

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.

June 20, 2022

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

To  
**BSE Limited**  
The Corporate Relationship Department,  
1<sup>st</sup> Floor New Trading Wing, Rotunda Building,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001

**Scrip Code: WHEELS**

**Scrip Code: 590073**

Dear Sir / Madam,

**Subject: Notice of 63<sup>rd</sup> AGM & Annual Report for FY 2021-22 – Regulation 34 of SEBI LODR**

The 63<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Wednesday, **July 13, 2022** at **10:15 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 a copy of the Notice of the 63<sup>rd</sup> AGM together with the Annual Report for the FY 2021-22 which have been sent to the shareholders of the Company, today (i.e. June 20, 2022) through electronic mode and the same is hosted on the website of the Company at [www.wheelsindia.com](http://www.wheelsindia.com).

Further, in connection with the AGM and declaration 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, <b>July 07, 2022</b> to Wednesday, <b>July 13, 2022</b> (both days inclusive)
The cut-off date for reckoning the eligibility of the members for e-voting and dividend	Wednesday, <b>July 06, 2022</b>
The e-voting shall commence on	Sunday, <b>July 10, 2022</b> at 9:00 A.M.(IST)
The e-voting shall end on	Tuesday, <b>July 12, 2022</b> 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**

*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, 4<sup>th</sup> floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
2. M/s. Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25<sup>th</sup> 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

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY



**WHEELS INDIA LIMITED**



**63<sup>rd</sup> ANNUAL REPORT 2021-2022**



# WHEELS INDIA LIMITED

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

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

CIN : L35921TN1960PLC004175



## 63<sup>RD</sup> 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
- SURVEY NO. 13/2 & 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-6/2, PART C2, C3, C5 & C6, 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	

### RISK MANAGEMENT COMMITTEE

R RAGHUTTAMA RAO	Chairman
SRIVATS RAM	
S PRASAD	
SUMITHRA GOMATAM	
SHRIRAM VIJAYARAGHAVAN	

### CHIEF FINANCIAL OFFICER

R RAGHUNATHAN

### COMPANY SECRETARY

K V LAKSHMI

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## Financial Summary - Last Ten Years

Rs. in Crores

	31.03.22	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
<b>Operating Results</b>										
Total Revenue	3701.07	2,215.94	2,438.72	3,188.84	2,469.51	2,176.06	1,989.10	1,982.54	1,825.16	1,927.34
Earnings before Interest Depreciation and Tax	264.63	143.03	176.33	240.63	200.55	188.91	174.36	152.75	149.55	153.64
Depreciation	95.02	80.63	70.20	70.21	67.05	63.92	60.45	54.14	55.34	53.59
Earnings before Finance costs and Tax	169.61	62.40	106.13	170.42	133.50	124.99	113.91	98.61	94.21	100.05
Finance costs	63.10	52.68	61.53	62.00	44.54	48.16	57.58	59.07	55.35	55.50
Profit before tax before exceptional item	106.51	9.72	44.60	108.42	88.96	76.83	56.33	39.54	38.86	44.55
Exceptional Item	-	-	-	-	12.49	-	-	-	-	-
Profit before tax	106.51	9.72	44.60	108.42	101.45	76.83	56.33	39.54	38.86	44.55
<b>Financial Position</b>										
Equity Share capital	24.06	24.06	24.06	24.06	12.03	12.03	12.03	12.03	12.03	9.87
Reserves and Surplus	651.05	575.26	573.41	544.55	503.32	449.69	396.13	369.03	351.55	248.98
Shareholders' equity	675.11	599.32	597.47	568.61	515.35	461.72	408.16	381.06	363.58	258.85
Borrowings	811.06	609.18	574.80	452.88	358.57	369.07	386.13	389.23	331.66	419.57
Gross block (includes Capital Work-in-Progress)	1748.61	1645.99	1526.36	1320.35	1144.67	1186.12	1123.22	1054.67	989.07	922.93
Net block (includes Capital Work-in-Progress)	857.67	825.24	781.57	642.12	527.11	548.27	535.15	522.04	512.89	493.30
Dividend - Amount	19.97	2.41	13.60	19.25	18.05	15.64	10.83	9.03	9.01	7.99
<b>Per equity Share (Rs.)</b>										
Dividend Per Share**	8.30	1.00	5.65	8.00	15.00	13.00	9.00	7.50	8.20	8.10
Book Value Per Share**	280.54	249.05	248.28	236.29	428.31	383.73	339.22	316.70	302.17	262.27
Earnings Per Share**	33.16	2.80	22.49	31.45	29.82	48.51	33.23	24.72	27.06	30.61

\* As per new Accounting Standards (Ind AS) applicable from the year ended 31.03.2017

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

## Notice to the Shareholders

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**NOTICE** is hereby given that the **Sixty Third Annual General Meeting** of the shareholders of the Company will be held on Wednesday, the **July 13, 2022** at **10:15 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, 2022 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 Rs. 8.30 per share (83%) on the paid-up capital consisting of 2,40,64,558 equity shares, absorbing a sum of Rs. 19.97 crores, as recommended by the Board, be approved and the same be and is hereby declared payable for the year ended March 31, 2022."

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 Sections 139, 142 and other applicable provisions, if any, 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), M/s. Brahmayya & Co. Chartered

Accountants (Firm Registration No.: 000511S), be and is hereby re-appointed as the Statutory Auditor of the Company to hold office for a second term of five years from the conclusion of 63<sup>rd</sup> Annual General Meeting (AGM 2022) till the conclusion of 68<sup>th</sup> Annual General Meeting (AGM 2027).

**RESOLVED FURTHER THAT** the said Statutory Auditor be paid a remuneration of Rs. 43,00,000 (Rupees forty three lakhs only) for conducting the statutory audit for the financial year 2022-23 (excluding applicable taxes and reimbursement of out of pocket expenses) and thereafter at such remuneration as may be approved by the Board of Directors based on the recommendations of the Audit Committee in this regard".

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), a remuneration of Rs. 7,50,000/- (Rupees Seven lakhs and fifty thousand only) per annum (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to M/s. Geeyes & Co., Cost and Management Accountants (Firm Registration Number 00044) Cost Auditor, 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, 2023, be and is hereby ratified.

**RESOLVED FURTHER THAT** Mr. Srivats Ram, Managing Director and Ms. K V Lakshmi, Company Secretary be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid resolution.”

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter, and all other applicable laws, rules, regulations and guidelines, if any, and subject to necessary approvals from the stock exchanges where the equity shares of the Company are listed (“Stock Exchanges”) and statutory authorities as may be necessary, and in pursuant to the letter dated May 12, 2022 received from M/s. T. V. Sundram Iyengar & Sons Private Limited (“TVSS”) a member of the ‘Promoter and Promoter Group’ of the Company (as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and taken on record by the Board of Directors at their meeting held on May 20, 2022 of the Company (“Board”), the consent of the members of the Company be and is hereby accorded to reclassify TVSS from ‘Promoter and Promoter Group category’ to the ‘Public category’ of the Company.

**RESOLVED FURTHER THAT** on receiving an approval of the Stock Exchanges for re-classification of TVSS’s status, the Company

shall effect such re-classification in the ‘Statement of Shareholding Pattern’ from the immediately succeeding quarter in accordance with Regulation 31 of the Listing Regulations and will ensure necessary compliance with all applicable provisions of law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the said resolution, Mr. Srivats Ram, Managing Director and Ms. K V Lakshmi, Company Secretary be and are hereby severally authorised to take all such actions including actions required to receive approval of the Stock Exchanges and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary to effect the above resolution.

**RESOLVED FURTHER THAT** all actions taken or required to be taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolution are hereby approved, ratified, and confirmed in all respects.

**RESOLVED FURTHER THAT** Ms. K V Lakshmi, Company Secretary be and is hereby authorized to issue a certified true copy of the aforesaid resolution wherever necessary.”

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

“**RESOLVED THAT** Mr. S Ram (DIN:00018309), Director retiring by rotation, being eligible for re-election, be and is hereby re-elected as a Director of the Company, liable to retire by rotation.”

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



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**“RESOLVED THAT** pursuant to the Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members hereby accord its approval for the continuance of Mr. S Prasad (DIN: 00063667), Independent Director on the Board of the Company till the completion of his second term of reappointment.

8. 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 57<sup>th</sup> 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, 2023 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, 2023.

**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 20, 2022

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

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## 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, January 13, 2021 read with May 05, 2022 (collectively referred to as “MCA Circulars”) permitted to holding 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. 4 to 8 is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. 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 07, 2022 to July 13, 2022 (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 06, 2022. 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 2014-15 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 September 18, 2022, 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 402 shares pertaining to the financial year 2013-14 (final dividend) 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.
  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](http://www.iepf.gov.in) and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Company for verification of the claim
  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. 15 to 20).
  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. The e-voting facility will be available at

- www.evotingindia.com. The e-voting period would commence on July 10, 2022 (Sunday) 9:00 A.M. (IST) and conclude on July 12, 2022 (Tuesday) 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 two days after the conclusion of the Meeting. Thereafter, the Results of remote e-voting and e-voting during the 63<sup>rd</sup> AGM shall be declared by the Chairman or a person authorized by him in writing. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website at [www.wheelsindia.com](http://www.wheelsindia.com) and also be displayed on the website of CDSL at [www.evotingindia.com](http://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 06, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.
  20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto: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 mail to [investorservices@wheelsindia.com](mailto: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](http://www.wheelsindia.com). The Notice can also be accessed from the websites of the stock exchanges, National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) or [www.bseindia.com](http://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](http://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 2022-23 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](mailto:investor@cameoindia.com) by 11:59 P.M. IST on July 6, 2022. 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](mailto:investor@cameoindia.com). The aforesaid declarations and documents should be submitted by the shareholders by 11:59 P.M. IST on July 6, 2022. 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/agmupdate.html>

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 6, 2022 regarding the tax withholding matters.

26. In compliance with the MCA Circulars, the Annual Report 2021-22 including, the Notice of the 63<sup>rd</sup> 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](mailto:investorservices@wheelsindia.com) from June 23, 2022 (9:00 A.M. (IST)) to June 27, 2022 (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

#### Item No. 4

The Board of Directors, based on the recommendations of the Audit Committee, at their meeting held on May 20, 2022 had approved the appointment of M/s. Geeyes & Co., Cost and Management Accountants, Cost Auditor at a remuneration of Rs. 7,50,000/- (Rupees Seven lakhs and fifty thousand only) per annum excluding applicable taxes 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, 2023.

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, 2023. The Board recommends the resolution set forth in the Notice for the approval of the Members.

The ordinary resolution as set out under Item No. 4 of the Notice is accordingly submitted to the members for consideration. None of the Directors / Key Managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

#### Item No.5

Prior to the scheme of amalgamation / arrangement, M/s. T. V. Sundram Iyengar & Sons Private Limited ("TVSS") was holding 49,11,028 shares (20.41%) and M/s. Southern Roadways Private Limited (SRPL) was holding 22,32,628 equity shares (9.28%) in your Company and both the entities were categorised as

members belonging to 'Promoter / Promoter Group' of the Company.

Pursuant to the approval of the composite scheme of amalgamation and arrangement ('Scheme') involving TVSS, SRPL, M/s. Sundaram Industries Private Limited (SIPL) and M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL) by the Hon'ble National Company Law Tribunal, Chennai (NCLT), vide its order dated December 06, 2021, SRPL has been amalgamated with TVSS and the entire shareholding of SRPL in the Company has been transmitted to TVSS effective January 06, 2022 ("First Appointed Date").

Further, as per the terms of the scheme, the entire shareholding of TVSS in the Company, including the shares held by SRPL, viz., 71,43,656 equity shares (29.69%) have been transferred to TSSFPL, effective February 04, 2022 ("Second appointed date").

Consequent to the above, TVSS does not hold any shares in the Company but continued to be a Promoter of the Company.

Regulation 31A of the Listing Regulations provides a regulatory mechanism for re-classification of 'Promoter category' to 'Public category' subject to fulfillment of conditions as provided therein.

TVSS, a member belonging to 'Promoter category' of the Company, vide letter dated May 12, 2022 ("Request Letter"), has sought reclassification of its status from the 'Promoter category' to 'public category' in accordance with Regulation 31A of Listing Regulations and the same was intimated to the Stock Exchanges on May 13, 2022.

TVSS, vide their request letter has confirmed the following:

- a) that they do not hold any shares in the Company, as on the date of the request letter;
- b) that they do not hold any special rights, through formal and informal arrangement, or have any influence over the business and policy decisions made by the Company;
- c) that they are not involved in the day-to-day activities of the Company;
- d) that they are not privy to any price sensitive information relating to the Company and its securities; and
- e) that they do not exercise control over the affairs of the Company, directly or indirectly.

In addition to the above, TVSS has confirmed that:

(i) they are not represented on the Board of the Company; (ii) they are not acting as Key Managerial Personnel in the Company; (iii) they are not a wilful defaulter as per the guidelines issued by the Reserve Bank of India; and (iv) that they are not been categorized as a fugitive economic offender.

Further, TVSS has also undertaken to comply with the requirements specified in Regulation 31A(4) of the Listing Regulations, failing which, they shall automatically be reclassified as member belonging to the 'Promoter Category' of the Company, as applicable.

Further, as required under regulation 31A(3)(c) of the Listing Regulations, it may be noted that: (a) The Company is in compliant with the requirement of minimum public shareholding norms under Regulation 28 of the Listing Regulations; (b) The Company's equity shares have not been suspended for trading by the Stock Exchanges; and (c) The Company does not have any outstanding dues to Securities and Exchange Board of India, the Stock Exchanges or the depositories.

In view of the above and on the basis of the confirmations received from TVSS, and in

consideration with compliance of Regulation 31A of the Listing Regulations, the Board at its meeting held on May 20, 2022 has considered TVSS's request made by way of the Request Letter and approved its re-classification from 'Promoter category' to 'Public category', subject to approval of the members, the Stock Exchanges or any other regulatory body, as may be required.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in the Notice.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

#### **Item No. 6**

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 Non-Executive Director who has attained the age of 75 years requires passing of a Special Resolution.

Accordingly, Mr. S. Ram, Director is due for retirement and eligible for re-appointment at the 63<sup>rd</sup> Annual General Meeting, based on the duration in office since the last re-appointment.

Since he has attained the age of 75 years, his appointment / continuity as a non executive director requires passing of a Special Resolution pursuant to relevant provisions of SEBI LODR. Mr. S. Ram has over 5 decades of experience in the



field of vehicle and component industry. The Board considers that his re-appointment would be in the best interests of the Company and recommends the acceptance of the resolution. Accordingly, a Special Resolution is submitted for your consent.

The special resolution as set out under Item No. 6 of the Notice is accordingly submitted to the members for consideration. Except Mr. S Ram, Mr. S Viji and Mr. Srivats Ram, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution.

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. 7**

In accordance with the provisions of Section 149 (10) of the Companies Act, 2013 read with applicable provisions of the SEBI LODR, Mr. S Prasad, (DIN: 00063667) was re-appointed as an Independent Director of the Company for a second term of five years commencing from September 08, 2019 till September 07, 2024 as approved by the shareholders at their 60<sup>th</sup> AGM held on August 13, 2019.

Mr. S Prasad will be attaining the age of 75 years during his tenure as an Independent Director. Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Accordingly, it is proposed to obtain the shareholder's approval by way of Special Resolution for the continuation of directorship of Mr. S Prasad, Independent Director till the date of his completion of

second term of reappointment.

Mr. S. Prasad is a Member of ICAI and has about 4 decades of experience as a practicing Chartered Accountant. He has more than a decade of experience in industry as a finance professional. The resolution as set out under Item No. 7 of the Notice is accordingly submitted to the members for consideration.

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

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

The payment of commission to Mr. S Ram, Non-Executive Director was approved by the members at their 57<sup>th</sup> 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, 2023 may exceed fifty percent of the total remuneration payable to all Non-Executive Director of the Company and thus it is necessary to take approval of shareholders by way of special resolution.

