1.67** |
| Final Dividend 2019-20 | | | | (6.38) | | | | (6.38) |
| Transfer to General Reserve | | | 2.00 | (2.00) | | | | - |
| **F. Total** | **-** | **-** | **2.00** | **(8.38)** | **-** | **-** | **-** | **(6.38)** |
| **G. Balance as at 31st March, 2021 (D+E+F)** | **-** | **131.52** | **413.28** | **95.27** | **2.02** | **(5.46)** | **19.31** | **655.94** |

* 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
21st May, 2021

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

## A. Principles of Consolidation

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

### a) Subsidiaries

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

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

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

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

b) Associates

The CFS include the Share of profit of an associate Company which have been accounted for using equity method as per "Accounting Standard (IndAS) 28 Investments in Associates and Joint Ventures" in CFS. Accordingly, the share of profit of the associate Company has been added to the cost of investments.

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

The financial statements of an Associate and Subsidiary used in the CFS are drawn upto the same reporting date as that of the Company i.e. 31st March, 2021

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 refered 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) 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 occurence or non-occurence 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 mesurement 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.

**k) Foreign Currency Transactions**

Transactions in Foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date.

**l) Derivative contracts:**

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

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

**m) Earnings per share:**

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

**n) Income taxes**

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

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

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

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

## Consolidated - Notes on Accounts (Contd.)

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

Rs. in Crores

| Description | Gross Block at Cost | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 31.03.2020 | Additions (including Borrowing Cost Capitalised) | Deletions | As At 31.03.2021 | As At 31.03.2020 | Additions | Deletions | As At 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 |
| **1. TANGIBLE ASSETS** | | | | | | | | | | |
| Land (Free hold) | 14.45 | - | - | **14.45** | - | - | - | **-** | **14.45** | 14.45 |
| Land (Lease hold) | 17.32 | 10.18 | - | **27.50** | 1.00 | 0.21 | - | **1.21** | **26.29** | 16.32 |
| Buildings | 148.42 | 27.30 | 0.08 | **175.64** | 51.51 | 4.83 | - | **56.34** | **119.30** | 96.91 |
| Plant and Equipment | 1271.13 | 162.88 | 5.73 | **1428.28** | 669.23 | 71.55 | 4.33 | **736.45** | **691.83** | 601.90 |
| Furniture and Fixtures | 6.96 | 0.11 | 0.01 | **7.06** | 4.85 | 0.29 | 0.01 | **5.13** | **1.93** | 2.11 |
| Vehicles | 0.13 | 0.01 | - | **0.14** | 0.10 | - | - | **0.10** | **0.04** | 0.03 |
| Office Equipment | 22.33 | 2.11 | 0.07 | **24.37** | 15.16 | 2.19 | 0.06 | **17.29** | **7.08** | 7.17 |
| | 1480.74 | 202.59 | 5.89 | **1677.44** | 741.85 | 79.07 | 4.40 | **816.52** | **860.92** | 738.89 |
| **3. INTANGIBLE ASSETS** | | | | | | | | | | |
| Computer Software | 20.48 | 1.06 | 0.01 | **21.53** | 17.56 | 1.40 | 0.01 | **18.95** | **2.58** | 2.92 |
| Technical Know-how | 5.65 | - | - | **5.65** | 3.63 | 1.21 | | **4.84** | **0.81** | 2.02 |
| | 26.13 | 1.06 | 0.01 | **27.18** | 21.19 | 2.61 | 0.01 | **23.79** | **3.39** | 4.94 |
| Total | 1506.87 | 203.65 | 5.90 | **1704.62** | 763.04 | 81.68 | 4.41 | **840.31** | **864.31** | |
| Previous year | 1400.42 | 111.63 | 5.18 | **1506.87** | 689.99 | 76.76 | 3.71 | **763.04** | | 743.83 |

### 4. RIGHT OF USE ASSETS

Rs. in Crores

| Description | Gross Block at Cost | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 31.03.2020 | Additions | Deletions | As At 31.03.2021 | As At 31.03.2020 | Additions | Deletions | As At 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 |
| Leased Assets | 10.32 | 14.18 | 0.30 | **24.20** | 1.16 | 3.91 | 0.01 | **5.06** | **19.14** | 9.16 |
| Total | 10.32 | 14.18 | 0.30 | **24.20** | 1.16 | 3.91 | 0.01 | **5.06** | **19.14** | |
| Previous year | - | 10.32 | 0.00 | **10.32** | 0.00 | 1.16 | - | **1.16** | | 9.16 |

### 2. CAPITAL WORK IN PROGRESS

| | 31.03.2020 | 31.03.2019 |
|---|---|---|
| a) Buildings | **28.10** | 36.06 |
| b) Plant and Machinery* | **85.76** | 161.65 |
| | **113.86** | 197.71 |

* Includes Machinery in Transit of Rs. 0.30 Crores (Previous year - Rs. 3.77 Crores)

Rs. in Crores

## NON CURRENT ASSETS

| | | As at 31.03.2021 | | As at 31.03.2020 | |
|---|---|---|---|---|---|
| **5** | **INVESTMENTS** | | | | |
| | **Unquoted** | | | | |
| | Investment in Equity instruments | | | | |
| | i) In Associate Company at Equity Method | | | | |
| | **Axles India Limited** | **2.72** | | 2.72 | |
| | 24,24,661 Equity Shares of Rs.10/- each fully paid-up | | | | |
| | (Includes Goodwill on Acquisition of shares of Rs.0.97 Crores) | | | | |
| | Add: Share of profit | **10.16** | **12.88** | 10.29 | 13.01 |
| | ii) In Other Entity at Fair Value through Other Comprehensive Income | | | | |
| | **Sundaram Hydraulics Limited** | **7.15** | | 7.15 | |
| | 71,50,000 Equity Shares of Rs.10/- each fully paid up | | | | |
| | Add: Addition due to Fair Valuation | **1.02** | **8.17** | 1.04 | 8.19 |
| | iii) In Other Entities at Fair Value through Profit or Loss | | | | |
| | **MEFCO Engineers Private Limited** | **0.20** | | 0.20 | |
| | 20,000 Equity Shares of Rs.100/- each fully paid up | | | | |
| | **Siva Electric Generation Private Limited** | **0.16** | | 0.16 | |
| | 1,62,172 Equity shares of Rs.10/- each fully paid up | | | | |
| | **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 |
| | | | **23.14** | | 23.29 |