The resolution as set out under Item No. 8 of the notice is accordingly submitted to the members for consideration. Except Mr. S Ram, Mr. S Viji and Mr. Srivats Ram, none of the other Directors and Key Managerial Personnel of the Company or their relatives 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:**

<b>Name</b>	Mr. S Ram
<b>DIN</b>	00018309
<b>Date of Birth</b>	April 27, 1940
<b>Profile</b>	Mr. S Ram, aged 82 years, is a Non-executive Chairman. He is a mechanical engineer from College of Engineering, Guindy, Chennai and holds a master's degree in production engineering from Birmingham University, UK and has more than five decades of experience in the automotive industry. He has been on the Board of the Company since May 28, 1974.
<b>Qualification</b>	
<b>Experience and Expertise in specific functional area</b>	
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid</b>	Mr. S Ram being retiring Director, being eligible offers himself for reappointment
<b>Remuneration last drawn by such person, if applicable</b>	Entitled to commission not exceeding 1% of the Profit and sitting fees.
<b>Date of first appointment on the Board</b>	May 28, 1974
<b>Membership / Chairmanship of Committees of the Board of Directors of the Company</b>	Refer Corporate Governance Report section of the Annual Report
<b>Other Directorships and Membership / Chairmanship of Committees of other Boards (Only Public Limited Company and Audit Committee and Stakeholders Relationship Committee)</b>	<p><b>(A) Other Directorship:</b></p> <ol style="list-style-type: none"><li>1. India Motor Parts &amp; Accessories Limited</li><li>2. Axles India Limited</li></ol> <p><b>(B) Membership of Committee of other Boards: Nil</b></p> <p><b>(C) Chairmanship of Committee of other Boards:</b></p> <ol style="list-style-type: none"><li>1. Axles India Limited<ol style="list-style-type: none"><li>a. Stakeholder Relationship Committee</li><li>b. Audit Committee</li></ol></li></ol>
<b>Number of shares held in the Company</b>	Nil
<b>Relationship with other Directors / Manager / Key Managerial Personnel of the Company</b>	<ol style="list-style-type: none"><li>1. Mr. Srivats Ram, Managing Director (Son)</li><li>2. Mr. S Viji, Non-executive Director (Brother)</li></ol>
<b>Number of Meetings of the Board attended during the year</b>	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 July 10, 2022 (Sunday) at 9:00 A.M. (IST) and ends on July 12, 2022 (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 06, 2022 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 <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> or <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> and click on Login icon and select New System Myeasi</li> <li>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.</li> <li>3) If the user is not registered for Easi/Easiest facility, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/ EasiRegistration">https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> 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 &amp; voting during the meeting</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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.
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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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at Toll free no. : 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://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](http://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](mailto:helpdesk.evoting@cdslindia.com)

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have

issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

- Alternatively Non Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at [investorservices@wheelsindia.com](mailto:investorservices@wheelsindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same

## **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](mailto:investorservices@wheelsindia.com) from June 23, 2022 @ 09:00 A.M. (IST) to June 27, 2022 @ 5:00 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](mailto:investorservices@wheelsindia.com) from June 23, 2022 @ 09:00 A.M. (IST) to June 27, 2022 @ 5:00 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.

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**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](mailto:helpdesk.evoting@cdslindia.com) or contact at Toll free no. : 1800 22 55 33

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, 25<sup>th</sup> 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](mailto:helpdesk.evoting@cdslindia.com) or call on Toll free no. : 1800 22 55 33





## Directors' Report to the Shareholders

Your Directors present the **Sixty Third Annual Report** together with the audited financial statements of your Company for the year ended March 31, 2022.

### Performance

The sales (net) for the year were Rs. 3,663.41 crores as compared to Rs. 2,198.44 crores in the previous year showing an increase of 66.64%.

### Financial highlights

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

**Rs. in Crores**

Particulars	2021-22	2020-21
Gross Profit before finance cost and depreciation	<b>264.63</b>	143.03
Finance cost	63.10	52.68
Depreciation	95.02	80.63
Profit before tax	<b>106.51</b>	9.72
Profit after tax	<b>79.79</b>	6.75
Total Comprehensive Income	78.20	8.23
Transfer to General Reserves	-	2.00

### Dividend and transfer to General Reserve

Your Directors are pleased to recommend a dividend of Rs. 8.30 per equity share (83%) for the year ended March 31, 2022. The dividend recommended, subject to approval of shareholders at the 63<sup>rd</sup> Annual General Meeting (63<sup>rd</sup> AGM), will be paid to all the shareholders whose name appear in the register of members as on July 06, 2022 (being the record date fixed for this purpose).

The Company proposes to retain the entire amount as surplus in Profit & Loss Account and not to transfer any amount to General reserves. An amount of Rs. 171.59 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 and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and approved by the Board of Directors is available at <http://www.wheelsindia.com/pdf/dividend-distribution-policy.pdf>

### Share capital

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.

### Change in Promoter / Promoter Group

The TVS Family came to an arrangement to align the ownership and management within different family groups. As a part of TVS Family arrangement, the Hon'ble National Company Law Tribunal (NCLT), vide its order dated December 06, 2021 inter-alia, approved the amalgamation of M/s Southern Roadways Pvt. Ltd. (SRPL) with M/s. T. V. Sundram Iyengar & Sons Pvt. Ltd. (TVSS), promoters of the Company.

Consequent to this, SRPL was dissolved without the process of winding-up, effective January 06, 2022 ("First appointed date"). Further, the 22,32,628 equity shares (9.28%) held by SRPL in the Company was deemed to have been transmitted to TVSS effective January 06, 2022.

Further as per the terms of scheme of amalgamation, the entire 71,43,656 equity shares (29.69%) held by TVSS in the Company (which includes shareholding of SRPL) has been transferred to M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL), effective February 04, 2022 ("Second appointed date").

SRPL ceased to be a Promoter of the Company effective January 06, 2022 and TSSFPL has become a Promoter of the Company, effective February 04, 2022.

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## **Reclassification of Promoter / Promoter Group to Public Category**

Consequent to the composite scheme of amalgamation and arrangement, TVSS, a Promoter of the Company, holds NIL share in the Company as on March 31, 2022.

Further, in terms of Regulation 31A of the SEBI LODR, vide letter dated May 12, 2022, TVSS had expressed their desire to re-classify themselves to 'Public Category'. Accordingly, the Board of Directors at their meeting held on May 20, 2022 had considered the request of TVSS and approved to re-classify TVSS to 'Public Category' from 'Promoter Category' subject to compliance with relevant provisions of the SEBI LODR and approval of shareholders / stock exchange and other regulatory authorities, if any, in this regard.

The proposal for approval by the shareholders for re-classifying TVSS from 'Promoter Category' to 'Public Category' is included in the notice convening the 63<sup>rd</sup> AGM.

## **Scheme of Amalgamation**

The Board of Directors of your Company and Sundaram Hydraulics Limited (SHL) at their respective meetings held on December 7, 2021 had approved the scheme of amalgamation of SHL with the Company and their respective shareholders.

SHL which was incorporated in the year 2007 and is engaged in the business of manufacturing hydraulic cylinders and axle shafts. The amalgamation of SHL with the Company, inter-alia, will enable product diversification & growth to the Company through our existing customer base. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the Companies.

In accordance with Regulation 37 of SEBI LODR, the Company had filed an application with National Stock Exchange of India Limited (NSE) and vide letter dated February 10, 2022, the Company has received No Objection from NSE / SEBI.

Further, in terms provisions of Sections 230 – 232 of the Companies Act 2013 ('Act') read with relevant rules made thereunder, the Company has filed an application with the Hon'ble NCLT, Chennai on March 16, 2022. The Company is awaiting directions / order in this regard.

## **Management Discussion and Analysis**

The last financial year saw the world battle the covid-19 virus with widespread vaccinations across countries. In a year, following a year where the global economy had been battered by the pandemic, global GDP is estimated to have grown by 6.1% in 2021. The sudden increase in demand caused shortages of industrial materials leading to a commodity-based inflation across the world.

In India, the last financial year, FY22, started with a strong second wave of the virus that affected economic activity. However, widespread vaccination enabled the economy to recover strongly and grow at 9.2%. The Economic Survey indicated that industry is likely to have grown by 11.8% in last financial year, following a contraction of 7% in previous year. The Survey indicates that the service sector is likely to have grown by 8.2% in FY22, following a 8.4% contraction in FY21. The agricultural economy is estimated to have grown by 3.9% in the year under review, after growing at 3.6% in the previous year. The performance of these sectors enabled India to be amongst the fastest growing economies in the year under review.

The whiplash effect of the demand recovery caused shortages in everything from shipping containers, with



ocean freight rates increasing three-fold, steel prices increasing by a third and aluminium prices increasing by two thirds, just to name a few. The global supply chains were disrupted by container congestion at ports, China's zero Covid policy and the energy crisis.

The year for the Indian industry started with high incidence of infections in the second wave of Covid-19. In addition to restricting operations to the extent of the people available, there were restrictions in terms of availability of industrial oxygen. However, after a few months, the crisis subsided and slowly confidence returned to an economy that built on pent up demand across industry segments.

The commercial vehicle market, after two years of steep decline, grew by 46% in the year under review, driven by the recovery of the economy. The revival was strongest in the heavy commercial vehicles, with all segments other than buses reviving from the lows of the pandemic year.

The tractor industry marginally contracted after a year of record production in the previous fiscal. The year saw companies try and correct their pipeline stock levels especially towards the latter part of the year. The global industry saw strong growth driven by high commodity prices.

The passenger car segment grew by 10%, restricted by semi-conductor shortages. The market saw continued growth in the sport utility segment vis-à-vis the car segment. There is currently approximately 30% aluminium wheel fitment on passenger vehicles.

The construction equipment industry revived strongly from the previous year, driven by the government's infrastructure push and the reviving economy. The global construction industry saw a strong growth driven by the recovery of the global economy and strong infrastructure spend in a number of countries.

The windmill industry remained flat even after the worst of the pandemic, affected by supply chain constraints. The industry is expected to benefit from climate action commitments made by Europe in this decade. However, the volumes have remained muted due to execution issues. Your company was affected by the unavailability of industrial oxygen during the second wave, partly affecting our supplies.

The air suspension business struggled during the year under review, as bus utilization levels only recovered towards the end of the year. The latter part of the year, saw strong demand for lift air suspension used on multi-axle trucks.

Your company achieved the milestone of Rs. 1,000 Crore of exports in the year under review. There was definitely an opportunity caused by the China plus one sourcing strategy of many multinationals consequent to China's zero covid policy. Your company was also able to grow its export of agricultural tractor and construction equipment wheels, following the exit of Titan International as a promoter, as we were able to market our product in their key markets. There was also growth in export of aluminium wheels and windmill components.

The year saw the first full year operation of your Company's state of art cast aluminium wheel plant. We will shortly have completed the first phase of installation of equipment and will be in a position to utilize the capacities created in the coming year.

In the last annual report, we had referred to our decision to sell the small Maharashtra based plant for fabricating steel fabricated steel structures for thermal power plants. In the year under review, we were able to complete the transaction.

During the first quarter of the year under review, when the second wave of covid-19 was in full swing across

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the country, your company decided to import medical equipment to help the hospitals and regions that were struggling in coping with the pandemic. This was part of a larger effort by the promoter group to provide relief to communities across the state and country as a CSR initiative.

In FY22, your company saw a significantly improved performance over the previous year, with activity level picking up from the second quarter. This improved performance saw an improvement in a number of relevant ratios.

The IMF expects the global economy to grow at 3.6% in the coming year, with banks increasing interest rates to fight inflation, causing some moderation in demand and supply constraints restricting growth. While the Indian economy has remained resilient, it has also been affected by inflation in commodities. The IMF has estimated that the Indian economy will grow at 7.2% in FY23.

The year ahead of us still promises strong demand albeit hampered by rising inflation and supply chain issues at our customer end. The outlook while it will remain strong will continue to be affected by global supply chain constraints, that have recently been further affected by the Ukraine crisis.

The global supply chains have been well established in earlier years and while companies are looking at de-risking supply sources, it is not something can change overnight. In the interim, uncertainty over supply shortages remain as long as demand remains high. In addition to commodity and semiconductor shortages, power shortages could also affect output in the auto supply chain in India.

There has also been a spike in fuel prices over the year, as demand increased last year, and following the Ukraine crisis. India, as a major importer of fuel, is likely to be affected by the higher fuel prices.

It is expected that the commercial vehicle industry will continue to see growth in the coming year, as the Indian economy grows. There are pockets of demand around movement of commodities where the railway additions haven't kept pace with demand. There is likely to be a resumption of bus orders from STUs after a gap of two years. The high oil prices will mean that truck configurations that optimize load carrying capacity for a price point will benefit. At the lower end of the market, both the light and small commercial vehicle market are likely to show growth on the back of a reviving economy and the growing ecommerce logistics.

The passenger car industry in India sees strong demand in the year to come. However, production continues to be affected by global supply chain issues. The trend towards sports utility vehicle and away from sedans an hatchback will continue, as will the trend towards aluminium wheel fitment.

The agricultural tractor market saw lower production towards the end of the last year, as manufacturers looked at reducing the stock in the pipeline. While most factors bode well for the agricultural sector, the high industrial inflation and the high industry base could limit growth in the coming year. The global agricultural tractor market that was already strong in light of high commodity prices, is also going to benefit from changes in the food-grain supply chain following the conflict in the bread basket of Europe, Ukraine. Your company continues to grow its international business with global tractor manufacturers.

The construction equipment industry in India and across the world continues to be strong as governments continue to invest in infrastructure to stimulate growth. While there has been some effect of people trying to move production bases away from Russia, the optimism about demand in this segment elsewhere in the world remains strong. Your company

has been successful in getting onto new platforms of existing customers that should come on-stream in the year ahead.

The windmill industry has remained flat for the last few years and is likely to remain the same in the coming year. However, given the changing geopolitics, there is likely to be a change in the energy mix in Europe that should improve the industry prospects, building on climate change commitments that Europe has made for the decade. The industry is also affected by supply chain constraints that hamper output.

We hope to build on the gains we have made in international markets in the coming year. The extent of gain depends on how our customers manage their production, given supply chain constraints. There is, however, an opportunity for India caused by companies, wishing to de-risk their global sourcing strategy away from China.

Your Company's subsidiary WIL Car Wheels Ltd. had a difficult year last year with very limited operations in the first quarter due to the second wave of the pandemic. While volumes came back especially in the second half of the year, the company was affected by inflation and some under-recovery of costs. The coming year should see a full year of volumes as passenger vehicle manufacturers hope to cash in on the pent up demand albeit amidst semiconductor shortages.

In the last year, through the second wave and the subsequent increase in demand our focus has always been on ensuring the safety of our employees and servicing our customer requirements. In the year under review, we were recognized by customer awards for the quality of our products and service by Caterpillar, Komatsu, John Deere, Kubota, amongst others.

The year under review saw the recovery of the economy and the company's fortunes after a difficult period affected by the pandemic. It would not have

been possible for the company to do this without the dedication and efforts of its employees, and the support of its bankers, customers and shareholders. I would like to thank all stakeholders for their patience and support to the company through this difficult period.

### **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 2021-22 was Rs. 74.18 crores and the Consolidated Net worth were Rs. 733.69 crores as on March 31, 2022 as against Rs.0.12 crores and Rs. 660.69 crores as on March 31, 2021, respectively.

### **Subsidiary Company**

WIL Car Wheels Limited (WCWL) reported a gross revenue of Rs. 340.26 crores and loss after tax of Rs. 8.80 crores for the financial year 2021-22 as against Rs. 247.09 crores and loss after tax of Rs. 6.53 crores for the financial year 2020-21. The gross revenue of WCWL represents 8.55% of consolidated turnover of the Company.

### **Associate Company**

Axles India Limited (Axles) has achieved a turnover of Rs. 572.37 crores and profit after tax of Rs. 33.83 crores for the financial year 2021-22 as against the turnover of Rs.312.02 crores and profit after tax of Rs.2.96 crores for the financial year 2020-21.

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

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](http://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, 2022, fixed deposits accepted by the Company from public and shareholders aggregated to Rs. 54.38 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 ICRA MA+ with outlook being stable 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.

### **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.

### **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) and Schedule IV of the Act, the SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015 ("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.

### **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 Ram (DIN: 00018309) is retiring by rotation at the ensuing 63<sup>rd</sup> AGM, being eligible, offers himself for re-appointment. The proposal for his re-appointment as a Director is included in the notice convening the 63<sup>rd</sup> AGM.



## Profile of Director seeking appointment / reappointment

Profile of the director seeking appointment / re-appointment as required to be given in terms of the Secretarial Standards and as per SEBI LODR, forms part of the Notice convening the ensuing 63<sup>rd</sup> AGM of the Company.

## 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 Independence Directors databank maintained by the Indian Institute of Corporate Affairs.

In terms of Regulation 17 (1A) of the SEBI LODR, approval of members is being sought for continuing the directorship of Mr. S Prasad as an Independent Director who will be attaining the age of 75 years during his tenure in the second term of re-appointment.

## 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 annual 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](http://www.wheelsindia.com)

In accordance with the provisions of section 135 of the Companies Act, your Company was required to spend an amount of Rs. 106.05 lakhs for the financial year 2021-22. The Company has spent Rs. 141.54 lakhs during the year and the excess spent of Rs. 35.49 lakhs is proposed to set off pursuant to Section 135 of the Companies read with Companies (CSR Policy) Rules, 2014. The constitution of the CSR Committee and the report as required under the Act are provided in Annexure-IV forming part of this Report.



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

Your Company has constituted a Risk Management Committee and has formulated a Risk Management Policy aligned with the requirements of the Companies Act, 2013 and the Listing Regulations. The details of the Committee and the terms of reference are set out in the Corporate Governance Report forming part of the Report.

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](http://www.wheelsindia.com).

### **Directors' Responsibility Statement**

The Directors acknowledges their responsibility of ensuring compliance with the provisions of Section

134(3)(c) of the 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, 2022 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](http://www.wheelsindia.com).

All Related Party transactions that were entered into by the Company during the financial year 2021-22, 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 applicable.

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.

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## 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 Auditor

The shareholders of the Company at their 58<sup>th</sup> AGM held on August 10, 2017 had appointed M/s. Brahmayya & Co., Chartered Accountants, as Statutory Auditor of the Company for a term of five consecutive years i.e. from the conclusion of 58<sup>th</sup> AGM till the conclusion of 63<sup>rd</sup> AGM of the Company.