Rs. in Crores

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| **6** | **LOANS** | | |
| | **Unsecured - Considered good** | | |
| | Security Deposits | **19.58** | 21.85 |
| | | **19.58** | 21.85 |
| **7** | **NON CURRENT FINANCIAL ASSETS - OTHERS** | | |
| | Advances to employees | **0.57** | 0.62 |
| | | **0.57** | 0.62 |
| **8** | **OTHER NON CURRENT ASSETS** | | |
| | a) Advances for Capital goods | **5.93** | 10.69 |
| | b) Prepaid expenses | **0.68** | 0.08 |
| | | **6.61** | 10.77 |
| **CURRENT ASSETS** | | | |
| **9** | **INVENTORIES** | | |
| | a) Raw Materials | **284.49** | 182.32 |
| | Includes Goods in Transit - Rs. 15.93 Crores (previous year - Rs. 0.17 Crores) | | |
| | b) Work-in-Progress | **109.96** | 101.22 |
| | c) Finished goods | **67.94** | 55.86 |
| | d) Stores and Spares | **55.36** | 49.36 |
| | e) Loose tools | **30.12** | 22.90 |
| | | **547.87** | 411.66 |

Rs. in Crores

| | | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|---|
| **10** | **TRADE RECEIVABLES** | | |
| | Unsecured - Considered good | **740.98** | 472.43 |
| | | **740.98** | 472.43 |
| **11** | **CASH AND CASH EQUIVALENTS** | | |
| **a** | i) Current Accounts | **1.38** | 2.07 |
| | ii) Cash on hand | **0.07** | 0.10 |
| | iii) Fixed Deposits | **0.77** | 2.29 |
| | | **2.22** | 4.46 |
| **b** | Bank Balances with more than three months maturity | | |
| | i) Fixed Deposits (as a Guarantee to Commercial Taxes Department) | **0.13** | 0.98 |
| | ii) Unclaimed Dividend Accounts | **0.38** | 0.41 |
| | iii) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed | **0.74** | 0.19 |
| | | **1.25** | 1.58 |
| **12** | **CURRENT FINANCIAL ASSETS - OTHERS** | | |
| | Advances to employees | **2.41** | 2.92 |
| | Duty Drawback Receivable | **1.06** | 0.58 |
| | Export Incentive License | **0.56** | 9.10 |
| | Interest accrued on deposits and investments | **0.03** | 0.34 |
| | | **4.06** | 12.94 |
| **13** | **CURRENT TAX ASSETS (Net)** | | |
| | Advance tax and Tax Deducted at Source (Net off Provision for taxation - Previous Year - Rs. 80.73 Crores) | **-** | 4.40 |
| | | **-** | 4.40 |

Rs. in Crores

| | As at 31.03.2021 | | As at 31.03.2020 | |
|---|---|---|---|---|
| **14 OTHER CURRENT ASSETS** | | | | |
| **Unsecured - Considered good** | | | | |
| a) Advances other than Capital Advances | | | | |
| Advances to Vendors | **4.41** | | 7.30 | |
| Other Advances | **1.84** | **6.25** | 2.18 | 9.48 |
| b) Balance with GST/ Central Excise authorities | | **90.60** | | 41.56 |
| c) VAT receivable | | **0.90** | | 0.90 |
| d) Export incentives receivable | | **8.95** | | 7.37 |
| e) GST refund receivable on Exports | | **13.75** | | 0.22 |
| f) Prepaid expenses | | **12.26** | | 12.79 |
| | | **132.71** | | 72.32 |

## EQUITY AND LIABILITIES

| | | |
|---|---|---|
| **15 EQUITY SHARE CAPITAL** | | |
| a) **Authorised** | **50.00** | 50.00 |
| 5,00,00,000 Equity Shares of Rs.10/- each | | |
| b) **Issued, Subscribed and Fully Paid-up** | | |
| 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:**

| | 31.03.2021 | | 31.03.2020 | |
|---|---|---|---|---|
| | No. of shares | Rs. in Crores | No. of shares | Rs. in Crores |
| **Equity Shares of Rs.10/- each** | | | | |
| Outstanding at the beginning of the year | **240,64,558** | **24.06** | 240,64,558 | 24.06 |
| Change in Equity Share capital During the year | **-** | **-** | - | - |
| Outstanding at the end of the year | **240,64,558** | **24.06** | 240,64,558 | 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.

| | 31.03.2021 (Number of shares) | 31.03.2020 (Number of shares) |
|---|---|---|
| **e) Shareholding of shareholders holding more than 5% of shares as at** | | |
| T V Sundram Iyengar & Sons Private Limited | **49,11,028** | 49,11,028 |
| Southern Roadways Private Limited | **22,32,628** | 22,32,628 |
| Sundaram Finance Holdings Limited | **56,01,117** | 32,69,096 |
| Titan Europe Limited, UK | **-** | 48,12,912 |

## 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 | **413.28** | 411.28 |
| d) Retained Earnings | **95.27** | 101.83 |
| e) Other Comprehensive Income Reserve | **(3.44)** | (4.96) |
| * Capital Reserve is Rs. 1713/- | **636.63** | 639.67 |
| Refer Note 39 | | |