In terms of provisions of Sections 139 & 141 of the Act read with Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions of the Act, including rules made thereunder, the Audit Committee at their meeting held on May 20, 2022 has reviewed the proposal to re-appoint M/s. Brahmayya & Co. Chartered Accountants, as Statutory Auditor of the Company for a second term of five consecutive years commencing from the conclusion of 63<sup>rd</sup> AGM (2022) until the conclusion of 68<sup>th</sup> AGM (2027) and recommended the same to the Board for proposing it to the shareholders at the ensuing 63<sup>rd</sup> AGM (2022).

The Company has received a letter from M/s. Brahmayya & Co. Chartered Accountants consenting for the reappointment and confirming to the effect that their appointment, if made, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Act and the rules made thereunder. The notice of the ensuing 63<sup>rd</sup> AGM contains necessary resolution in this regard. Members may consider appointing M/s. Brahmayya & Co. Chartered Accountants as Statutory Auditor of the Company as per the provisions of the Act till the conclusion of the 68<sup>th</sup> AGM (2027).

### 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, 2022. The said firm was appointed by the Board to conduct the Cost Audit for the year 2022-23 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 2022-23 is included in the Notice convening the 63<sup>rd</sup> AGM.

### 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 2021-2022.

Further, 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, 2022 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 continuously working over the past years to become a culturally safety conscious company by inculcating safety culture at all levels. The safety performance review system is conducted by Top Management at unit level, sub-committee level every month across the plants.

Employees' involvement in the safety journey viz., safety observation and incident investigation is encouraged for every incident and proper feedback is included in the procedures and standards. The standards and procedures implementation and the effectiveness of implementation are being reviewed by regular scheduled audits.

All incidents are investigated and the corrective and preventive actions are horizontally deployed across business units and plants.

Your company rewards best safety performers on monthly basis. Best safety observers and best safety supervisor are rewarded once in three months period in the shop floor to encourage the employees involvement in the safety journey. Practical training centers installed across plants to create safety awareness and hands on training during induction period.

During the COVID-19 pandemic situation, your company has established thorough systems and processes to ensure a safe and healthy work environment for those in offices and in the factory.

All the processes and procedures met the government required protocols for operating the plants during pandemic. These start from the employee's journey to the factory, checking the employees for symptoms (body temperature, oxygen level) at entry and exit, mandating the use of masks and recommending use of face shield, following physical distancing standard around the factory.

The Company also has sustained the Standard Operating Procedures (SOP) in the shop floors, the offices and the open areas. Employees who are eligible and permitted are encouraged to get cent percent vaccination and achieved. Your company is dedicated to providing a safe environment for all its employees and contractors.

### MD / 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 2021-22 is given in 'Annexure-IX' and forms part of this report. A copy of this policy is available at [www.wheelsindia.com](http://www.wheelsindia.com).

## Other disclosures

- a. There are no instances of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions
- 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 63<sup>rd</sup> Annual Report and the Notice Convening the 63<sup>rd</sup> AGM would be sent to all shareholders whose e-mail addresses are registered with the Company or their respective Depository Participants (DP) in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) read with circulars issued by the SEBI. 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 is being uploaded on the website of the Company at [www.wheelsindia.com](http://www.wheelsindia.com).
- e. 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.

- f. The Company has neither filed an application during the year under review nor are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at March 31, 2022.
- g. During the financial year, there was no change in the nature of business of the Company.

## 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

**S Ram**

**Chennai**  
**May 20, 2022**

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	<b>WIL CAR WHEELS LIMITED</b> CIN: U35999TN2017PLC116976
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is from April 2021 to March 2022
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	Rs. 500
6	Reserves & surplus	Rs. 6053.11
7	Total assets	Rs. 25727.48
8	Total Liabilities	Rs. 19174.37
9	Investments	NIL
10	Turnover	Rs. 34025.74
11	Profit before taxation	Rs. (1190.62)
12	Provision for taxation	Rs. (310.40)
13	Profit after taxation	Rs. (880.22)
14	Proposed Dividend	NIL
15	% of shareholding	74
Notes: The following information shall be furnished at the end of the statement: 1. Names of subsidiaries which are yet to commence operations; 2. Names of subsidiaries which have been liquidated or sold during the year.		Not Applicable

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

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

Sl. No.	Name of Associates / Joint Ventures	<b>Axles India Limited</b> CIN: U27209TN1981PLC008630
1	Latest audited Balance Sheet Date	March 31, 2022
2	Shares of Associate/Joint Ventures held by the Company on the year end:	
	i. Number	24,24,661 equity shares
	ii. Amount of Investment in Associates/Joint Venture	Rs.2.72 Crores
	iii. Extend of Holding %	9.51
3	Description of how there is significant influence	By virtue of Articles of Association of Axles India Limited
4	Reason why the Associate/Joint Venture is not Consolidated	Not Applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 16.68 Crores
6	Profit / Loss for the year 2020-21:	Net Profit of Rs. 39.88 Crores
	i. Considered in Consolidation	Net Profit of Rs. 3.80 Crores
	ii. Not considered in Consolidation	-
1. Names of associates or joint ventures which are yet to commence operations 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  
Place : Chennai  
Date : May 20, 2022

**K V LAKSHMI**  
Company Secretary

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

## Annexure - II

### Deposits

The details relating to Deposits covered under Chapter V of the Companies Act, 2013 (Act) are given below:

Rs. in Crores

Accepted during the year	54.38
Remained unpaid or unclaimed as at the end of the year	3.83
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
(i) at the beginning of the year;	Nil
(ii) maximum during the year;	Nil
(iii) at the end of the year;	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

## Annexure - III

### Nomination and Remuneration Policy

#### Preamble

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

#### Scope

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 read with the applicable rules thereto and the provisions of the SEBI (LODR) Regulations, 2015 (as amended).

#### Objective

- To lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.
- To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.
- To formulate criteria for determining qualification, positive attributes and independence of a Director.

#### Definitions

“Key Managerial Personnel”, in relation to a company, means (i) the Chief Executive Officer or the Managing

Director or the Manager; (ii) the Whole-Time Director; (iii) the Chief Financial Officer; (iv) the Company Secretary and (v) such other officer as may be prescribed under the Companies Act, 2013

“Senior Management shall mean officers/ personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of the management one level below the Chief Executive Officer / Managing Director / Whole time Director/ Manager (including Chief Executive Officer / Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer”.

#### Policy

The role of the Nomination & Remuneration Committee (“Committee”) shall be in accordance with the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and the Rules framed thereunder. The Committee constituted by the Board of Directors of the Company, shall identify, ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person is sufficient for such position.



## A. Appointment

### Appointment and Remuneration - Executive Directors

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

### Independent Directors

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

### KMPs, Senior Management and other Employees

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

## B. Remuneration

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

- Scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance
- Legal and Industrial Obligations

- Other parameters as the Company may decide from time to time

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

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

## C. Evaluation

### Executive Directors and Non-Executive Directors

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

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

### Independent Directors

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

### KMPs, and Senior Management

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

### Other Employees

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

## D. Deviation from this policy

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

### Criteria for Evaluation

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

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

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

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

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

#### c) Adherence to regulatory compliance

Whether the Company adheres to the various government regulations, Local, State and Central in time.

#### d) Track record of financial performance

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

#### e) Grievance redressal mechanism

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

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

Whether the Company has an integrated risk management system to cover the Business risks.

#### g) Use of modern technology

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

#### h) Commitment to CSR

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

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

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

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

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

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

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



## Annexure - IV

### Annual Report on CSR Activities for the Financial Year 2021-22

1.	A brief outline of the Company's CSR policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The CSR 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 <a href="http://wheelsindia.com/pdf/CSR-policy.pdf">http://wheelsindia.com/pdf/CSR-policy.pdf</a>
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#### 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	2	2
2.	Mr. S Viji, Member	Non-Executive & Non-Independent	2	2
3.	Mr. S Prasad, Member	Non-Executive & Independent	2	2
4.	Mr. Aroon Raman, Member	Non-Executive & Independent	2	2

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	<a href="http://www.wheelsindia.com/policies.html">http://www.wheelsindia.com/policies.html</a>
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. 5302.53 lakhs

7.	Computation of CSR spent requirement:	
	a. Two percent of average net profit of the company as per section 135(5):	Rs. 106.05 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.106.05 lakhs
8.	CSR spent details	
	a. CSR amount spent or unspent for the financial year:	Rs.141.54 lakhs
	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-1
	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. 141.54 lakhs
	g. Excess amount for set off, if any	Rs.35.49 lakhs
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 20, 2022**

**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 2021-22

### Corporate Social Responsibility Report

Rs. in lakhs

1	2	3	4	5	6	7	8
Sl. 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 / District	Amount allocated for the project (in Rs.)	Mode of implementation - Direct (Yes / No)	Mode of implementation
							Name 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	Tiruvannamalai, Chennai, Tiruppur, Polur, Vembakkam in Tamil nadu Ranjangaon / Shirur in Maharashtra	66.04	Yes	Direct and through Implementing Agency
							A) Rural Self Employment and educational development Society (RSEEDS) CSR00029494
							(B) Iniya Udaiyam Charitable Trust CSR00004181
							(C) Tiruppur Auxilium Salesian Sisters Society CSR00024079
							(D) Bro Siga Animation Centre CSR00004530
							(E) AID INDIA CSR00000027
							(F) Disha Foundation CSR00003918
							(G) Nandambakkam Auxilium Salesian Sisters Social Service Society CSR00003883
							(H) Mazzaello Foundation Educational Trust CSR00001801
							(I) Kannaginagar Marialaya Social Service Society CSR00005083
							(J) Rotary Club of Madras Charitable Trust and direct CSR00000997
2	Training of farmers/ Agriculture	Rural development projects	Yes	Wardha, Maharashtra Dharmapuri, Tamil nadu	13.67	No	Implementing agencies
							(a) Dharamitra CSR00028382
							(b) Gandhigram Trust CSR00004575
3	Promoting Health Care including Preventive Health Care and sanitation/ safe drinking water	Health	Yes	Rampur, Uttar Pradesh Chennai, Tamil Nadu	2.34	Yes	a) Direct and b) through implementing agency Iniya Udaiyam Charitable Trust CSR00004181
4	Protection of National Heritage, Arts and Culture	National Heritage, Arts and Culture	Yes	Kancheepuram and Chennai, Tamil Nadu	10.00	Yes	Direct - WIL Padi -
5	Covid-19 relief	Disaster Management for Covid	No	Chennai & Thiruvallur, Tamil Nadu Deoli, Maharashtra	49.49	Yes	Direct - WIL -
TOTAL					141.54		

**Srivats Ram**

**S Prasad**

Managing Director &

Independent Director &

Chairman of the CSR Committee

Member of the CSR Committee

DIN: 00063415

DIN: 00063667

**Chennai**  
**May 20, 2022**

## 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 & Non-Executive Director	20.55
b)	Mr. S Viji, Non-Executive Director	0.48
c)	Mr. Srivats Ram, Managing Director	82.98
d)	Mr. S Prasad, Independent Director	0.60
e)	Mr. Aroon Raman, Independent Director	0.60
f)	Mr. R Raghuttama Rao, Independent Director	0.56
g)	Ms. Sumitra Gomatam, Independent Director	0.21
h)	Mr. Rishikesh T Krishnan, Independent Director	0.29

**Note:**

- The Commission paid to Mr. S Ram, Chairman is based on the approval accorded by the shareholders at the Annual General Meeting held on August 10, 2016. Further, the Commission payable to Non-Executive Chairman will be subject to the approval of the members at the ensuing Annual General Meeting in accordance with SEBI LODR.
- Non-Executive Directors are not paid any remuneration other than sitting fee for attending Board and Committee meetings. 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.

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

Mr. Srivats Ram, Managing Director	249%*
Mr. R. Raghunathan, Chief Financial Officer	8.5%
Ms. K V Lakshmi, Company Secretary	27.02%

\* Mr. Srivats Ram, Managing Director was paid minimum remuneration for the year 2020-21

- c. **Percentage increase in the median remuneration of employees in the financial year** Increase in the median remuneration of employees in the financial year - 10.65%
- d. **Number of permanent employees on the rolls of Company** As on 31.3.2022, the Company had 2221 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**  
8.6%
- f. **Affirmation that the remuneration is as per the remuneration policy of the Company**  
The Company affirms that the remuneration is as per the remuneration policy of the Company as approved by the Board of Directors.



## Annexure - VI

### REPORT ON CORPORATE GOVERNANCE

#### 1. Report on Corporate Governance

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

#### 2. Board of Directors

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"). As on March 31, 2022, the Board consists of eight (8) Directors, headed by the Chairman as mentioned below:

Sl. No.	Name of the Directors / DIN	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 / 00018309	Non-Executive Chairman	2	Nil	2
2	Mr. S Viji / 00139043	Non-Executive	3	Nil	Nil
3	Mr. Srivats Ram / 00063415	Managing Director	6	2	Nil
4	Mr. S Prasad / 00063667	Independent	6	1	6
5	Mr. Aroon Raman / 00201205	Independent	2	2	Nil
6	Mr. Raghuttama Rao / 00146230	Independent	4	3	Nil
7	Ms. Sumithra Gomatam / 07262602	Independent	Nil	Nil	Nil
8	Mr. Rishikesh T Krishnan / 00064067	Independent	Nil	Nil	Nil

Note: 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. The Committee positions held by the Directors across all Companies in which they are Directors are in accordance with Regulation 26 of the SEBI LODR.

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 as on March 31, 2022 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
	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
	iv.	Sundaram Finance Limited	iv.	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
	iii.	Latent View Analytics Limited	iii.	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 2021-22, the Board met six (6) times on May 21, 2021, July 30, 2021, October 29, 2021, December 7, 2021, February 1, 2022 and March 31, 2022 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 August 04, 2021
Mr. S Ram	6	6	Yes
Mr. S Viji	6	5	Yes
Mr. Srivats Ram	6	6	Yes
Mr. S Prasad	6	5	Yes
Mr. Aroon Raman	6	6	Yes
Mr. R Raghuttama Rao	6	6	Yes
Ms. Sumithra Gomatam	6	5	Yes
Mr. Rishikesha T Krishnan	6	6	Yes

#### 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. 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. Rishiksha 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 eight (8) times during the year on May 21, 2021, July 21, 2021, July 30, 2021, October 27, 2021, October 29, 2021, December 7, 2021 and February 1, 2022 and March 31, 2022 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	8	8
Mr. S Viji	Non-Executive Director	8	8
Mr. Aroon Raman	Independent Director	8	8
Mr. R Raghuttama Rao	Independent Director	8	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 August 04, 2021.

#### 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, KMP or at Senior Management level. The Committee has powers to decide whether qualification, expertise and experience possessed by a person are sufficient for such position.

##### 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 once (1) during the year on March 18, 2022 with requisite quorum present throughout the meeting. 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	1	1
Mr. Aroon Raman	Non-Executive and Independent	1	1
Mr. R Raghuttama Rao	Non-Executive and Independent	1	1

##### Remuneration Policy

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

The Committee, in accordance with the relevant provisions of the Act, approved payment of commission at 1% on the net profits of the Company for the FY 2021-22 to Mr. S Ram, Chairman subject to the approval of the members of the Company at the ensuing AGM and a commission at 2% on the net profits of the Company for the FY 2021-22 to Mr. Srivats Ram, Managing Director.



The details of remuneration to the Directors during the year 2021-22 are given below:

Rs. In lakhs

Name of Directors	Salary and allowances	Perquisites / Benefits	Commission	Contribution to funds	Sitting fees *	No. of Shares held^
Mr. S Ram	-	-	113.60	-	1.30	-
Mr. S Viji	-	-	-	-	2.70	-
Mr. Srivats Ram	201.60	1.06	227.19	34.02	-	53,072 (0.22%)
Mr. S Prasad	-	-	-	-	3.35	3200 (0.01%)
Mr. Aroon Raman	-	-	-	-	3.35	-
Mr. R Raghuttama Rao	-	-	-	-	3.15	-
Ms. Sumithra Gomatam	-	-	-	-	1.20	-
Mr. Rishiksha T Krishnan	-	-	-	-	1.60	-

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

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

## 5. Stakeholders Relationship Committee

### Terms of reference

The 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 Committee consists of Mr. S Viji as Chairman, Mr. S Ram and Mr. S Prasad as its members. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met twice (2) on July 28, 2021 and November 11, 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	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

## 6. Corporate Social Responsibility Committee

In terms of Section 135 of the 2013 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 twice (2) on May 07, 2021 and July 21, 2021. The requisite quorum was present throughout

these meetings. The attendance of each member of the Committee are given below:

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

## 7. Risk Management Committee

### Terms of Reference

The role of the Committee is in accordance with the provisions of the Act read with relevant rules framed thereunder and SEBI LODR. The Risk Management Committee (RMC) constituted by the Board of Directors of the Company shall (a) formulate risk management policy; (b) ensure appropriate methodology, process and systems are in place to monitor and evaluate risk associated with the business of the Company; (c) monitor and oversee the implementation of the risk management policy and evaluating the adequacy of the risk management system; (d) review the risk management policy at least once in two years including by considering the changing business dynamics and evolving complexity; and (e) keep the board of directors informed about the nature, content of its discussion, recommendations and action to be taken

### Composition, Meetings and Attendance

The Board of Directors have constituted the Risk Management Committee (RMC Committee) in accordance with Regulation 21 of the SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) on September 21, 2021 and March 26, 2022. The requisite quorum was present throughout these meetings. The details of members and their attendance are as below:

Name	Category / Designation	No. of Meetings	
		Held	Attended
Mr. R Raghuttama Rao, Chairman	Independent Director	2	2
Mr. Srivats Ram	Managing Director	2	2
Mr. S Prasad	Independent Director	2	2
Ms. Sumithra Gomatam	Independent Director	2	2
Mr. Shriram Vijayaraghavan	President	2	2

## 8. 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](http://www.wheelsindia.com).

### Independent Directors' Meeting

During the year under review, a Separate Meeting of Independent Directors was held on March 18, 2022, inter alia, to evaluate the performance of the non-Independent Directors, Chairman and the Board of Directors as

a whole. Evaluation was done on the basis of attendance, quality of discussion in the meetings, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors except Ms. Sumithra Gomatam attended the meeting via video conferencing.