## 17 NON CONTROLLING INTEREST

| Name of the Subsidiary | Place of Incorporation | Ownership Interest held by Non Controlling Interest (%) | |
|---|---|---|---|
| | | 31.03.2021 | 31.03.2020 |
| WIL Car Wheels Limited (WCWL) | India | 26% | 26% |

**Rs. in Crores**

## NON CURRENT FINANCIAL LIABILITIES

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **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. | **130.33** | 116.70 |
| **b.** Term Loans from others | | |
| By first Charge by way of hypothecation of specific machinery | **49.21** | 74.49 |
| **B. UNSECURED BORROWINGS** | | |
| a. Fixed Deposits | **154.97** | 91.78 |
| {Includes Rs. 0.19 Crores received from Directors (previous year Rs. 0.81 Crores)} | | |
| | **334.51** | 282.97 |

Terms of Repayment : Refer Note 30

Rs. in Crores

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **19 Lease Liabilities** | | |
| Lease Liabilities* | **15.09** | 7.21 |
| (*Refer Note 48) | **15.09** | 7.21 |
| **20 PROVISIONS** | | |
| Provisions for employee benefits | **7.74** | 5.96 |
| | **7.74** | 5.96 |
| **21 DEFERRED TAX LIABILITIES (NET)** | | |
| Deferred Tax Liabilities | **61.83** | 57.43 |
| Deferred Tax Assets | **(15.48)** | (10.43) |
| Minimum Alternate Tax credit entitlement | **(0.48)** | (1.32) |
| | **45.87** | 45.68 |

Rs. In Crores

| **Movement in Deferred Tax Assets and Liabilities** | 31.03.2021 | Charge in Statement of Profit or Loss | 31.03.2020 | Charge in Statement of Profit or Loss |
|---|---|---|---|---|
| a) Deferred Tax Liability | | | | |
| i) Depreciation | 59.33 | 3.85 | 55.48 | (20.13) |
| ii) Export Incentives | 2.20 | 0.45 | 1.75 | (1.68) |
| iii) Remeasurement of Financial Liabilities | 0.30 | 0.10 | 0.20 | 0.01 |
| | **61.83** | **4.40** | **57.43** | **(21.80)** |
| Less: | | | | |
| b) Deferred Tax Assets | | | | |
| i) Expenses allowable for tax purpose on payment basis | 5.15 | 1.12 | 4.03 | (0.50) |
| ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financil years | 10.04 | 3.65 | 6.39 | 2.62 |
| iii) Expenses not admissable | 0.29 | 0.28 | 0.01 | - |
| c) Minimum Alternate Tax credit entitlement | 0.48 | (0.84) | 1.32 | 0.84 |
| **Net Deferred Tax Liability/ (Assets) (a-b-c)** | **45.87** | **0.19** | **45.68** | **(24.76)** |

Rs. in Crores

| CURRENT FINANCIAL LIABILITIES | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **22 BORROWINGS** | | |
| **A. SECURED BORROWINGS** | | |
| a. Loans repayable on demand from Banks<br>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. | **150.48** | 166.11 |
| **B. UNSECURED BORROWINGS** | | |
| a. Loans repayable on demand from Banks | **74.06** | 55.00 |
| b. Fixed Deposits<br>(Includes NIL received from Directors) | **10.64** | 6.41 |
| | **235.18** | 227.52 |
| **23 TRADE PAYABLES** | | |
| Dues to Micro Enterprises and Small Enterprises | **46.89** | 26.41 |
| Dues to others | **850.00** | 478.94 |
| | **896.89** | 505.35 |
| (Refer Note 40 for details of dues to Micro Enterprises and Small Enterprises) | | |
| **24 Lease Liabilities** | | |
| Lease Liabilities* | **5.58** | 2.25 |
| (*Refer Note 48) | **5.58** | 2.25 |
| **25 CURRENT FINANCIAL LIABILITIES - OTHERS** | | |
| a) Current maturities of long-term debt (Refer Note 30)<br>(Includes Rs. 0.63 received from Directors (previous year Rs. 0.09 Crores)) | **107.31** | 129.55 |
| b) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs. 0.79 Crores (previous year Rs. 2.14 Crores)) | **8.80** | 20.46 |
| c) Interest accrued but not due on borrowings | **9.29** | 11.95 |
| d) Unclaimed Dividends | **0.38** | 0.41 |
| e) Trade Deposits | **1.39** | 1.20 |
| f) Recovery from Employees | **2.24** | 1.64 |
| g) Unclaimed matured deposits and interest accrued thereon | **2.63** | 1.97 |
| | **132.04** | 167.18 |

Rs. in Crores

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **26 OTHER CURRENT LIABILITIES** | | |
| Advance from Customers | **8.07** | 2.68 |
| Statutory dues | **76.31** | 24.38 |
| Provision for expenses | **7.07** | 5.89 |
| | **91.45** | 32.95 |
| **27 SHORT TERM PROVISIONS** | | |
| a) Provision for employee benefits | **19.53** | 19.63 |
| b) Provision for Warranty (Refer Note below) | **5.72** | 4.29 |
| c) Due to Directors | **0.13** | 1.32 |
| | **25.38** | 25.24 |

**i) Provision for Warranty claims:**

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

**ii)**

| Movement in Provisions | As at 1st April, 2020 | Additions | Amounts used | As at 31st March, 2021 |
|---|---|---|---|---|
| Warranties | 4.29 | 1.43 | - | **5.72** |