## 9. Shareholders information - Details of Annual / Extraordinary General meetings

Financial year 2020-21	Date	August 04, 2021
	Location	Through Video Conferencing
	Time	10.30 A.M.
	Special Resolution Passed	<ul style="list-style-type: none"> <li>• Reappoint Mr. S Viji (DIN:00139043) as Director liable to retire by rotation and approve his continuation on the Board</li> <li>• 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</li> </ul>
Financial year 2019-20	Date	July 30, 2020
	Location	Through Video Conferencing
	Time	10.00 A.M.
	Special Resolution Passed	<ul style="list-style-type: none"> <li>• Reappointment of Mr. S Ram (DIN:00018309) as Director liable to retire by rotation and approve his continuation on the Board</li> <li>• Approve continuation of Mr. S Viji (DIN:00139043) as Non-Executive Director</li> <li>• 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</li> </ul>
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	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. S Prasad (DIN:00063667) as an Independent Director</li> <li>• Re-appointment of Mr. Aroon Raman (DIN:00201205) as an Independent Director</li> <li>• 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</li> </ul>

There was no Extra-Ordinary General Meeting / Postal Ballot held during the financial year 2021-22.

## 10. e-Voting

The Company provides e-voting facility to the shareholders, in respect of the business set out in the Notice convening 63<sup>rd</sup> Annual General Meeting scheduled on July 13, 2022 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 to be passed at the 63<sup>rd</sup> Annual General Meeting of the Company along with the Scrutinizer Report will be made available in the Company's website at [www.wheelsindia.com](http://www.wheelsindia.com).

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

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

#### **12. 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

#### **13. Means of Communication**

The quarterly / annual financial results were published in Business Line (English) and Dinamani (Tamil – vernacular) within the stipulated time. The shareholding pattern and other disclosures / filings required to be 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](http://www.wheelsindia.com).

During the year, press release, details of investors meet including its transcripts were made available on the website of the Company.

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

#### **14. Details of Unclaimed Share Certificates**

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

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	8 and 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.





## 15. General Shareholder Information

Date of Annual General Meeting	July 13, 2022
Time	10.15 A.M.
Venue	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Date of Book Closure	July 07, 2022 to July 13, 2022 (both days inclusive)
Dividend Payment Date	Will be paid on or before August 12, 2022 Rs. 8.30 per share (83%)
Approval of financial results / statements (both standalone and consolidated) for the: Quarter ending June 30, 2022 Quarter ending September 30, 2022 Quarter ending December 31, 2022 Year ending March 31, 2023	Financial Year: April 01, 2022 to March 31, 2023  First week of August 2022 First week of November 2022 Last week of January 2023 Last week of May 2023 The above dates are only tentative in nature and may undergo changes based on the administrative / legal requirements.
Listing on Stock Exchanges (including its address)	The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) (Address: Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051).  Further, the Company's equity shares have been permitted to trade on Bombay Stock Exchange Limited (BSE) (Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001) 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 2021-22.
ISIN Code in NSDL and CDSL	INE715A01015
STOCK Code	NSE Symbol: WHEELS BSE Scrip code: 590073
Registrar and Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai - 600 002. Phone: 044 - 28460390; Fax: 044 - 28460129 e-mail ID: investor@cameoindia.com
Share Transfer System	In terms of applicable provisions of Regulation 40(1) of SEBI LODR, 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. Hence, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.  Further, in terms of SEBI circular dated January 25, 2022, a 'Letter of Confirmation' is being issued to shareholder / claimant in lieu of physical share certificate(s) in cases of request for issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, transmission, etc.  The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the request should be made for dematerializing the said securities.

Dematerialization of shares and liquidity:	<p>According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 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.</p> <p>As on March 31, 2022, 99.21% of the equity shares are held in dematerialized form.</p>
Pattern of Shareholding as on March 31, 2022	Data in statement form – forming part of this Report
Distribution of shareholding as on March 31, 2022	Data in statement form – forming part of this Report
Share Performance	NSE vs Index Graph form - forming part of this Report
Share Price Data – High / Low	NSE – Data in statement form – forming part of this Report
Address for Investors' correspondence:	<p><b>Registrar and Share Transfer Agents:</b>  Cameo Corporate Services Limited,  “Subramanian Building”,  No. 1, Club House Road, Chennai - 600 002,  Phone : 044 - 28460390, Fax: 044 - 28460129  e-mail ID: investor@cameoindia.com</p> <p><b>Investor Correspondence / Compliance Officer</b>  Ms. K V Lakshmi,  Company Secretary &amp; Compliance Officer  Wheels India Limited, Padi Chennai - 600 050  Phone: 044 - 26258511 Extn.: 2320, 044 - 26257121  e-mail ID: investorservices@wheelsindia.com</p>

## 16. Plant locations

M.T.H Road, Padi, Chennai - 600050	No. 22 KM Rampur Tanda Road, Post - Tanda Badli, District - Rampur, Uttar Pradesh – 244925	Plot No. C1, MIDC, Ranjangaon Ganpati, Karegaon Village, Shirur Taluk, Pune District, Maharashtra - 412 220
Singaperumal Koil Road, Pondur Village, Sriperumbudur, Kanchipuram District - 602 105	Plot No-56, Sector-11, I.I.E., Pantnagar, Rudrapur, Udham Singh Nagar, Uttarakhand- 263153	Survey No. 13/2 & 13/3 Arakonam Road, Namachivayapuram, Thodukadu Village & Post, Tiruvallur Taluk & District, Tamil Nadu - 602 105
Survey No. 281, Plot No. K-18/2, SIPCOT Industrial Park, Phase - 2, Mambakkam Village, Sriperumbudur - 602105	Survey No. 147/2B & 147/3, GST Road, Pukkathurai Village, Maduranthagam Taluk, Chengalpet District - 603308	Plot No A-6/2, Part C2, C3, C5 & C6, SIPCOT Industrial Park, Thervoykandigai, Gummidipoondi Taluk, Thiruvallur, Tamil Nadu - 601202
No. 102, Sumantherabedu Village, Irungattukotai, Tamil Nadu - 602 117		

## 17. 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.

## 18. Shareholding Pattern

Categories of Shareholders	No. of Shares Held	Percentage
Promoters	13843428	57.53
Directors / Relatives	233866	0.97
Insurance Companies	350740	1.46
Investor Education and Protection Fund (IEPF)	32188	0.13
Corporate Bodies	1603936	6.67
Resident Individuals	3194696	13.28
Non-Resident Indians	154030	0.64
Hindu Undivided Families	115628	0.48
Clearing Member	24642	0.10
Banks	44798	0.19
Mutual Funds	4401574	18.29
Foreign Portfolio Investor	65032	0.27
<b>TOTAL</b>	<b>2,40,64,558</b>	<b>100.00</b>

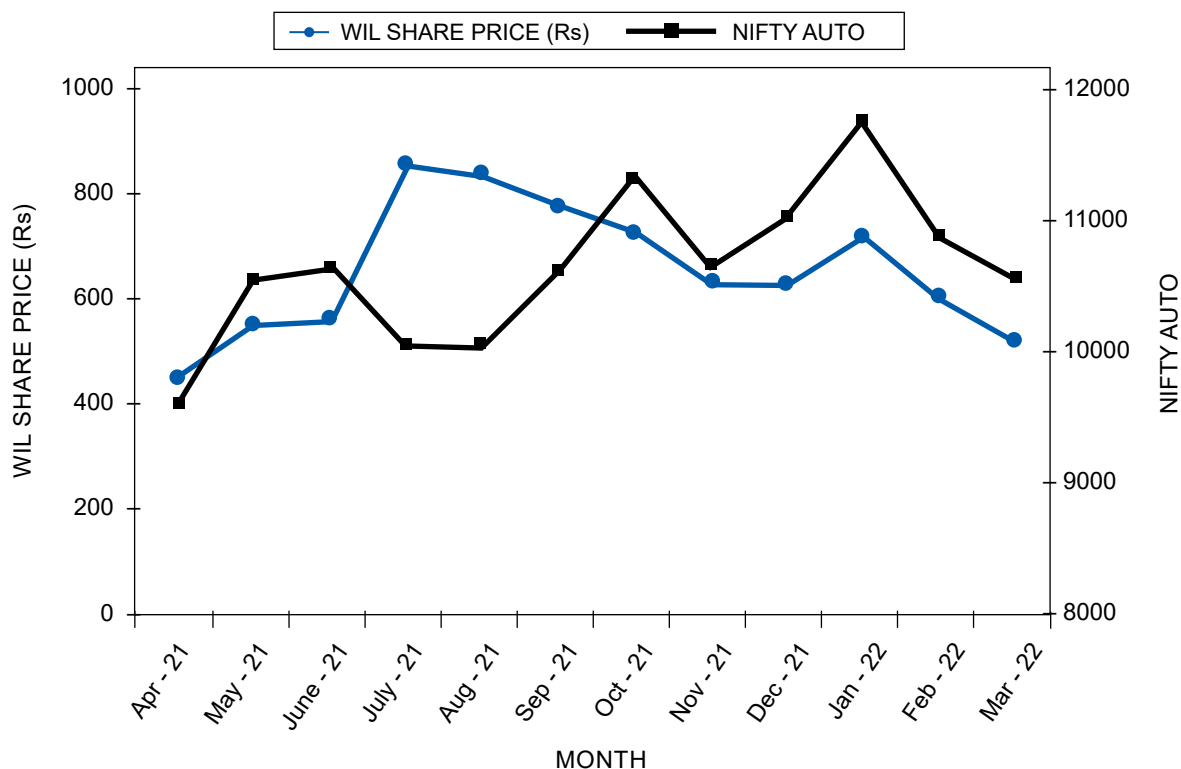
## 19. Distribution pattern

No. of shares	Shareholders		No. of shares	
	Number	%	Held	%
Upto 500	14948	92.15	1130614	4.70
501 – 1000	646	3.98	490223	2.04
1001 – 2000	318	1.96	456158	1.90
2001 – 3000	112	0.69	283066	1.18
3001 – 4000	64	0.39	220333	0.92
4001 – 5000	28	0.17	128066	0.53
5001 – 10000	64	0.39	454836	1.89
10001 and above	42	0.26	20901262	86.85
<b>Total</b>	<b>16222</b>	<b>100.00</b>	<b>24064558</b>	<b>100.00</b>

## 20. Market price data

FY 2021-22	Quotation at NSE (Rs)	
Month	High	Low
Apr-21	464.75	404.90
May-21	586.00	439.85
Jun-21	645.00	534.55
Jul-21	1037.00	570.10
Aug-21	919.40	761.15
Sep-21	850.00	752.00
Oct-21	823.40	665.00
Nov-21	756.00	620.85
Dec-21	700.05	603.70
Jan-22	779.60	623.90
Feb-22	743.95	585.00
Mar-22	624.00	510.00

## 21. Performance in Comparison to Broad Based Indices



## 22. 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, 2022 (Amount in Rs.)
Final Dividend 2014-15	18 <sup>th</sup> September 2022	2,07,931.50
Interim Dividend 2015-16	18 <sup>th</sup> March 2023	1,76,732.50
Final Dividend 2015-16	14 <sup>th</sup> September 2023	2,63,516.00
Interim Dividend 2016-17	16 <sup>th</sup> March 2024	2,89,525.00
Final Dividend 2016-17	14 <sup>th</sup> September 2024	4,50,232.00
Interim Dividend 2017-18	14 <sup>th</sup> March 2025	2,69,508.00
Final Dividend 2017-18	18 <sup>th</sup> September 2025	3,60,279.00
Interim Dividend 2018-19	14 <sup>th</sup> March 2026	3,59,190.00
Final Dividend 2018-19	17 <sup>th</sup> September 2026	3,47,486.25
Interim Dividend 2019-20	20 <sup>th</sup> March 2027	2,98,767.00
Final Dividend 2019-20	4 <sup>th</sup> September 2027	2,99,919.15
Final Dividend 2020-21	10 <sup>th</sup> September 2028	1,03,165.00

## 23. Certificate from Practicing Company Secretary

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

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

Credit ratings given by: ICRA Limited

Name of the Instrument	Ratings obtained on February 15, 2022	Ratings obtained on April 05, 2021
Commercial Paper	A2+	A1
Fixed Deposit	MA+	MA+
Term-loan facilities & fund based / unallocated facilities	A-	A
Short-term Non-fund-based facilities	A2+	A1

## 25. 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.

## 26. 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](http://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 inter-alia but not limited to risk 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](http://www.wheelsindia.com).
- ix. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year - Nil
  - number of complaints disposed of during the financial year - Nil
  - 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	43.00
Tax Audit Fees	6.50
Others	13.48
Reimbursement of expenses	2.05
<b>Total</b>	<b>65.03</b>

- xi. There is no such instance occurred where the Board had not accepted any recommendation of committee of the Board which is mandatorily required, during the financial year under review.
- 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
- xv. The Company has duly sent communication to shareholders in terms of SEBI circular dated November 03, 2021 and it is being complied with the process of having a common and simplified norm for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and nomination, etc.



### Code of Conduct Certification

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

All the Board members and the Senior Management affirmed compliance to the code for the financial year 2021-22.

Chennai  
May 20, 2022

**Srivats Ram**  
Managing Director  
DIN: 00063415

### 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, 2022, 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

Place : Chennai  
Date : 20<sup>th</sup> May 2022

Membership No. 025929  
UDIN: 22025929AJKDLU9312



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## **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 representations / declarations received from Directors of the Company and taken on record by the Board of Directors of the Company as on March 31, 2022, in our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its Officers and considering the COVID-19 pandemic situation, 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.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. **S Dhanapal & Associates**  
A firm of Practising Company Secretaries

**N Ramanathan**

Partner

Membership # F6665

COP # 11084

UDIN: F006665D000354683

**Place : Chennai**

**Date : 20.05.2022**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
For the Financial year ended 31.03.2022

[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. 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 (CIN: L35921TN1960PLC004175)** (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, 2022 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, 2022 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') to the extent applicable during the year:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- 
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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, 2021; and
  - h) 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 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 period under review, the Company has held Risk Management Committee Meetings on 21.09.2021 and 26.03.2022.



**We further report that** during the audit period, the Company has sought the approval of its members for following major events other than transaction of ordinary business at the Annual General Meeting:

- a. Ratification of remuneration to Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022;
- b. Re-appointment of Mr. S. Viji aged 75 years, as Director liable to retire by rotation and approval of his continuation on the Board;
- c. Approval for payment of commission to Mr. S. Ram Chairman (Non-executive Director) of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**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 the secretarial audit whenever required 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)  
Peer Review Certificate no. 1107/2021

**S. Dhanapal**  
Partner  
FCS 6881  
CP No. 7028  
UDIN: F006881D000355207

**Date : 20.05.2022**

**Place : Chennai**

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

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## Annexure - A

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

**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)  
Peer Review Certificate no. 1107/2021

**S. Dhanapal**  
Partner  
FCS 6881  
CP No. 7028  
UDIN: F006881D000355207

**Date : 20.05.2022**  
**Place : Chennai**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial year ended March 31, 2022**

[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,  
**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, 2022**, 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, 2022**, 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
  - 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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, 2021; and
  - h) 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 – Not Applicable.

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 within the time prescribed.

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 have not carried out audit to make sure the correctness and appropriateness of financial records and books of accounts of the company

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 sought the approval of its members for following major event, other than transaction of ordinary business at AGM:

- a) Payment of remuneration to Mr. L Rajasekar as Executive Director for the financial year 2021 – 22;
- b) Appointment of Director;
- c) Approval under Section 180(1)(a); and
- d) Approval under section 180(1)(c).

**We further report that**, during the audit period Mr. Rajasekar Lakshmanan, executive director was re-appointed w.e.f. 18<sup>th</sup> February, 2022 in the board meeting held on 18<sup>th</sup> May, 2022.

**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 the secretarial audit whenever required 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)  
Peer Review Certificate no. 1107/2021

**S. Dhanapal**  
Partner  
FCS 6881  
CP No. 7028  
UDIN: F006881D000338982

**Place : Chennai**  
**Date : 18.05.2022**

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

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## Annexure - A

To  
The Members,  
**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)  
Peer Review Certificate no. 1107/2021

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

UDIN: F006881D000338982

**Place : Chennai**  
**Date : 18.05.2022**



## Annexure-VIII

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

### Conservation of Energy

Your Company continues to ensure energy efficiency at the design stage for new projects executed during the year.

This includes usage of energy efficient transformer, screw air compressor, chiller, motors, pumps, variable speed drives, 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. There has also been a focus on reducing heat losses around thermal systems used in the plant be it ovens or furnaces.