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **28 CURRENT TAX LIABILITIES** | | |
| Provision for Taxation less Advance Tax and Tax deducted at Source | **6.57** | - |
| (Net of Advance Tax and Tax Deducted - Rs. 2.55 **Crores**) (Previous year Nil) | | |
| Less: Minimum Alternate Tax credit entiltlement set off | - | - |
| | **6.57** | - |
| **29 CONTINGENT LIABILITIES AND COMMITMENTS** | | |
| i) **Contingent Liabilities** | | |
| a) Bills discounted with Banks | **38.08** | 37.36 |
| 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) | **6.75** | 6.67 |
| ii) **Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | **24.48** | 31.51 |

## 30 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

| | 2020-21 | 2019-20 |
|---|---|---|
| **31 OTHER INCOME** | | |
| a) Interest on deposits and advances | **1.82** | 1.56 |
| b) Dividend Received | **0.36** | 0.97 |
| c) Other non-operating income | **0.18** | 0.71 |
| d) Net Gain on foreign currency transactions and translation | **-** | 4.79 |
| | **2.36** | 8.03 |
| **32 COST OF MATERIAL CONSUMED** | | |
| Raw Material | **1,367.33** | 1,285.08 |
| Components | **330.10** | 536.09 |
| | **1,697.43** | 1,821.17 |
| **33 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS** | | |
| a) Opening inventory of Finished Goods | **55.91** | 65.68 |
| Less: Closing inventory of Finished Goods | **67.98** | 55.91 |
| Net change in stock of Finished Goods | **(12.07)** | 9.77 |
| b) Opening inventory of Work in Progress | **101.22** | 128.99 |
| Less: Closing inventory of Work in Progress | **109.96** | 101.22 |
| Net change in stock of Work in Progress | **(8.74)** | 27.77 |
| Net change in Finished Goods and Work in Progress | **(20.81)** | 37.54 |

Rs. in Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| **34** | **EMPLOYEE BENEFIT EXPENSE** | | | | |
| | a) Salaries, Wages, Bonus and Commission | | **262.41** | | 272.16 |
| | b) Contribution to Provident and Other Funds | | **14.50** | | 14.16 |
| | c) Staff Welfare expenses | | **22.60** | | 23.92 |
| | | | **299.51** | | 310.24 |
| **35** | **OTHER EXPENSES** | | | | |
| | Consumption of Stores, tools and spare parts | | **71.98** | | 76.07 |
| | Power and fuel | | **101.79** | | 102.05 |
| | Rent including Lease Rent | | **13.44** | | 16.07 |
| | Repairs to | | | | |
| | Buildings | | **7.80** | | 8.37 |
| | Machinery | | **9.75** | | 12.12 |
| | Insurance | | **5.13** | | 4.08 |
| | Rates and taxes, excluding taxes on income | | **1.92** | | 2.02 |
| | Directors sitting fees | | **0.17** | | 0.17 |
| | Auditors' remuneration | | | | |
| | Statutory Audit | **0.48** | | 0.48 | |
| | Tax Audit | **0.08** | | 0.08 | |
| | Certification fees | **0.11** | | 0.13 | |
| | Reimbursement of expenses | **0.09** | **0.76** | 0.09 | 0.78 |
| | Expenditure on Corporate Social Responsibility (refer Note 50) | | **1.62** | | 1.86 |
| | Freight | | **33.78** | | 43.50 |
| | Net Loss on foreign currency transactions and translation | | **0.53** | | - |
| | Miscellaneous expenses | | **45.57** | | 63.62 |
| | | | **294.24** | | 330.71 |
| **36** | **FINANCE COSTS** | | | | |
| | a) Interest expense | | **57.60** | | 65.55 |
| | b) Other borrowing costs | | **1.27** | | 0.97 |
| | | | **58.87** | | 66.52 |

Rs. in Crores

| | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| **37 INCOME TAX EXPENSES** | | | | |
| **A. Components of Income Tax Expense** | | | | |
| **i) Tax Expenses recognised in Statement of Profit and Loss:** | | | | |
| (a) Current Tax | | | | |
| - on Current year Tax Income | **1.38** | | 12.12 | |
| (b) Deferred Tax | | | | |
| - on Origination and Reversal of Temporary Differences | **(0.70)** | | (23.91) | |
| | **0.68** | | (11.79) | |
| **ii) Tax Expenses recognised in Other Comprehensive Income:** | | | | |
| (a) Current Tax on Remeasurement of Post Employment Benefit obligation | **(0.54)** | | (0.93) | |
| **B. Reconciliation of Effective tax Rate** | | | | |
| Total Comprehensive Income before tax | **2.89** | | 31.34 | |
| Less: Share of Profit of an Associate | **(0.13)** | | (0.01) | |
| Total Comprehensive Income before tax (excluding Share of an Associate) | **3.02** | | 31.35 | |
| Income Tax Expense | **0.76** | **25.17%** | 7.89 | 25.17% |
| Income not chargeable to tax | **(0.09)** | | (0.16) | |
| Income Tax Incentives | **(0.16)** | | (0.60) | |
| Expenses not admissible | **0.21** | | 0.51 | |
| Others | **0.50** | | (0.61) | |
| Taxed at Differential Rate | | | | |
| - Effect of Differential Tax rate for Subsidiary | **-** | | 0.02 | |
| - Effect on account of change in tax rate in the year of reversal | **-** | | 0.03 | |
| Tax Expenses recognised in Profit and Loss Statement* | **1.22** | **40.40%** | 7.08 | 22.58% |

'*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 during the financial year 2019-20.