Your Company extensively uses renewable energy sources to power its factories. For Tamil Nadu plants, approximately 42% of the energy is powered by wind energy. There is also a move to increase the percentage of renewable power in our energy mix going forward.

As part of switching over to cleaner fuel, your Company has stopped using Furnace oil in all its plants, and is in the process of switching over all plants to natural gas based on availability.

### Technology Absorption

The 5 stage structured process in the new product development was further fine-tuned and thus enabling development of more than 260 development projects consistently.

Your company also kick started digitizing data that would enable better data based decisions down the years. Your Company is constantly focusing on

innovations to achieve technological edge and obtain further intellectual property rights.

Your Company investment in the research and development of cast aluminum wheels for cars and SUVs has led to acquiring new projects and getting entry in new customer segments.

Your company continues its focus in adding required testing equipment to do thorough development validation before offering products to customers. Recently, your Company has invested in a higher capacity radial fatigue test equipment to align the market usage patterns.

In the year 2021-22 your company has developed new design concept for tractor applications which provides 16 different track width settings as against 8 of conventional wheels.

Your Company is developing indigenise CTIS for 6x6 and 12x12 vehicles for defense application for supplying customers in the coming year.

### Expenditure incurred on R & D development

Rs. in Crores

Capital	5.94
Revenue	16.18
Total as a percentage of turnover (%)	0.59%

### Foreign Exchange Earnings and Outgo:

The foreign exchange outgo to the Company during the year under review was Rs. 263.39 crores and the foreign exchange earned was Rs. 955.65 crores.

On behalf of the Board of Directors

**S Ram**  
Chairman  
Chennai  
May 20, 2022

**S Ram**  
Chairman  
DIN: 00018309

## Annexure - IX

### Business Responsibility Report for the Financial Year 2021-22

#### 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	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Motor Vehicles Parts and accessories sector Wind Turbines and Railway parts NIC Code of Product / Service: 29301, 28246, 2710, 3020
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	A. Manufacture of on-road and off-road wheels B. Manufacture of parts & accessories for machinery/ equipment used by construction and mining industries C. Manufacture of Wind Turbine Parts
9	Total number of locations where business activity is undertaken by the Company  1. Number of International Locations (Provide details of Major 5)  2. Number of National Locations	International Location: Nil  National Location: 10
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, 2022

1	Paid up Capital (in Crore)	Rs. 24.06
2	Total Turnover (in Crore)	Rs. 3686.69
3	Total Profit after taxes (in Crore)	Rs. 79.79
4	Total Spending on Corporate Social Responsibility (CSR) (in Crore) as percentage of profit after tax (%)	Rs. 1.41 Crores (1.77% of PAT)
5	List of activities in which expenditure in 4 above has been incurred:	1. Education 2. Training of Farmers/ Agriculture 3. Disaster Management 4. Protection of National heritage, art and culture 5. Promoting of Healthcare

## Section C: Other Details

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

As on 31.03.2022, the Company has one subsidiary - WIL Car Wheels Limited

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

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

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

No.

## Section D: BR Information

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

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

DIN Number	00063415
Name	Srivats Ram
Designation	Managing Director

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

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	Not applicable
2	Name	Mr. Shriram Vijayaraghavan
3	Designation	President
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 2021-22. 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 2021-22 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 2021-22 and is available on the website [www.wheelsindia.com](http://www.wheelsindia.com)

## Section E: Principle Wise Performance

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

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

Yes, the policy covers the Company and its subsidiary.

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

From	Received and Resolved during the year 2021-22
Shareholders	Nil
Depositors	Nil
Customers	Received 139 complaints across all types of Products, all of which have been resolved

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**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 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) Cast Aluminium wheels & Forged aluminum wheels
- b) Earth mover wheels
- c) Parts for Wind Mills

**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 –Continuously working on reduction in weight of parts by adopting new age materials.
- b) Cast & Forged Aluminium Wheel – Recycling and reuse of scrap and swarf in a major portion by directly using in the foundry. The company also converts the swarf into ingots and billets and use the same as primary input
- c) Wind Mill Parts- Company producing more number of Parts for Wind mills by alternating new substitutes thereby reducing the input weight

**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
- c) Company is also conscious of reusing packagings and other materials wherever possible.





**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 is constantly encouraging local sources, who are mainly in MSME category and procures goods and services.

The Company assesses their capability on a regular basis and provides technical and financial assistance to improve their capability and capacity wherever required.

Some of the products include:

- a) Packaging materials
- b) Indirect consumables
- c) Sanitation requirements
- d) Outsourcing of manufacturing processes (e.g., part machining, tool building etc.)

**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.
- b) 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.
- c) Used oil is recycled and re-filtered for further use internally.
- d) Steel scraps generated are being sold to casting industries, re-rollers and to other industries as an input into their processes
- e) Aluminium scrap is being sent to smelting unit and is recycled into Aluminium ingots / billets for further use within our factories.
- f) 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: 2221
- 2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: 5809
- 3. Please indicate the Number of permanent women employees: 70
- 4. Please indicate the Number of permanent employees with disabilities: 16

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?: 27%
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:100%
- (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.

**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 42% of the power consumption in 2021-22 of TN Plants 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 VIII 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.**

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

Chennai

May 20, 2022

DIN: 00018309

# INDEPENDENT AUDITOR'S REPORT

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## To the Members of Wheels India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Wheels India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone 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 Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 (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, 2022, and Profit and Other Comprehensive Income, changes in Equity and its Cash Flows for the year ended on that date.

### 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 Standalone 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 standalone Ind AS 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.

### 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 Standalone 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 Standalone 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 Standalone 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.

### **Responsibility of Management for Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.
2. As required by Section 143(3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the statement of Other Comprehensive Income, Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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" to this report.
- 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 standalone Ind AS financial statements. Refer Note No.27 (1) (b) of Standalone Ind AS Financial Statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been generally no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with

the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.

- (v) The final dividend declared and paid by the Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

**L. Ravi Sankar**  
Partner

Place: Chennai                      Membership No. 025929  
Date : May 20, 2022    UDIN: 22025929AJKDKT616

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

### **Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property plant and equipment.
- The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property Plant and Equipment were 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 Property Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Title deeds of all the immovable properties owned by the company are held in the name of the Company.
- d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) 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.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks during the year on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) Based on our examination of records and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, in respect of which:
- a) The Company has not made any investment and not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its directors, covered under Section 185 of Companies Act, 2013. Section 186 of the Companies Act, 2013 is not applicable to the company for the year.
- (v) The Company has accepted public deposits and has complied with the provisions of sections 73 to 76 of the Companies Act or any other relevant provisions of the Act and rules made thereunder.

(vi) The Maintenance of cost records has been specified by the Central Government under subsection (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 goods and service tax, provident fund, employees' state insurance, income 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 these statutory dues outstanding as at March 31, 2022 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 and Goods and Service tax which have not been deposited on account of any dispute. The dues in respect of Service tax which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Service Tax Act, 1994	Service Tax	5.71	Assessment Year 2009-10 to Assessment Year 2018-19	CESTAT	-

(viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.

(ix) a) According to the information and explanations to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.

b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.

c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, the Company has not utilised the funds raised on short term basis for long term purposes.

e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or

associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.

- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.
- (x) a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.
- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.
- (xi) a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the Management, there have been no whistle blower complaints received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii)(a),(b),(c) of the Order does not arise.

(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 Companies 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) a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports of the company issued during the year April 01, 2021 to March 31, 2022.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause 3(xv) of the order does not arise.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the current year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order does not arise.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) a) There is no unspent amount towards Corporate Social Responsibility (CSR) projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

**L. Ravi Sankar**  
Partner

Place: Chennai      Membership No. 025929  
Date : May 20, 2022      UDIN: 22025929AJKDKT616

## **“Annexure - B” to the Independent Auditors’ Report Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements 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 March 31, 2022 in conjunction with our audit of the standalone 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 issued by 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. 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, to the best of our information and according to the explanations given to us, 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 March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**L. Ravi Sankar**  
Partner

Place: Chennai                      Membership No. 025929  
Date : May 20, 2022    UDIN: 22025929AJKDKT616





# ACCOUNTS 2021-2022

# Balance Sheet as at

Rs. in Crores

PARTICULARS	Note	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	744.32	760.35
b) Capital work-in-progress	2	85.25	42.56
c) Other Intangible Assets	3	2.73	3.27
d) Right of Use Assets	4	25.37	19.06
e) Financial Assets			
i) Investments	5	14.24	16.68
ii) Others	6	19.97	19.04
f) Other Non Current Assets	7	18.62	6.25
		<b>910.50</b>	<b>867.21</b>
<b>2. Current assets</b>			
a) Inventories	8	769.58	512.09
b) Financial Assets			
i) Trade receivables	9	868.23	706.00
ii) Cash and cash equivalents	10a	2.35	2.11
iii) Bank Balances other than (ii) above	10b	0.47	0.51
iv) Others	11	6.80	3.82
c) Other Current asset	12	171.25	126.06
		<b>1,818.68</b>	<b>1,350.59</b>
<b>TOTAL</b>		<b>2,729.18</b>	<b>2,217.80</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	24.06	24.06
b) Other Equity	14	651.05	575.26
		<b>675.11</b>	<b>599.32</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	15	237.67	303.94
(ia) Lease Liabilities	16	17.01	15.00
b) Provisions	17	5.64	5.82
c) Deferred tax liabilities (Net)	18	50.39	50.74
		<b>310.71</b>	<b>375.50</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	573.39	305.24
(ia) Lease Liabilities	22	9.68	5.58
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	21	74.03	46.34
B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	885.78	747.65
iii) Others	23	33.83	23.10
b) Other current liabilities	24	131.50	88.14
c) Short-term provisions	25	28.08	20.15
d) Current Tax Liabilities (Net)	26	7.07	6.78
		<b>1,743.36</b>	<b>1,242.98</b>
<b>TOTAL</b>		<b>2,729.18</b>	<b>2,217.80</b>
Significant Accounting Policies	A		

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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

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

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



Rs. in Crores

	Note	2022	2021
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		3,320.13	2,003.26
Sale of Services		31.45	25.71
Other operating revenues		335.11	182.78
Revenue from Operations		3,686.69	2,211.75
Other income	29	14.38	4.19
<b>TOTAL REVENUE</b>		<b>3,701.07</b>	<b>2,215.94</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	2,825.27	1,547.15
Changes in inventories of finished goods, Work-in-progress	31	(143.59)	(20.40)
Employee benefit expense	32	352.13	274.60
Finance Costs	34	63.10	52.68
Depreciation and amortisation expenses	1,3 & 4	95.02	80.63
Other Expenses	33	402.63	271.56
<b>TOTAL EXPENSES</b>		<b>3,594.56</b>	<b>2,206.22</b>
Profit before exceptional items and tax		106.51	9.72
Exceptional items		—	—
<b>Profit before tax</b>		<b>106.51</b>	<b>9.72</b>
Tax expense:	35		
Current tax		27.08	1.38
Deferred tax		(0.36)	1.59
<b>Profit for the year</b>		<b>79.79</b>	<b>6.75</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		(2.45)	(0.02)
- Remeasurements of post employment defined benefit plan		1.15	2.00
Less: Income Tax relating to remeasurements		(0.29)	(0.50)
<b>Total Comprehensive Income for the year</b>		<b>78.20</b>	<b>8.23</b>
Earnings per equity share:	36		
1. Basic		33.16	2.80
2. Diluted		33.16	2.80
Significant Accounting Policies	A		

**S RAM**

Chairman  
DIN: 00018309

**R RAGHUNATHAN**

Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**

Managing Director  
DIN: 00063415

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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 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	24.06	24.06
Changes in Equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>24.06</b>	<b>24.06</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI	
<b>A. Balance as at 31st March, 2020</b>	-	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
<b>B. Total Comprehensive Income for the year 2020-21</b>	-	-	-	6.75	(0.02)	1.50	8.23
Final Dividend 2019-20	-	-	-	(6.38)	-	-	(6.38)
Transfer to General Reserve	-	-	2.00	(2.00)	-	-	-
<b>C. Total</b>	-	-	2.00	(8.38)	-	-	(6.38)
<b>D. Balance as at 31st March, 2021 (A+B+C)</b>	-	70.10	413.28	94.21	2.02	(4.35)	575.26
Profit for the year	-	-	-	79.79	-	-	79.79
Changes in Fair valuation of Equity Instrument	-	-	-	-	(2.45)	-	(2.45)
Remeasurement of defined benefit plans	-	-	-	-	-	0.86	0.86
<b>E. Total Comprehensive Income for the year 2021-22</b>	-	-	-	79.79	(2.45)	0.86	78.20
Final Dividend 2020-21	-	-	-	(2.41)	-	-	(2.41)
Transfer to General Reserve	-	-	-	-	-	-	-
<b>F. Total</b>	-	-	-	(2.41)	-	-	(2.41)
<b>G. Balance as at 31st March, 2022 (D+E+F)</b>	-	70.10	413.28	171.59	(0.43)	(3.49)	651.05

\* Capital Reserve is Rs. 1713/-

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
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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 referred to as 'Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015.

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

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

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

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

#### c) Property, Plant and Equipment

- a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) Leasehold Land: Premium paid on Leasehold Land is amortised over the lease period.
- d) The expenditure during construction period relating to the new project till the commencement of commercial production is capitalised and allocated to the relevant equipments.
- e) In accordance with IndAS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.
- f) Grants received for Investment in Property Plant & Equipment are recognized in Statement of Profit or Loss on a systematic basis over the useful life of the asset.
- g) The cost of software relating to ERP is amortised over the estimated useful life viz., 5 years. The cost of other intangible assets are amortised over the estimated useful life viz., 3 years.
- h) Upon first time adoption of IndAS, the carrying value of all the assets as at Transition date i.e. 01st April 2016 has been considered as its Deemed cost.

#### d) Investments in Subsidiaries and Associates

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

### e) Inventories

The stock of raw materials, work-in-progress, stores, loose tools and goods in transit are valued at cost (net of GST credits) on weighted average basis.

The stock of finished goods are valued at cost (net of GST credits including appropriate overheads) or net realisable value whichever is lower.

### f) Financial instruments

#### i) Financial assets:

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

Financial assets are subsequently classified and measured at:

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

#### Trade receivables and Loans:

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

#### Investments:

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

#### ii) Financial liabilities:

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

### g) Provisions and Contingent liabilities:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not

wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that a outflow of resources will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

**h) Revenue recognition:**

Revenue from the sale of goods is recognised when the control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate method. Dividend income is recognised when right to receive the payment is established. Export incentives are recognised as revenue as and when exports are made.

**i) Employee Benefits**

**Provident Fund:**

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Company make monthly contributions to the regional provident fund authorities/ Company's Employees Provident Fund Trust. The Company has an obligation to make good the shortfall, if any between the return from the investments made from the trust and the notified interest rate accrued to the employees account.

**Gratuity:**

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

**Unencashed Leave Salary:**

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

**Others:**

Contributions to defined contribution schemes such as Employees State Insurance, Superannuation are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Company has no obligation beyond what has been recognised as expense in the Statement of profit and loss.

**j) Research & Development expenses:**

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

**k) Leases:**

The company has applied IND AS 116 using modified retrospective approach. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial

measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Leased Assets are depreciated on straight line basis over the period of lease.

### **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 31.03.2021	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.03.2022	As At 31.03.2021	Additions	Deletions	As At 31.03.2022	As At 31.03.2021
1. TANGIBLE ASSETS									
Land (Free hold)	0.94	-	-	0.94	-	-	-	0.00	0.94
Land (Lease hold)	27.50	-	1.81	25.69	1.21	0.27	0.24	1.24	24.45
Buildings	151.74	12.98	12.57	152.15	54.02	4.71	5.05	53.68	98.47
Plant and Equipment	1343.68	68.53	21.19	1391.02	716.22	80.02	16.53	779.71	611.31
Furniture and Fixtures	6.59	0.88	0.48	6.99	5.01	0.29	0.44	4.86	2.13
Vehicles	0.13	0.01	0.04	0.10	0.10	0.00	0.04	0.06	0.03
Office Equipment	22.92	3.01	2.31	23.62	16.59	2.24	2.19	16.64	6.33
	1553.50	85.41	38.40	1600.51	793.15	87.53	24.49	856.19	744.32
3. INTANGIBLE ASSETS									
Computer Software	20.63	1.38	0.13	21.88	18.17	1.24	0.10	19.31	2.57
Technical Know-how	5.65	0.16	-	5.81	4.84	0.81	-	5.65	0.16
	26.28	1.54	0.13	27.69	23.01	2.05	0.10	24.96	3.27
Total	1579.78	86.95	38.53	1628.20	816.16	89.58	24.59	881.15	747.05
Previous year	1382.63	203.00	5.85	1579.78	743.75	76.82	4.41	816.16	763.62

### 4. RIGHT OF USE ASSETS

Description	Gross Block at Cost			Depreciation/Amortisation			Net Block		
	As At 31.03.2021	Additions	Deletions	As At 31.3.2022	As At 31.3.2021	Additions	Deletions	As At 31.3.2022	As At 31.3.2021
Leased Assets	23.65	11.51	-	35.16	4.59	5.44	0.24	9.79	19.06
<b>Total</b>	23.65	11.51	-	<b>35.16</b>	4.59	5.44	0.24	<b>9.79</b>	<b>25.37</b>
Previous year	10.02	14.18	0.55	<b>23.65</b>	1.04	3.81	0.26	<b>4.59</b>	19.06

Rs. in Crores

**2. CAPITAL WORK IN PROGRESS**

- a) Buildings  
b) Plant and Machinery\*

31.03.2022	31.03.2021
12.43	6.80
72.82	35.76
<u>85.25</u>	<u>42.56</u>

\* Includes machinery in transit - Rs. Nil (previous year - Rs. 0.30 Crs)

**AGEING OF CWIP AS ON MARCH 31, 2022 :**

	Amount in Capital work in progress			
	Less than one year	1-2 years	2-3 years	More than 3 years
Project in Progress	80.59	3.14	0.79	0.73
				85.25

**AGEING OF CWIP AS ON MARCH 31, 2021 :**

	Amount in Capital work in progress			
	Less than one year	1-2 years	2-3 years	More than 3 years
Project in Progress	28.19	11.92	1.54	0.91
				42.56



Rs. in Crores

## NON CURRENT ASSETS

### 5 INVESTMENTS

#### Unquoted

Investment in Equity instruments

i) In Subsidiary Company at Cost

#### WIL Car Wheels Limited

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

3.70 3.70

3.70 3.70

ii) In Associate Company at Cost

#### Axles India Limited

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

2.72 2.72

2.72 2.72

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

#### Sundaram Hydraulics Limited

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

7.15

7.15

#### Add/(Less) : Change due to Fair Valuation\*

(1.42) 5.73

1.02 8.17

\* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company for the period ending 31st March, 2022.

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

#### MEFCO Engineers Private Limited

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

0.20

0.20

#### Siva Electric Generation Private Limited

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

0.16

0.16

#### Gamma Green Power Private Limited

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

1.20

1.20

#### Beta Wind Farm Private Limited

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

0.43

0.43

#### Siva Green Energy India Private Limited

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

0.10 2.09

0.10 2.09

14.24

16.68

Rs. in Crores

	As at 31.03.2022	As at 31.03.2021
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
a) Security Deposits (unsecured - considered good)	19.35	18.47
b) Advances to employees	0.62	0.57
	<u>19.97</u>	<u>19.04</u>
<b>7 OTHER NON CURRENT ASSETS</b>		
a) Advances for Capital goods	18.27	5.64
b) Prepaid expenses	0.35	0.61
	<u>18.62</u>	<u>6.25</u>
<b>CURRENT ASSETS</b>		
<b>8 INVENTORIES</b>		
a) Raw Materials	356.42	261.75
(Includes Goods in Transit- Rs. 28.52 crs) (previous year - 15.93 Crs)		
b) Work - in - Progress	178.41	107.48
c) Finished goods	136.61	63.95
d) Stores and Spares	57.11	52.25
e) Loose tools	41.03	26.66
	<u>769.58</u>	<u>512.09</u>
<b>9 TRADE RECEIVABLES</b>		
Unsecured - Considered good	868.23	706.00
	<u>868.23</u>	<u>706.00</u>

**Rs. in Crores**
**Trade receivable ageing schedule March 31, 2022**

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good*	679.90	183.62	3.29	1.42	-	-	868.23
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Disputed trade receivables</b>							
considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Total</b>	<b>679.90</b>	<b>183.62</b>	<b>3.29</b>	<b>1.42</b>	<b>-</b>	<b>-</b>	<b>868.23</b>

\* it includes unbilled amount of Rs. 35.84 Crores.

**Trade receivable ageing schedule March 31, 2021**

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good*	592.78	102.21	7.97	2.70	0.30	0.04	706.00
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Disputed trade receivables</b>							
considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Total</b>	<b>592.78</b>	<b>102.21</b>	<b>7.97</b>	<b>2.70</b>	<b>0.30</b>	<b>0.04</b>	<b>706.00</b>

\* it includes unbilled amount of Rs. 29.93 crores

		Rs. in Crores	
		As at 31.03.2022	As at 31.03.2021
<b>10 CASH AND CASH EQUIVALENTS</b>			
a i) Current Accounts		1.45	1.28
ii) Cash on hand		0.02	0.06
iii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014		0.88	0.77
		<u>2.35</u>	<u>2.11</u>
b Bank Balances with more than three months maturity			
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)		0.13	0.13
ii) Unclaimed Dividend Accounts		0.34	0.38
		<u>0.47</u>	<u>0.51</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>			
Advances to employees		2.41	2.19
Duty Drawback Receivable		1.60	1.06
Export Incentive License		2.76	0.56
Interest accrued on deposits and investments		0.03	0.01
		<u>6.80</u>	<u>3.82</u>
<b>12 OTHER CURRENT ASSETS</b>			
<b>Unsecured - Considered good</b>			
a) Advances other than Capital Advances			
Advances to Vendors		3.62	4.39
Other Advances		<u>3.31</u>	<u>1.84</u>
		6.93	6.23
b) Balance with GST/ Central Excise authorities		113.49	85.35
c) VAT receivable		-	0.90
d) Export incentives receivable		6.88	8.73
e) GST refund receivable on Exports		16.49	13.75
f) Prepaid expenses		27.46	11.10
		<u>171.25</u>	<u>126.06</u>

## EQUITY AND LIABILITIES

### 13 EQUITY SHARE CAPITAL

Rs. in Crores	
As at 31.03.2022	As at 31.03.2021
50.00	50.00
<u>24.06</u>	<u>24.06</u>

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

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:	31.03.2022		31.03.2021	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
<b>Equity Shares of Rs.10/- each</b>				
Outstanding at the beginning of the year	<b>2,40,64,558</b>	<b>24.06</b>	240,64,558	24.06
Change in Equity Share Capital during the year	-	-	-	-
Outstanding at the end of the year	<b>2,40,64,558</b>	<b>24.06</b>	240,64,558	24.06

d) **Rights, Preferences and restrictions**

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

	31.03.2022 (Number of shares)	31.03.2021 (Number of shares)
<b>Shareholding of shareholders holding more than 5% of shares as at</b>		
T V Sundram Iyengar & Sons Private Limited	-	49,11,028
Southern Roadways Private Limited	-	22,32,628
Sundaram Finance Holdings Limited	56,01,117	56,01,117
Trichur Sundaram Santhanam & Family Private Limited	71,43,656	-

#### f) Shareholding of Promoter and Promoter Group

	31.03.2022 (Number of shares)	31.03.2022 (Percentage of Total Shares)	31.03.2021 (Number of shares)	31.03.2021 (Percentage of Total Shares)
<b>Shareholding of Promoter and Promoter Group</b>				
T V Sundram Iyengar & Sons Private Limited	-	-	49,11,028	20.41%
Southern Roadways Private Limited	-	-	22,32,628	9.28%
Sundaram Finance Holdings Limited	<b>56,01,117</b>	<b>23.27%</b>	56,01,117	23.27%
Trichur Sundaram Santhanam & Family Private Limited*	<b>71,43,656</b>	<b>29.69%</b>	-	-
India Motor Parts & Accessories Limited	<b>10,98,655</b>	<b>4.57%</b>	10,98,655	4.57%
* Refer note 50 (b)				

\* Refer note 50 (b)

Rs. in Crores

	As at 31.03.2022	As at 31.03.2021
<b>14 OTHER EQUITY</b>		
a) Capital Reserves*	-	-
b) Securities Premium	70.10	70.10
c) General Reserves	413.28	413.28
d) Retained Earnings	171.59	94.21
e) Other Comprehensive Income Reserve	(3.92)	(2.33)
* Capital Reserve is Rs. 1713/-	<u>651.05</u>	<u>575.26</u>
Refer Note 37		
<b>NON CURRENT FINANCIAL LIABILITIES</b>		
<b>15 BORROWINGS</b>		
<b>A. SECURED BORROWINGS</b>		
a) Term Loans from Banks		
By first Charge by way of hypothecation of specific machinery	89.66	99.76
b) Term Loans from others		
By first Charge by way of hypothecation of specific machinery	24.66	49.21
<b>B. UNSECURED BORROWINGS</b>		
a) Fixed Deposits	123.35	154.97
Includes Rs. 0.79 crores received from Directors (previous year Rs. 0.19 crores ))	<u>237.67</u>	<u>303.94</u>
Terms of Repayment : Refer Note 28		
<b>16 Lease Liabilities</b>		
Lease Liabilities*	17.01	15.00
	<u>17.01</u>	<u>15.00</u>
(*Refer Note 46)		
<b>17 PROVISIONS</b>		
Provisions for employee benefits	5.64	5.82
	<u>5.64</u>	<u>5.82</u>
<b>18 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	55.29	55.89
Deferred Tax Assets	(4.90)	(5.15)
	<u>50.39</u>	<u>50.74</u>





## Notes on Accounts (Contd.)

Rs. in Crores

Movement in Deferred Tax Assets and Liabilities	31.03.2022	Charge in Statement of Profit or Loss	31.03.2021	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	53.42	0.02	53.39	2.40
ii) Export Incentives	1.73	(0.47)	2.20	0.45
iii) Remeasurement of Financial Liabilities	0.14	(0.16)	0.30	0.10
	<b>55.29</b>	<b>(0.61)</b>	<b>55.89</b>	<b>2.95</b>
Less:				
b) Deferred Tax Asset				
Expenses allowable on payment basis	4.90	(0.25)	5.15	1.36
c) Minimum Alternate Tax credit entitlement*		-		(0.84)
<b>Net Deferred Tax Liability / (Assets) (a-b-c)</b>	<b>50.39</b>	<b>(0.36)</b>	<b>50.74</b>	<b>2.43</b>

Rs. in Crores

## CURRENT FINANCIAL LIABILITIES

### 20 BORROWINGS

#### A. SECURED BORROWINGS

- a) Loans repayable on demand from Banks

Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-progress, finished goods, consumable stores and spares, goods-in-transit and book debts.

#### B. UNSECURED BORROWINGS

- a) Loans repayable on demand from Banks

- b) Fixed Deposits

(Includes Nil received from Directors)

#### C. Current maturities of long-term debt (Refer Note 28)

{Includes Rs. 0.19 crores received from Directors (previous year Rs. 0.79 crores)}

	As at 31.03.2022	As at 31.03.2021
<b>A. SECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	<b>295.74</b>	133.54
<b>B. UNSECURED BORROWINGS</b>		
a) Loans repayable on demand from Banks	<b>132.00</b>	70.00
b) Fixed Deposits	<b>8.75</b>	10.64
<b>C. Current maturities of long-term debt (Refer Note 28)</b>	<b>136.90</b>	91.06
	<b>573.39</b>	<b>305.24</b>

		Rs. in Crores	
		As at 31.03.2022	As at 31.03.2021
<b>21 TRADE PAYABLES</b>			
Dues to Micro Enterprises and Small Enterprises		74.03	46.34
Dues to Others		885.78	747.65
		<b>959.81</b>	<b>793.99</b>
(Refer Note 38 for details of dues to Micro Enterprises and Small Enterprises)			

Trade payables ageing schedule March 31, 2022

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>						
Micro and Small Enterprises	74.03					74.03
Other than Micro and Small Enterprises	773.65	112.13				885.78
<b>Disputed Trade Payables</b>						
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-	-
<b>Total</b>	<b>847.68</b>	<b>112.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>959.81</b>

Trade payables ageing schedule March 31, 2021

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>						
Micro and Small Enterprises	46.28	0.04	0.02	-	-	46.34
Other than Micro and Small Enterprises	640.15	106.85	0.44	0.15	0.06	747.65
<b>Disputed Trade Payables</b>						
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-	-
<b>Total</b>	<b>686.43</b>	<b>106.89</b>	<b>0.46</b>	<b>0.15</b>	<b>0.06</b>	<b>793.99</b>



## Notes on Accounts (Contd.)

	As at 31.03.2022	Rs. in Crores As at 31.03.2021
<b>22 LEASE LIABILITIES</b>		
Lease Liabilities*	9.68	5.58
(*Refer Note 46)	9.68	5.58
<b>23 CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
a) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs .1.88 crores (previous year Rs. 0.79 crores)	13.11	8.18
b) Interest accrued but not due on borrowings	13.25	9.13
c) Unclaimed Dividends	0.34	0.38
d) Trade Deposits	1.30	1.26
e) Recovery from Employees	2.00	1.52
f) Unclaimed matured deposits and interest accrued thereon	3.83	2.63
	33.83	23.10
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	14.88	8.07
Statutory dues	107.94	71.43
Employee Benefits Payable	5.33	3.98
Provision for expenses	3.35	4.66
	131.50	88.14
<b>25 SHORT TERM PROVISIONS</b>		
a) Provision for employee benefits	18.46	14.30
b) Provision for Warranty (Refer Note below)	6.21	5.72
c) Due to Directors	3.41	0.13
	28.08	20.15

### 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, 2021	Additions	Amounts used	As at 31st March, 2022
	Warranties	5.72	0.49	-	6.21

		Rs. in Crores	
		As at 31.03.2022	As at 31.03.2021
<b>26</b>	<b>CURRENT TAX LIABILITIES</b>		
	Provision for Taxation less Advance Tax and Tax deducted at Source	7.07	6.78
	Less: Minimum Alternate Tax credit entitlement set off	-	-
		<u>7.07</u>	<u>6.78</u>
<b>27</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	<b>i) Contingent Liabilities</b>		
	a) Bills discounted with Banks	2.21	38.08
	b) Disputed amounts in respect of GST and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. NIL (previous year Rs. 0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	5.71	6.75
	<b>ii) Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	39.64	22.50
<b>28</b>	<b>TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS</b>		
	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.		
		2021-22	2020-21
<b>29</b>	<b>OTHER INCOME</b>		
	a) Interest on deposits and advances	0.93	1.76
	b) Dividend Received	-	0.36
	c) Other non-operating income	2.97	2.07
	d) Net Gain on foreign currency transactions and translation	10.48	-
		<u>14.38</u>	<u>4.19</u>
<b>30</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Raw Material	2,364.73	1,222.96
	Components	460.54	324.19
		<u>2,825.27</u>	<u>1,547.15</u>



		Rs. in Crores	
		2021-22	2020-21
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
a) Opening inventory of Finished Goods		63.95	52.20
Less: Closing inventory of Finished Goods		136.61	63.95
Net change in stock of Finished Goods		(72.66)	(11.75)
b) Opening inventory of Work - in - Progress		107.48	98.83
Less: Closing inventory of Work - in - Progress		178.41	107.48
Net change in stock of Work - in - Progress		(70.93)	(8.65)
Net change in Finished Goods and Work in Progress		(143.59)	(20.40)
<b>32 EMPLOYEE BENEFIT EXPENSE</b>			
a) Salaries, Wages, Bonus and Commission		306.95	240.23
b) Contribution to Provident and Other Funds		16.20	13.39
c) Staff Welfare expenses		28.98	20.98
		352.13	274.60
<b>33 OTHER EXPENSES</b>			
Consumption of Stores, tools and spare parts		107.96	66.40
Power and fuel		139.62	92.00
Rent including Lease Rent		13.17	13.34
Repairs to			
Buildings		11.44	7.57
Machinery		16.24	9.40
Insurance		5.43	4.82
Rates and taxes, excluding taxes on income		1.51	1.63
Directors sitting fees		0.17	0.14
Auditors' remuneration			
Statutory Audit		0.43	0.39
Tax Audit		0.07	0.06
Certification fees		0.13	0.10
Reimbursement of expenses		0.02	0.08
Expenditure on Corporate Social Responsibility (Refer - Note 48)		1.06	1.62
Freight		52.05	32.23
Net Loss on foreign currency transactions and translation		-	0.49
Miscellaneous expenses		53.33	41.29
		402.63	271.56

Rs. in Crores

	2021-22		2020-21
<b>34 FINANCE COSTS</b>			
a) Interest expense	63.76		51.41
b) Other borrowing costs	(0.66)		1.27
	<u>63.10</u>		<u>52.68</u>
<b>35 INCOME TAX EXPENSES</b>			
<b>A. Components of Income Tax Expense</b>			
<b>i) Tax Expenses recognised in Statement of Profit and Loss:</b>			
(a) Current Tax			
- on Current year Tax Income	27.08		1.38
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences	(0.36)		1.59
	<u>26.72</u>		<u>2.97</u>
<b>ii) Tax Expenses recognised in Other Comprehensive Income:</b>			
(a) Current Tax on Remeasurement of Post Employment Benefit obligation	0.29		0.50
<b>B. Reconciliation of Effective tax Rate</b>			
Total Comprehensive Income before tax	105.21		11.70
Income Tax Expense	26.48	25.17%	2.94
			25.17%
Income not chargeable to tax	0.62		(0.09)
Income Tax Incentives	(0.38)		(0.16)
Expenses not admissible	0.42		0.25
Others	(0.13)		0.53
Tax Expenses recognised in Profit or Loss Statement*	<u>27.01</u>	<u>25.67%</u>	<u>3.47</u>
			29.70%
<b>36 EARNINGS PER SHARE</b>			
Net profit as per P&L account	79.79		6.75
Weighted Average Number of Shares	240,64,558		2,40,64,558
Nominal value per share - Rupees	10.00		10.00
Basic & Diluted earnings per share - Rupees	<u>33.16</u>		<u>2.80</u>



## Notes on Accounts (Contd.)

- 37** Dividend of Rs. 8.30 per equity share amounting to Rs. 19.97 Crores for the Financial year 2021-22 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	
		2021-22	2020-21
<b>38</b>	<b>Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"</b>		
	<b>Particulars</b>		
a.	The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	<b>74.03</b>	46.34
	- Principal amount due to micro and small enterprises	-	-
	- Interest due on above	-	-
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c.	The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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	
39	Expenditure incurred on Scientific Research and Development	2021-22	2020-21
a)	Revenue Expenditure	16.18	14.55
b)	Capital Expenditure	5.94	1.19

**40 EMPLOYEE BENEFITS**  
**Defined Contribution Plan**

**a) Provident Fund**

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 6.55 crores for the year ended 31st March 2022 (previous year Rs. 5.63 crores) to Provident fund Authorities.