Rs. in Crores

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| **38** | **Earnings Per Share** | | |
| | Net profit as per P& L account | **1.82** | 49.06 |
| | 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 | **0.76** | 20.39 |

**39** Dividend of Re. 1 Per equity share amounting to Rs. 2.41 Crores for the Financial year 2020-21 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

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| **40** | **Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"** | | |
| | **Particulars** | | |
| 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 | **46.89** | 26.41 |
| | - 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 | **–** | 0.06 |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | **–** | - |

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

Rs. in Crores

| 41 Expenditure incurred on Scientific Research and Development | 2020-21 | 2019-20 |
|---|---|---|
| a) Revenue Expenditure | **14.55** | 14.77 |
| b) Capital Expenditure | **1.19** | 8.94 |

**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 31.03.2021 | As at 31.03.2020 |
|---|---|---|
| **Financial Assets:** | | |
| **Financial assets measured at Cost:** | | |
| i. Investment in Equity shares | **12.88** | 13.01 |
| **Financial assets measured at fair value:** | | |
| i. Investment measured at Fair value through other comprehensive income" | **8.17** | 8.19 |
| ii. Investment measured at Fair value through profit or loss | **2.09** | 2.09 |
| iii. Derivative financial instruments | **-** | 22.65 |
| **Financial assets measured at amortised cost:** | | |
| Trade receivables | **740.98** | 449.78 |
| Cash and cash equivalents | **2.22** | 4.46 |
| Bank balances other than Cash and cash equivalents | **1.25** | 1.58 |
| Loans | **19.58** | 21.85 |
| Other financial assets | **4.63** | 13.56 |
| **Financial Liabilities:** | | |
| **Financial Liabilities measured at fair value:** | | |
| Borrowings | **-** | - |
| Derivative financial instruments | **-** | - |
| **Financial Liabilities measured at amortised cost:** | | |
| Borrowings | **569.69** | 510.49 |
| Trade payables | **896.89** | 505.35 |
| Other financial liabilities | **152.71** | 176.64 |

**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, 2021** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| **Financial Assets :** | | | |
| **Equity shares** | | | **10.26** |
| Derivative financial instruments | **-** | **-** | **-** |
| **Total** | | | |
| **Financial Liabilities :** | | | |
| Derivative financial instruments | **-** | **-** | **-** |
| **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 | - | - | - |

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:** | **31.03.2021** | **31.03.2020** |
| a) Risk adjusted discount rate | **9.58%** | 11.52% |
| 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** |
|---|---|---|---|
| **As at 31st March, 2021** | | | |
| Non-Derivative Liabilities | | | |
| Trade payable | **896.89** | **-** | **896.89** |
| Borrowings | **235.18** | **334.51** | **569.69** |
| Other Financial liabilities | **137.62** | **15.09** | **152.71** |
| Derivative Liabilities | | | |
| Forward exchange contracts | - | | - |
| **As at 31st March, 2020** | | | |
| 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) 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,2021, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 161.43 Crores. (Previous Year - Rs. 77.04 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. 8.07 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, 2021 is “0” (31st March,2020 - No. of Sell Contracts - 3)

**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. 408.71 Crores Borrowings at Floating rate of Interest as at 31st March, 2021 (previous year Rs. 408.31 Crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by 4.09 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 (e) 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, 2021 is the carrying value of each class of financial assets as on that date.

## 43 Employee Benefits

### Defined Contribution Plan

**a) Provident Fund**

In respect of the Employees Provident Fund Scheme, the Group has contributed Rs. 6.42 Crores for the year ended 31st March 2021 (previous year Rs. 5.75 Crores) to Provident fund Authorities. The Group has no obligation towards the Interest accumulation thereon.

**b) Superannuation :**

The Group has contributed Rs. 0.54 Crores for the period 2020-21 (previous year Rs. 0.61 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. 2.75 Crores for the year ended 31st March,2021 (previous year Rs. 2.81 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, 2021 of Rs. 1.87 Crores. (previous year - Rs. 1.55 Crores).

**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) | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Change in defined benefit obligation** | | | | |
| Opening defined benefit obligation | **30.04** | 24.90 | **10.40** | 10.46 |
| Current service cost | **4.10** | 3.55 | **-** | - |
| Interest cost | **1.87** | 1.79 | **0.61** | 0.68 |
| Actuarial loss / (gain) due to change in demographic & financial assumptions | **(0.78)** | 2.49 | **(0.24)** | 0.41 |
| Actuarial loss / (gain) arising from experience adjustments | **(2.57)** | (0.04) | **2.63** | 1.45 |
| Benefits paid | **(3.67)** | (2.65) | **(2.31)** | (2.60) |
| Closing defined benefit obligation | **28.99** | 30.04 | **11.09** | 10.40 |

| | Gratuity (funded) | | Leave Salary (Partly funded) | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Change in fair value of assets** | | | | |
| Opening fair value of plan assets | **24.34** | 21.83 | **3.43** | 3.18 |
| Expected return on plan assets | **1.68** | 1.69 | **0.23** | 0.24 |
| Actuarial gain / (Loss) arising from Return on plan assets | **(0.10)** | (0.18) | **(0.01)** | 0.01 |
| Contribution by employer | **5.67** | 3.65 | **2.31** | 2.60 |
| Benefits paid | **(3.67)** | (2.65) | **(2.31)** | (2.60) |
| Closing fair value of plan assets | **27.92** | 24.34 | **3.65** | 3.43 |
| **Amount recognised in the Balance Sheet** | | | | |
| Present value of obligations at year end | **28.99** | 30.04 | **11.09** | 10.40 |
| Fair value of plan assets at year end | **27.92** | 24.34 | **3.65** | 3.43 |
| Net (liability) / asset recognised as on 31st March | **(1.07)** | (5.70) | **(7.44)** | (6.97) |
| **Expenses recognised in the Profit & Loss Statement** | | | | |
| Current Service cost | **3.79** | 3.13 | **-** | - |
| Interest on defined benefit obligation | **1.87** | 1.79 | **0.61** | 0.68 |
| Expected return on plan assets | **(1.68)** | (1.69) | **(0.23)** | (0.24) |
| Benefits transferred | **-** | - | **-** | - |
| Actuarial gain/ loss (on Leave Salary) | **-** | - | **2.40** | 1.85 |
| **Expenses recognised in the Profit & Loss A/c** | **3.98** | 3.23 | **2.78** | 2.29 |
| **Remeasurement on the net defined benefit liability** | | | | |
| Actuarial loss / (gain) due to change in demographic & financial assumptions | **(0.78)** | 2.49 | | |
| Actuarial loss / (gain) arising from experience adjustments | **(2.57)** | (0.04) | | |
| Actuarial gain / (Loss) arising from Return on plan assets | **0.10** | 0.18 | | |
| **Expenses recognised in Other Comprehensive Income** | **(3.25)** | 2.63 | **NA** | NA |