**b) Superannuation :**

The Company has contributed Rs. 0.66 crores for the period 2021-22 (previous year Rs. 0.54 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. 3.73 crores for the year ended 31st March, 2022 (previous year Rs. 2.75 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, 2022 of Rs. 2.19 crores. (previous year - Rs. 1.87 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)	
	2021-22	2020-21	2021-22	2020-21
<b>Change in defined benefit obligation</b>				
Opening defined benefit obligation	26.55	27.45	9.62	9.20
Current service cost	3.60	3.90	-	-
Interest cost	1.74	1.71	0.57	0.54
Actuarial loss / (gain) due to change in demographic & financial Assumptions	(0.97)	(0.70)	(0.25)	(0.21)
Actuarial loss / (gain) arising from experience adjustments	0.73	(2.49)	2.98	2.12
Benefits paid	(2.80)	(3.32)	(2.36)	(2.03)
Closing defined benefit obligation	28.85	26.55	10.56	9.62
<b>Change in fair value of assets</b>				
Opening fair value of plan assets	26.08	22.41	3.65	3.43
Expected return on plan assets	1.72	1.56	0.24	0.23
Actuarial gain / (Loss) arising from return on plan assets	(0.09)	(0.09)	0.06	(0.01)
Contribution by employer	0.57	5.52	2.36	2.03
Benefits paid	(2.80)	(3.32)	(2.36)	(2.03)
Closing fair value of plan assets	25.48	26.08	3.95	3.65





Rs. in Crores

	Gratuity (funded)		Leave Salary (Partly funded)	
	2021-22	2020-21	2021-22	2020-21
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	28.85	26.55	10.56	9.62
Fair value of plan assets at year end	25.48	26.08	3.95	3.65
Net (liability) / asset recognised as on 31st March	(3.37)	(0.47)	(6.61)	(5.97)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	3.60	3.59	-	-
Interest on defined benefit obligation	1.74	1.71	0.57	0.54
Expected return on plan assets	(1.72)	(1.56)	(0.24)	(0.23)
Actuarial (gain)/ loss (on Leave Salary)	-	-	2.67	1.92
Expenses recognised in the Profit & Loss A/c	3.62	3.74	3.00	2.23
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to change in demographic & financial Assumptions	(0.97)	(0.70)		
Actuarial loss / (gain) arising from experience adjustments	0.73	(2.49)		
Actuarial gain / (Loss) arising from return on plan assets	0.09	0.09		
<b>Expenses recognised in Other Comprehensive Income</b>	(0.15)	(3.10)	NA	NA

	Gratuity (funded)		Leave Salary (Partly funded)		Provident Fund	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Principal actuarial assumptions used</b>						
Discount rate (p.a)	7.29%	6.91%	7.15%	6.76%	7.36%	6.95%
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.

## Notes on Accounts (Contd.)

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

### a) Gratuity

Rs. in Crores

Assumptions	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	27.66	25.41	30.13	27.78
Salary escalation	0.50%	30.16	27.79	27.62	25.38
Mortality	5.00%	28.86	26.56	28.84	26.54
Attrition	5.00%	28.88	26.57	28.82	26.53

### b) Leave Salary

Rs. in Crores

Assumptions	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	10.25	9.34	10.89	9.92
Salary escalation	0.50%	10.89	9.93	10.25	9.33
Mortality	5.00%	10.56	9.62	10.56	9.62
Attrition	5.00%	10.56	9.63	10.55	9.62

### c) Provident Fund

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	1.07	1.86	1.09	1.89
Shortfall	0.50%	1.09	1.92	1.06	1.86
Mortality	5.00%	1.08	1.87	1.08	1.88
Attrition	5.00%	1.08	1.87	1.08	1.88

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

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

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

	<b>Rs. In Crores</b>	
	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Financial Assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	<b>6.42</b>	6.42
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	<b>5.73</b>	8.17
ii. Investment measured at Fair value through profit or loss	<b>2.09</b>	2.09
iii. Derivative financial instruments	-	-
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	<b>868.23</b>	706.00
Cash and cash equivalents	<b>2.35</b>	2.11
Bank balances other than Cash and cash equivalents	<b>0.47</b>	0.51
Other financial assets	<b>26.77</b>	22.86
<b>Financial Liabilities:</b>		
<b>Financial liabilities measured at fair value:</b>		
Borrowings	-	-
Derivative financial instruments	-	-
<b>Financial liabilities measured at amortised cost:</b>		
Borrowings	<b>811.06</b>	609.18
Trade payables	<b>959.81</b>	793.99
Other financial liabilities	<b>60.52</b>	43.68

**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, 2022	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	-	-	7.82
Derivative financial instruments	-	-	-
Financial Liabilities :			
Derivative financial instruments		-	-
As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares	-	-	10.26
Derivative financial instruments	-	-	-
Financial Liabilities :			
Derivative financial instruments	-	-	-

- i) The Fair value of an Equity Instruments classified as at Fair value through profit or loss included under Level 3 Investments is determined using Cost approach.
- ii) The Fair value of an Equity Instrument classified as at Fair value through Other Comprehensive Income included under Level 3 Investments is determined using Discounted Cash flow technique in the previous year and the same has been valued by Registered valuer taking a combination of comparable companies multiple method and Discounted cash flow method during the year.
- iii) Valuation inputs are as follows :

Significant Unobservable Input	For the year ended 31.03.2022	For the year ended 31.03.2021
a) Risk adjusted discount rate	* As per Valuation report	9.58%
b) Earnings Growth rate		2.00%

- \* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company.
- 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**

	<b>Payable within one year</b>	<b>More than one year</b>	<b>Total</b>
<b>As at 31st March, 2022</b>			
<b>Non-Derivative Liabilities</b>			
Trade Payables	<b>959.81</b>	-	<b>959.81</b>
Borrowings	<b>573.39</b>	<b>237.67</b>	<b>811.06</b>
Other Financial Liabilities	<b>43.51</b>	<b>17.01</b>	<b>60.52</b>
<b>Derivative Liabilities</b>			
Forward exchange contracts	-	-	-
<b>As at 31st March, 2021</b>			
Non-Derivative Liabilities			
Trade Payables	793.99	-	793.99
Borrowings	305.24	303.94	609.18
Other Financial Liabilities	28.68	15.00	43.68
<b>Derivative Liabilities</b>			
Forward exchange contracts	-	-	-

### b) Management of market risk:

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

1. Currency risk
2. Interest rate risk
  - i) Foreign currency risk

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2022, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to **Rs. 241.88 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. 12.10 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, 2022 is "Nil" (31st March, 2021 - no 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. 181.40 Crores** Borrowings at Floating rate of Interest as at 31st March, 2022 (previous year Rs. 200.84 Crores).

### Sensitivity to risk

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 1.81 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, provision for credit loss is not required to be created as per Expected credit loss (ECL) method. 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, 2022 is the carrying value of each class of financial assets as on that date.

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

	Rs. In Crores	
	2021-22	2020-21
Borrowing Costs capitalised during the year	2.69	5.38
Capitalisation rate used for Borrowing Costs	6.05%	5.39%

**43. As per Ind AS 108 = “Operating Segments “, segment information has been provided under the Notes to Consolidated Financial Statements.**
**44. Disclosure on Accounting for revenue from customers in accordance with IndAS 115 Disaggregated revenue information**

	Rs. In Crores	
a) Type of goods and service	31 March 22	31 March 21
a) Sale of products	3320.13	2003.26
b) Sale of services	31.45	25.71
c) Other operating revenues	335.11	182.78
<b>Total operating revenue</b>	<b>3686.69</b>	<b>2211.75</b>
In India	2,686.04	1,645.76
Outside India	1,000.65	565.99
b) Timing of revenue recognition	At a point of time	At a point of time
Sale of products and other operating income	3686.69	2211.75
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	3686.69	2211.75
Revenue from contract with customers	3686.69	2211.75
Difference	-	-
e) Unsatisfied or partially satisfied performance obligation	Nil	Nil

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

**i) Subsidiary:**

WIL Car Wheels Limited

**ii) a) Associates:**

Axles India Ltd.

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

T.V.Sundram Iyengar & Sons Private Ltd.(up to 04th February 2022)

Trichur Sundaram Santhanam & Family Private Limited (With effect from 04th February 2022)

Sundaram Finance Holdings Limited

**iii) Other Related parties and the relationship where transaction exists:**

**a) Associate's Subsidiary**

Sundaram Industries Private Limited (up to 04th February 2022)

The Associated Auto Parts Private Limited (up to 04th February 2022)

Sundaram Clayton Limited (up to 04th February 2022)

SI Air Springs Private Limited (up to 04th February 2022)

TVS Motors Limited (up to 04th February 2022)

TVS Electronics Ltd (up to 04th February 2022)

TVS Training & Services Ltd (up to 04th February 2022)

Lucas TVS Limited (up to 04th February 2022)

**b) Subsidiary's Associate**

Topy Industries Limited, Japan

**iv) Key Managerial Personnel:**

Mr. S. Ram

Mr. Srivats Ram

**v) Post Employment Benefit plan entity**

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust





Nature of transactions	Rs. In Crores	
	2021-22	2019-20
<b>Subsidiary</b>		
Sale of goods	5.20	4.16
Purchase of goods	58.42	33.06
Rendering of Services	11.47	8.67
Receiving of Services	2.50	1.02
Sale of Assets	-	0.06
Balance Payable	12.04	6.09
Balance Receivable	2.28	1.94
<b>Associates</b>		
Dividend Received	-	0.36
Dividend paid	1.05	2.79
Purchase of goods	3.07	0.46
Receiving of Services	3.59	1.05
Rendering of Services	0.08	0.06
Sale of goods	3.40	21.43
Balance Payable	0.01	0.12
Balance Receivable	0.01	1.84
<b>Associate's subsidiary</b>		
Purchase of goods	21.99	11.88
Receiving of Services	1.34	1.89
Rendering of Services	-	-
Sale of goods	6.94	7.60
Balance Payable	5.03	4.56
Balance Receivable	0.59	1.18

Rs. in Crores

Key Managerial Personnel	2021-22		2020-21	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
a) Short term employee benefits				
Remuneration, Perquisites and Commission	1.14	4.30	0.13	1.14
Commission outstanding	1.14	2.27	0.13	-
b) Post Employment Benefits*		0.34		0.19
c) Others				
Interest on fixed deposits	-	0.08	-	0.08
Dividend paid during the year	-	0.01	-	0.01
Deposits balance outstanding	-	0.98	-	0.81

\* 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	2021-22		2020-21	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	0.47	3.37	5.21	0.47
Wheels India Limited Staff Provident Fund	3.73	0.34	2.75	0.25
Wheels India Senior Officers Superannuation Trust	0.67	0.67	0.54	0.54

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

Rs. in Crores

	2021-22	2020-21
<b>a) Movement in Lease Liability</b>		
Opening Balance	20.58	9.27
Additions during the year	13.07	13.51
Modications to lease	(1.66)	(0.29)
Finance Cost Accrued during the year	1.44	1.12
Payment of Lease Liabilities	(6.74)	(3.03)
Closing Balance	26.69	20.58
 Current Liability (Note 22)	 9.68	 5.58
Non Current liability (Note 16)	17.01	15.00
 <b>b) Maturity Analysis of Lease Liabilities</b>		
Not later than 1 year	8.06	6.18
Later than 1 year and not later than 5 years	21.96	17.49
Total Undiscounted Lease Liability as at 31st March, 2022	30.02	23.67
 <b>c) Amount recognised in the statement of Profit or Loss</b>		
Interest on Lease Liabilities	1.44	1.12
Expenses relating to short term leases	0.85	0.69
 <b>d) Amount recognised in the statement of cash flow</b>		
Total Cash outflow for leases	6.74	3.72

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

		Rs. In Crores	
		2021-22	2020-21
<b>Computer software &amp; Technical know how</b>	Refer to Note 3		
Gross carrying amount at the beginning of the year		<b>26.28</b>	25.23
Acquired during the year		<b>1.54</b>	1.06
Deletion during the year		<b>0.13</b>	0.01
Gross carrying amount at the end of the year		<b>27.69</b>	26.28
Gross amortisation at the beginning of the year		<b>23.01</b>	20.66
Amortised during the year		<b>2.05</b>	2.36
Deletion during the year		<b>0.10</b>	0.01
Gross amortisation at the end of the year		<b>24.96</b>	23.01
Net carrying amount at the beginning of the year		<b>3.27</b>	4.57
Net carrying amount at the end of the year		<b>2.73</b>	3.27

**48 Disclosures in relation to Corporate Social Responsibility**

a) Gross amount required to be spent by the company during the year	<b>1.06</b>	1.59
b) Amount approved by the board to be spent during the year	<b>1.06</b>	1.59
c) <b>Contribution towards :</b>		
Promoting Education	<b>0.66</b>	0.40
Rural Development Projects	<b>0.14</b>	0.09
Health care	<b>0.02</b>	0.03
National Heritage, Arts and Culture	<b>0.10</b>	0.05
PM Cares, State Disaster Management Authority & Disaster Management for Covid	<b>0.49</b>	1.05
<b>Total</b>	<b>1.41</b>	1.62
d) Amount spent during the year on		
i) Construction / acquisition of any other asset	-	-
ii) on purposes other than (i) above	<b>1.41</b>	1.62
e) <b>Details of excess CSR expenditure under Section 135 (5) of the Act</b>		
Balance excess spent as at April 1, 2021 :	-	-
Amount spent during the year	<b>1.41</b>	1.62
Amount required to be spent during the year	<b>1.06</b>	1.59
Balance excess spent as at March 31, 2022	<b>0.35</b>	0.03

**49 Ratios**

Ratio	Numerator	Denominator	31.03.2022	31.03.2021	% of Variance *
Current Ratio (times)	Current assets	Current liabilities	1.55	1.44	8%
Debt-equity ratio (times)	Debt	Equity	1.20	1.02	18%
Debt service coverage ratio	Earning for debt service	Debt service	1.46	0.78	87%
Return on equity ratio	Net profit after tax	Shareholder's funds	0.13	0.01	1010%
Inventory turnover ratio (times)	Consumption	Inventory	4.86	4.04	20%
Trade receivable turnover ratio (times)	Sales	Average Trade receivables	5.40	4.31	25%
Trade payables turnover ratio (times)	Purchases	Average Trade payables	4.71	3.62	30%
Net capital turnover ratio (times)	Total Income	Average Working capital	6.97	5.44	28%
Net profit ratio	Net profit after tax	Total income	2.16%	0.30%	608%
Return on capital employed	Earnings before interest and tax	Average Capital employed	11.06%	4.97%	123%
Return on investment	Dividend	Average Investments	-	2.16%	-100%

**\* Reason for Variance :**

The major reason for variance is due to increase in sales and net profit during the year. The Company has recovered from Covid 19 pandemic as compared to previous year.

**50 Other notes :**

- The Board of Directors of the Company, at their meeting held on December 07, 2021, approved the scheme of amalgamation of Sundaram Hydraulics Limited with the Company and their respective shareholders. Based on receipt of 'No Objection Letter' dated February 10, 2022 from NSE / SEBI, the Company has filed an application with the Hon'ble NCLT, Chennai on March 16, 2022 and is awaiting necessary directions in this regard.
- Consequent to the approval of the composite scheme of amalgamation / arrangement, the holding of 71,43,656 equity shares have been transferred to / vested in M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL), effective February 04, 2022.
- During the year, the Company has borrowings from banks on the basis of security of current assets. Returns/ Statements filed with the banks on a periodical basis are in agreement with the books of accounts.