| | Gratuity (funded) | | Leave Salary (Partly funded) | | Provident Fund | |
|---|---|---|---|---|---|---|
| **Principal actuarial assumptions used** | **2020-21** | 2019-20 | **2020-21** | 2019-20 | **2020-21** | 2019-20 |
| Discount rate (p.a) | **6.91%-6.96%** | 6.62%-6.65% | **6.76%-6.84%** | 6.56%-6.60% | **6.95%** | 6.56% |
| Attrition rate | **1-3%** | 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

| a) Gratuity Assumptions | Change in Assumption | Increase in Assumption | | Decrease in Assumption | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **27.73** | 28.70 | **30.36** | 31.48 |
| Salary escalation | 0.50% | **30.36** | 31.49 | **27.70** | 28.67 |
| Mortality | 5.00% | **29.00** | 30.04 | **28.98** | 30.03 |
| Attrition | 5.00% | **29.01** | 30.05 | **28.97** | 30.02 |

| b) Leave Salary | Change in Assumption | Increase in Assumption | | Decrease in Assumption | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **10.75** | 10.08 | **11.44** | 10.74 |
| Salary escalation | 0.50% | **11.45** | 10.74 | **10.74** | 10.07 |
| Mortality | 5.00% | **11.08** | 10.40 | **11.08** | 10.40 |
| Attrition | 5.00% | **11.09** | 10.40 | **11.08** | 10.39 |

| c) Provident Fund | Change in Assumption | Increase in Assumption | | Decrease in Assumption | |
|---|---|---|---|---|---|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Discount | 0.50% | **1.86** | 0.77 | **1.89** | 0.79 |
| Shortfall | 0.50% | **1.92** | 0.83 | **1.86** | 0.76 |
| Mortality | 5.00% | **1.87** | 0.78 | **1.88** | 0.78 |
| Attrition | 5.00% | **1.87** | 0.78 | **1.88** | 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

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

Rs. In Crores

| | 2020-21 | 2019-20 |
|---|---|---|
| Borrowing Costs capitalised during the year | **8.67** | 7.66 |
| Capitalisation rate used for Borrowing Costs | **5.39%** | 7.12% |

**45 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 segement. The Group also manufactures industrial componets 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 Liabilites for the year ended

**Rs. in Crores**

| | 2020-21 | 2019-20 |
|---|---|---|
| **1. Segment Revenue** | | |
| (a) Automotive Components | **2,014.84** | 2,173.60 |
| (b) Industrial Components | **398.53** | 498.01 |
| Total | **2,413.37** | 2,671.61 |
| Less: Inter Segment Revenue | **-** | - |
| Revenue from Operations | **2,413.37** | 2,671.61 |
| **2. Segment Results (Profit / (Loss) before tax and interest from each segment)** | | |
| (a) Automotive Components | **19.84** | 73.87 |
| (b) Industrial Components | **38.53** | 27.18 |
| **Total** | **58.37** | 101.05 |
| Less: | | |
| (i) Interest | **58.87** | 66.52 |
| (ii) other unallocable income | **(1.30)** | (1.00) |
| **Total Profit Before Tax** | **0.80** | 35.53 |
| **3. Capital Employed** | | |
| **Segment Assets** | | |
| (a) Automotive Components | **2,001.33** | 1,612.35 |
| (b) Industrial Components | **432.31** | 337.41 |
| (c) unallocated | **42.66** | 37.26 |
| **Total** | **2,476.30** | 1,987.02 |
| **Segment Liabilities** | | |
| (a) Automotive Components | **925.05** | 494.40 |
| (b) Industrial Components | **108.82** | 98.40 |
| (c) unallocated | **781.74** | 730.49 |
| **Total** | **1,815.61** | 1,323.29 |
| **4. Capital Expenditure** | | |
| (a) Automotive Components | **86.50** | 225.46 |
| (b) Industrial Components | **33.30** | 18.81 |
| **5. Depreciation & Amortisation expense** | | |
| (a) Automotive Components | **71.54** | 67.20 |
| (b) Industrial Components | **14.06** | 10.72 |

**(ii) Geographical Information:**

**Rs. in Crores**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **1. Revenue from Operations** | | |
| within India* | **1,843.25** | 2,176.58 |
| Outside India | **570.12** | 495.03 |
| **Total** | **2,413.37** | 2,671.61 |
| **2. Non Current Assets** | | |
| within India | **1,047.21** | 1,007.23 |
| Outside India | **-** | - |
| **Total** | **1,047.21** | 1,007.23 |

* Includes Sale of Rs. 229.73 Crores (previous year Rs. 268.61 made to one of the major customers) made to one of the major customers.

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

**Disaggregated revenue information**

**Rs. in Crores**

| | | 31st March 2021 | 31st March 2020 |
|---|---|---|---|
| **a)** | **Type of goods and service** | | |
| | a) Sale of products | **2201.11** | 2468.20 |
| | b) Sale of services | **17.79** | 20.86 |
| | c) Other operating revenues | **194.47** | 182.55 |
| | Total operating revenue | **2413.37** | 2671.61 |
| | In India | **1843.25** | 2176.58 |
| | Outside India | **570.12** | 495.03 |
| **b)** | **Timing of revenue recognition** | **At a point of time** | At a point of time |
| | Sale of products and other operating income | **2413.37** | 2671.61 |
| **c)** | **Revenue recognised in relation to contract liabilities** | **Nil** | Nil |
| **d)** | **Reconciliation of revenue recognised in the statement of profit and loss with the contracted price** | | |
| | Revenue at contracted prices | **2413.37** | 2671.61 |
| | Revenue from contract with customers | **2413.37** | 2671.61 |
| | Difference | **–** | – |
| **e)** | **Unsatisfied or partially satisfied performance obligation** | **Nil** | Nil |

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

**i) a) Associates:**

Axles India Ltd.

**b) Associates by virtue of their shareholding in Group**

T.V.Sundram Iyengar & Sons Private Ltd.

Titan Europe Limited., UK (upto 04th June 2020)

Sundaram Finance Holdings Limited (With effect from 29th June 2020)

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 (upto 04th June 2020)

Titan Wheels Corporation of Illinois (upto 04th June 2020)

Titan Australia PTY Ltd (upto 04th June 2020)

PT Titan Wheels Indonesia (upto 04th June 2020)

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

Rs. In Crores

| Nature of transactions | 2020-21 | 2019-20 |
|---|---|---|
| **Associates** | | |
| Dividend Received | **0.36** | 0.97 |
| Dividend paid | **2.79** | 9.16 |
| Purchase of goods | **0.46** | 0.05 |
| Receiving of Services | **1.05** | 0.78 |
| Rendering of Services | **0.06** | 0.15 |
| Sale of goods | **21.43** | 26.78 |
| Royalty Paid | **1.73** | 2.33 |
| Balance Payable | **2.52** | 0.92 |
| Balance Receivable | **1.84** | 2.14 |
| **Associate's subsidiary** | | |
| Purchase of goods | **11.88** | 26.81 |
| Receiving of Services | **1.89** | 1.10 |
| Rendering of Services | **-** | 0.01 |
| Sale of goods | **7.60** | 61.61 |
| Balance Payable | **4.56** | 1.24 |
| Balance Receivable | **1.18** | 11.64 |

Rs. in Crores

| Key Managerial Personnel | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| | Mr S Ram | Mr Srivats Ram | Mr S Ram | Mr Srivats Ram |
| a) Short term employee benefits | | | | |
| Remuneration, Perquisites and Commission | **0.13** | **1.14** | 0.44 | 1.88 |
| Commission outstanding | **0.13** | **-** | 0.44 | 0.88 |
| b) Post Employment Benefits* | | **0.19** | | 0.29 |
| c) Others | | | | |
| Interest on fixed deposits | **-** | **0.08** | - | 0.08 |
| Dividend paid during the year | **-** | **0.01** | - | 0.04 |
| Deposits balance outstanding | **-** | **0.81** | - | 0.91 |

* 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

| | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| | Contribution | Payable | Contribution | Payable |
| Wheels India Employees Gratuity Trust | **5.21** | **0.47** | 3.60 | 5.04 |
| Wheels India Limited Staff Provident Fund | **2.75** | **0.25** | 2.81 | 0.23 |
| Wheels India Senior Officers Superannuation Trust | **0.54** | **0.54** | 0.61 | 0.61 |

**48 Disclosures relating to leases in accordance with IndAS116 :**

Rs. in Crores

| | |
|---|---|
| **a) Movement in Lease Liability** | |
| Balance as at 31st March 2020 | **9.46** |
| Additions during the year | **13.51** |
| modifications to lease | **(0.29)** |
| Finance Cost Accrued during the year | **1.13** |
| Payment of Lease Liabilities | **(3.14)** |
| Balance as at 31st march 2021 | **20.67** |
| | |
| **Current Liability (Note 24)** | **5.58** |
| **Non Current liabiliy (Note 19)** | **15.09** |

Rs. In Crores

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **b) Maturity Analysis of Lease Liabilities** | | |
| Not later than 1 year | **6.23** | 2.57 |
| Later than 1 year and not later than 5 years | **17.49** | 8.50 |
| Total Undiscounted Lease Liability | **23.72** | 11.07 |
| | | |
| **c) Amount recognised in the satement of Profit or Loss** | | |
| Interest on Lease Liabilities | **1.13** | 0.31 |
| Expenses relating to short term leases | **0.79** | 0.78 |
| | | |
| **d) Amount recognised in the statement of cash flow** | | |
| Total Cash outflow for leases | **3.83** | 1.95 |

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

Rs. In Crores

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| **Computer software & Technical know how** | **Refer to Note 3** | | |
| Gross carrying amount at the beginning of the year | | **26.13** | 24.69 |
| Acquired during the year | | **1.06** | 1.44 |
| Deletion during the year | | **0.01** | - |
| Gross carrying amount at the end of the year | | **27.18** | 26.13 |
| Gross amortisation at the beginning of the year | | **21.19** | 18.44 |
| Amortised during the year | | **2.61** | 2.75 |
| Deletion during the year | | **0.01** | - |
| Gross amortisation at the end of the year | | **23.79** | 21.19 |
| Net carrying amount at the beginning of the year | | **4.94** | 6.25 |
| Net carrying amount at the end of the year | | **3.39** | 4.94 |

## 50 Note on Corporate Social Responsibility

Rs. In Crores

| | 2020-21 | 2019-20 |
|---|---|---|
| a) Gross amount required to be spent by the Company during the year | **1.59** | 1.84 |
| b) Amount approved by the board to be spent during the year | **1.59** | 1.84 |
| c) Amount spent during the year on | | |
| i) Construction / acquisition of any other asset | **-** | - |
| ii) on purposes other than (i) above | **1.62** | 1.86 |

## 51. 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 |
| **2020-21** | | | | | | | | |
| Parent: Wheels India Limited | 87.19% | 592.90 | 5625.00% | 6.75 | 95.48% | 1.48 | 492.81% | 8.23 |
| **I. Subsidiary** | | | | | | | | |
| Indian: | | | | | | | | |
| WIL Car Wheels Limited | 8.07% | 54.91 | -4033.33% | (4.84) | 5.16% | 0.08 | -285.03% | (4.76) |
| Non Controlling Interest in Subsidiary | 2.84% | 19.31 | -1416.67% | (1.70) | 1.94% | 0.03 | -100.00% | (1.67) |

| 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 |
| **II. Associates: ( Investments as per Equity method)** | | | | | | | | |
| Indian: | | | | | | | | |
| Axles India Limited | 1.90% | 12.88 | -74.99% | (0.09) | -2.59% | (0.04) | -7.78% | (0.13) |
| Total | 100.00% | 680.00 | 100.00% | 0.12 | 100.00% | 1.55 | 100.00% | 1.67 |
| **2019-20** | | | | | | | | |
| Parent: Wheels India Limited | 86.32% | 591.05 | 114.35% | 54.11 | 83.43% | (2.77) | 116.68% | 51.34 |
| **I. Subsidiary** | | | | | | | | |
| 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) |
| **II. Associates: (Investments as per Equity method)** | | | | | | | | |
| 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 |

52 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 situation is evolving and the assessment of impact due to COVID -19 is a continuous process, given the uncertainities. 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.

53 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
21st May, 2021

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 2021

Rs. In Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| **A** | **Cash Flow from Operating Activities** | | | | |
| | Total Comprehensive Income after tax | | **1.67** | | 44.00 |
| | Add: | | | | |
| | Depreciation | **85.60** | | 77.92 | |
| | Obsolescence | **0.84** | | 0.68 | |
| | Lease Liabilities | **0.79** | | 0.72 | |
| | Effect of Exchange Rate Change | **2.88** | | (6.55) | |
| | Loss on Sale of Fixed Assets | **0.02** | | 0.26 | |
| | Taxes on Income | **1.22** | | (12.72) | |
| | Interest Expenses | **58.87** | **150.22** | 66.52 | 126.83 |
| | | | **151.89** | | 170.83 |
| | Less: | | | | |
| | Share of an Associate | **(0.13)** | | (0.07) | |
| | Interest Income | **1.83** | | 1.56 | |
| | Gain/(Loss) on Fair Valuation of Investments | **0.14** | | - | |
| | Dividend Income | **0.36** | **2.20** | 0.97 | 2.46 |
| | Cash flow from Operation before Working Capital Changes | | **149.69** | | 168.37 |
| | Cash flow from Working Capital : | | | | |
| | Trade Receivables | **(266.60)** | | 139.53 | |
| | Inventories | **(136.20)** | | 23.58 | |
| | Advances & Other Current Assets | **(46.53)** | | 64.63 | |
| | Trade Payables | **387.20** | | (158.70) | |
| | Other Payables & Provisions | **50.08** | **(12.04)** | (42.16) | 26.88 |
| | Taxes paid | | **10.55** | | (11.46) |
| | **Net Cash Flow from Operating Activities (A)** | | **148.20** | | 183.79 |
| **B** | **Investing Activities** | | | | |
| | Purchase of Fixed Assets | **(119.80)** | | (244.27) | |
| | Sale of Fixed Assets | **0.62** | | 0.54 | |
| | Dividend Received | **0.36** | | 0.97 | |
| | Interest Received | **1.21** | | 0.71 | |
| | **Net cash used in Investing Activities (B)** | | **(117.61)** | | (242.05) |

Rs. In Crores

| | | 2020-21 | | 2019-20 | |
|---|---|---|---|---|---|
| C | **Financing Activities** | | | | |
| | Proceeds from Long Term Borrowings | **166.30** | | 210.22 | |
| | Repayment of Long Term Borrowings | **(137.03)** | | (70.90) | |
| | Increase in Working Capital Borrowings | **9.41** | | 16.01 | |
| | Repayment of Lease Liabilities | **(2.69)** | | (1.64) | |
| | Dividend paid | **(6.41)** | | (22.46) | |
| | Interest on Lease Liabilities | **(1.13)** | | (0.31) | |
| | Interest paid | **(59.53)** | | (61.05) | |
| | **Net Cash used in Financing Activities (C)** | | **(31.08)** | | 69.87 |
| | **Net Increase in Cash & Cash Equivalents** | | **(0.49)** | | 11.61 |
| | Closing Cash & Cash Equivalents | | **7.69** | | 8.18 |
| | Opening Cash & Cash Equivalents | | **8.18** | | (3.43) |
| | Net Increase in Cash and Cash Equivalents | | **(0.49)** | | 11.61 |
| | Closing Cash & Cash Equivalents as per Balance sheet | | **2.22** | | 4.46 |
| | (Add)/ Less: Cash Credit as at the end of the year | | **(5.47)** | | (3.72) |
| | Cash & Cash Equivalents for the purpose of IndAS 7 | | **7.69** | | 8.18 |

**S RAM**
Chairman

**SRIVATS RAM**
Managing Director

**S PRASAD**
Director

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**K V LAKSHMI**
Company Secretary

Chennai
21st May, 2021

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

# WHEELS INDIA LIMITED



## Automotive Wheels



## Energy & Railway Components | Air Suspension | Construction Wheels









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