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

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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

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

**Statement of Cash Flows in accordance with Ind AS 7**  
**Annexed to the Balance Sheet for the year ended 31<sup>st</sup> March, 2022**



Rs. in Crores

	2021-22	2020-21
<b>A Cash Flow from Operating Activities</b>		
Total Comprehensive Income after tax	78.20	8.23
Add:		
Depreciation	95.02	80.63
Obsolescence	0.06	0.81
Lease Liabilities	0.85	0.69
Effect of Exchange Rate Change	(3.24)	2.89
Loss on Sale of Fixed Assets	0.59	0.02
Taxes on Income	27.01	3.47
Interest Expenses	63.10	52.68
	<b>183.39</b>	141.19
	<b>261.59</b>	149.42
Less:		
Interest Income	0.94	1.76
Gain/(Loss) on Fair Valuation of Investments	(2.44)	(0.02)
Dividend Income	0.00	0.36
	<b>(1.50)</b>	2.10
Cash flow from Operation before Working Capital Changes	<b>263.09</b>	147.32
<b>Cash flow from Working Capital :</b>		
Trade Receivables	(157.14)	(252.43)
Inventories	(257.49)	(123.97)
Advances & Other Current Assets	(58.32)	(47.28)
Trade Payables	163.91	354.90
Other Payables & Provisions	56.67	48.91
	<b>(252.38)</b>	(19.87)
Taxes paid	(27.12)	10.10
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(16.41)</b>	137.55
<b>B. Investing Activities</b>		
Purchase of Fixed Assets	(129.63)	(111.86)
Sale of Fixed Assets	13.29	0.62
Dividend Received	-	0.36
Interest Received	0.77	1.15
<b>Net cash used in Investing Activities (B)</b>	<b>(115.57)</b>	(109.73)

## Statement of Cash Flows (Contd.)

Rs. in Crores

	2021-22	2020-21
<b>C. Financing Activities</b>		
Proceeds from Long Term Borrowings	71.97	166.30
Repayment of Long Term Borrowings	(92.40)	(123.41)
Increase in Working Capital Borrowings	213.21	(6.76)
Repayment of Lease Liabilities	(7.59)	(2.59)
Dividend paid	(2.45)	(6.41)
Interest paid	(60.82)	(54.19)
<b>Net cash used in Financing Activities (C)</b>	<b>121.92</b>	<b>(27.06)</b>
Net Increase in Cash & Cash Equivalents	(10.06)	0.76
Closing Cash & Cash Equivalents	(2.48)	7.58
Opening Cash & Cash Equivalents	7.58	6.82
Net Increase in Cash and Cash Equivalents	(10.06)	0.76
Closing Cash & Cash Equivalents as per Balance sheet	2.35	2.11
(Add) /Less: Cash Credit as at the end of the year	4.83	(5.47)
Cash & Cash Equivalents for the purpose of IndAS 7	(2.48)	7.58

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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  
2021-2022**







# INDEPENDENT AUDITOR'S REPORT

## To the Members of Wheels India Limited

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

#### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Wheels India Limited ("the Holding Company") and its subsidiary (together referred as "Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind AS financial statements including 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 and based on the consideration of reports of other auditors on the financial statements of the Subsidiary and Associate, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate as at March 31, 2022, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### 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 and its

Associate 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 consolidated Ind AS 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 on the Consolidated Ind AS Financial Statements.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, 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.

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

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## **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 the management in Consolidated Financial Statements.
- 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 associate 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, performance and opinion in respect 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.

### Other Matters

a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.257.27 Crores as at March 31, 2022, total revenue from operations of Rs.340.25 Crores and net cash inflows amounting to Rs.1.10 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 profit of Rs. 3.80 crores for the year ended March 31, 2022, 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 these subsidiary and associate and our report in terms of subsection (3) of Section 143 of the Act, in so far 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 legal requirements, 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.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the financial statements of

subsidiary and associate, as noted in the 'Other Matters' paragraph, 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 (including other comprehensive income), the Consolidated Statement of Changes in Equity 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 March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies and associate company incorporated in India, none of the directors of the Holding Company, its subsidiary included in the group and its associate companies incorporated in India are

disqualified as on March 31, 2022 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 its associate, incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure A” which is based on the auditors’ report of the Holding Company, subsidiary company, associate companies incorporated in India.

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 their directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to 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 Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position of Group in its 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 generally no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The respective Managements of the company and its subsidiary which are incorporated in India, whose financial statements have been audited under the Companies Act, has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the company and its subsidiary which are incorporated in India, whose financial statements have been audited under the Companies Act, has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the

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Company or subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central

Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and reports of subsidiary company and associate company issued by the respective auditors and included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**L. Ravi Sankar**  
Partner

Place: Chennai  
Date : May 20, 2022

Membership No. 025929  
UDIN: 22025929AJKDLH3640



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

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

#### **Report on the Internal Financial Controls over Financial Reporting with reference to aforesaid Consolidated Ind AS Financial Statements 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 Group as of and for the year ended March 31, 2022, 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 and its associate 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 company, its associate company 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 respective Companies 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 internal financial controls over financial reporting of the 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. 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.



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We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and associate company, which are companies incorporated in India 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 internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India.

### **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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and associate companies, 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, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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 report 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 subsidiary company and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

**L. Ravi Sankar**

Partner

Place: Chennai

Date : May 20, 2022

Membership No. 025929

UDIN: 22025929AJKDLH3640

# Consolidated Balance Sheet as at

Rs. in Crores

PARTICULARS	Note	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	1	874.75	860.92
b) Capital work-in-progress	2	125.51	113.86
c) Other Intangible Assets	3	2.82	3.39
d) Right of Use Assets	4	25.54	19.14
e) Financial Assets			
i) Investments	5	24.50	23.14
ii) Others	6	21.18	20.15
f) Other Non Current Assets	7	19.00	6.61
		<b>1,093.30</b>	<b>1,047.21</b>
<b>2. Current assets</b>			
a) Inventories	8	799.88	547.87
b) Financial Assets			
i) Trade receivables	9	891.34	740.98
ii) Cash and cash equivalents	10a	3.57	2.22
iii) Bank Balances other than (ii) above	10b	0.66	1.25
iv) Others	11	7.15	4.06
c) Other current assets	12	178.06	132.71
<b>TOTAL</b>		<b>2,973.96</b>	<b>2,476.30</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	24.06	24.06
b) Other Equity	14	709.63	636.63
<b>Equity attributable to the owners of the Company</b>		<b>733.69</b>	<b>660.69</b>
Non Controlling Interest	15	17.00	19.31
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	16	252.02	334.51
ia) Lease Liabilities	17	17.18	15.09
b) Non Current Provisions	18	7.63	7.74
c) Deferred tax liabilities (Net)	19	42.39	45.87
		<b>319.22</b>	<b>403.21</b>
<b>2. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	596.98	342.49
ia) Lease Liabilities	22	9.68	5.58
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	21	74.60	46.89
B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,009.86	850.00
iii) Others	23	35.96	24.73
b) Other current liabilities	24	142.14	95.43
c) Short-term provisions	25	28.23	21.40
d) Current Tax Liabilities (Net)	26	6.60	6.57
<b>TOTAL</b>		<b>1,904.05</b>	<b>1,393.09</b>
<b>TOTAL</b>		<b>2,973.96</b>	<b>2,476.30</b>
Significant Accounting Policies	B		

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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

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

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



Rs. in Crores

	Note	2022	2021
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		3,591.62	2,201.11
Sale of Services		23.36	17.79
Other operating revenues		351.51	194.47
Revenue from Operations		<u>3,966.49</u>	<u>2,413.37</u>
Other income	29	12.41	2.36
<b>TOTAL REVENUE</b>		<u>3,978.90</u>	<u>2,415.73</u>
<b>EXPENSES</b>			
Cost of materials consumed	30	3,044.73	1,697.43
Changes in inventories of finished goods, Work-in-progress	31	(142.85)	(20.81)
Employee benefit expense	32	379.05	299.51
Finance Costs	34	71.49	58.87
Depreciation and amortisation expenses	1,3 & 4	100.96	85.60
Other Expenses	33	430.94	294.24
<b>TOTAL EXPENSES</b>		<u>3,884.32</u>	<u>2,414.84</u>
Profit before exceptional items and tax		94.58	0.89
Exceptional items		-	-
Add: Share of Profit in Associate (Net of Tax)		3.22	(0.09)
<b>Profit before tax</b>		97.80	0.80
Tax expense:	35		
Current tax		27.08	1.38
Deferred tax		(3.46)	(0.70)
<b>Profit for the year</b>		<u>74.18</u>	<u>0.12</u>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		(2.45)	(0.02)
- Remeasurements of post employment defined benefit plan		1.06	2.15
- Income tax relating to the remeasurements		(0.27)	(0.54)
- Share of OCI in Associate (net of tax)		0.58	(0.04)
<b>Total Comprehensive Income for the year</b>		<u>73.10</u>	<u>1.67</u>
<b>Profit for the year attributable to</b>			
- Owners of the Company		76.47	1.82
- Non Controlling Interest		(2.29)	(1.70)
<b>Other Comprehensive Income for the year attributable to</b>			
- Owners of the Company		(1.06)	1.52
- Non Controlling Interest		(0.02)	0.03
<b>Total Comprehensive Income attributable to</b>			
- Owners of the Company		75.41	3.34
- Non Controlling Interest (NCI)		(2.31)	(1.67)
Earnings per equity share:	36		
1. Basic		31.78	0.76
2. Diluted		31.78	0.76
Significant Accounting Policies	B		

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	24.06	24.06
Changes in Equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>24.06</b>	<b>24.06</b>

## B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Non Controlling Interest	Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI		
<b>A. Balance as at 31<sup>st</sup> March, 2020</b>	-	131.52	411.28	101.83	2.04	(7.00)	20.98	660.65
Profit for the year	-	-	-	1.82	-	-	(1.70)	0.12
Remeasurement of defined benefit plans	-	-	-	-	-	1.54	0.03	1.57
Changes in Fair Valuation of Equity Instruments	-	-	-	-	(0.02)	-	-	(0.02)
<b>B. Total Comprehensive Income for the year 2020-21</b>	-	-	-	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)	-	-	-	-
<b>C. Total</b>	-	-	2.00	(8.38)	-	-	-	(6.38)
<b>D. Balance as at 31<sup>st</sup> March, 2021 (A+B+C)</b>	-	131.52	413.28	95.27	2.02	(5.46)	19.31	655.94
Profit for the year	-	-	-	76.47	-	-	(2.29)	74.18
Changes in Fair valuation of Equity Instrument	-	-	-	-	(2.45)	-	-	(2.45)
Remeasurement of defined benefit plans	-	-	-	-	-	1.39	(0.02)	1.37
<b>E. Total Comprehensive Income for the year 2021-22</b>	-	-	-	76.47	(2.45)	1.39	(2.31)	73.10
Final Dividend 2020-21	-	-	-	(2.41)	-	-	-	(2.41)
Transfer to General Reserve	-	-	-	-	-	-	-	-
<b>F. Total</b>	-	-	-	(2.41)	-	-	-	(2.41)
<b>G. Balance as at 31<sup>st</sup> March, 2022 (D+E+F)</b>	-	131.52	413.28	169.33	(0.43)	(4.07)	17.00	726.63

\* Capital Reserve is Rs. 1713/-

**S RAM**

Chairman  
DIN: 00018309

**R RAGHUNATHAN**

Chief Financial Officer

Place : Chennai

Date : May 20, 2022

**SRIVATS RAM**

Managing Director  
DIN: 00063415

**K V LAKSHMI**

Company Secretary

**S PRASAD**

Director  
DIN: 00063667

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, 2022

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.

### a) Basis of Preparation

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

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

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

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

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

### c) Property, Plant and Equipment

- a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.
- b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.
- c) Leasehold Land: Premium paid on Leasehold Land is amortised over the lease period.
- d) The expenditure during construction period relating to the new project till the commencement of commercial production is capitalised and allocated to the relevant equipments.
- e) In accordance with IndAS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.
- f) Grants received for Investment in Property Plant & Equipment are recognized in Statement of Profit or Loss on a systematic basis over the useful life of the asset.
- g) The cost of software relating to ERP is amortised over the estimated useful life viz., 5 years. The cost of other intangible assets are amortised over the estimated useful life viz., 3 years.
- h) Upon first time adoption of IndAS, the carrying value of all the assets as at Transition date i.e. 01st April 2016 has been considered as its Deemed cost.

**d) Inventories**

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

**e) Financial instruments****i) Financial assets:**

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

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

**Trade receivables and Loans:**

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

**Investments:**

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

**ii) Financial liabilities:**

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

**f) Provisions and Contingent liabilities:**

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

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

**g) Revenue recognition:**

Revenue from the sale of goods is recognised when the control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate method. Dividend income is recognised when right to receive the payment is established. Export incentives are recognised as revenue as and when exports are made.

**h) Employee Benefits**

Provident Fund:

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Group make monthly contributions to the regional provident fund authorities/ Wheels India Employees Provident Fund Trust. The Group has an obligation to make good the shortfall, if any between the return from the investments made from the trust and the notified interest rate accrued to the employees account.

**Gratuity:**

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

Unencashed Leave Salary:

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

**Others:**

Contributions to defined contribution schemes such as Employees State Insurance, Superannuation are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Group has no obligation beyond what has been recognised as expense in the Statement of profit and loss.

**i) Research & Development expenses:**

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

**j) Operating Leases:**

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



**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

Description	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As At 31.03.2021	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.03.2022	As At 31.03.2021	As At 31.03.2022	As At 31.03.2021
<b>1. TANGIBLE ASSETS</b>							
Land (Free hold)	14.45	-	-	14.45	-	-	14.45
Land (Lease hold)	27.50	-	1.81	25.69	1.21	0.27	26.29
Buildings	175.64	39.21	12.57	202.28	56.34	6.42	119.30
Plant and Equipment	1428.28	76.88	22.04	1483.12	736.45	83.69	691.83
Furniture and Fixtures	7.06	2.60	0.48	9.18	5.13	0.49	1.93
Vehicles	0.14	0.01	0.04	0.11	0.10	-	0.04
Office Equipment	24.37	3.15	2.31	25.21	17.29	2.42	7.08
	1677.44	121.85	39.25	1760.04	816.52	93.29	860.92
<b>3. INTANGIBLE ASSETS</b>							
Computer Software	21.53	1.44	0.13	22.84	18.95	1.33	2.58
Technical Know-how	5.65	0.16	-	5.81	4.84	0.81	0.81
	27.18	1.60	0.13	28.65	23.79	2.14	3.39
Total	1704.62	123.45	39.38	1788.69	840.31	95.43	
Previous year	1506.87	203.65	5.90	1704.62	763.04	81.68	864.31

## 4. RIGHT OF USE ASSETS

Description	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As At 31.03.2021	Additions	Deletions	As At 31.03.2022	As At 31.03.2021	As At 31.03.2022	As At 31.03.2021
Leased Assets	24.20	11.69		35.89	5.06	5.53	19.14
Total	24.20	11.69	-	35.89	5.06	5.53	
Previous year	10.32	14.18	0.30	24.20	1.16	3.92	19.14



## Rs. in Crores

**2. CAPITAL WORK IN PROGRESS**

31.03.2022
13.81
111.70
<u>125.51</u>

31.03.2021
28.10
85.76
<u>113.86</u>

a) Buildings

b) Plant and Machinery\*

\* Includes Machinery in Transit of Rs. .Nil (Previous year - Rs. 0.30 Crs)

**AGEING OF CWIP AS ON MARCH 31, 2022 :**

	Amount in Capital work in progress			
	Less than one year	1-2 years	2-3 years	More than 3 years
Project in Progress	83.66	9.99	28.11	3.75
				125.51

**AGEING OF CWIP AS ON MARCH 31, 2021 :**

	Amount in Capital work in progress			
	Less than one year	1-2 years	2-3 years	More than 3 years
Project in Progress	37.13	41.07	33.76	1.90
				113.86

Rs. in Crores

## NON CURRENT ASSETS

## 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

13.96

16.68

10.16

12.88

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 / (Less) : Change due to Fair Valuation

(1.42)

5.73

1.02

8.17

\* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company for the period ending 31st March, 2022.

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**

1.20

1.20

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

**Beta Wind Farm Private Limited**

0.43

0.43

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

**Siva Green Energy India Private Limited**

0.10

2.09

0.10

2.09

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

24.50

23.14



Rs. in Crores

	As at 31.03.2022	As at 31.03.2021
<b>6 NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
a) Security Deposits (unsecured - considered good)	<b>20.56</b>	19.58
b) Advances to employees	<b>0.62</b>	0.57
	<b>21.18</b>	20.15
<b>7 OTHER NON CURRENT ASSETS</b>		
a) Advances for Capital goods	<b>18.60</b>	5.93
b) Prepaid expenses	<b>0.40</b>	0.68
	<b>19.00</b>	6.61
<b>CURRENT ASSETS</b>		
<b>8 INVENTORIES</b>		
a) Raw Materials	<b>374.86</b>	284.49
(Includes Goods in Transit- Rs. 28.52 crs) (previous year - 15.93 Crs)		
b) Work-in-Progress	<b>180.72</b>	109.96
c) Finished goods	<b>140.07</b>	67.94
d) Stores and Spares	<b>60.28</b>	55.36
e) Loose tools	<b>43.95</b>	30.12
	<b>799.88</b>	547.87
<b>9 TRADE RECEIVABLES</b>		
Unsecured - Considered good	<b>891.34</b>	740.98
	<b>891.34</b>	740.98

Rs. in Crores

## Trade receivable ageing schedule March 31, 2022

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good*	705.85	179.93	4.10	1.46	-	-	891.34
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Disputed trade receivables</b>							
considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
<b>Total</b>	<b>705.85</b>	<b>179.93</b>	<b>4.10</b>	<b>1.46</b>	<b>-</b>	<b>-</b>	<b>891.34</b>

\* it includes unbilled amount of Rs. 37.04 Crores.

## Trade receivable ageing schedule March 31, 2021

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good*	618.08	111.65	8.21	2.70	0.30	0.04	740.98
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>618.08</b>	<b>111.65</b>	<b>8.21</b>	<b>2.70</b>	<b>0.30</b>	<b>0.04</b>	<b>740.98</b>

\* it includes unbilled amount of Rs. 39.36 crores



Rs. in Crores

	As at 31.03.2022	As at 31.03.2021
<b>10 CASH AND CASH EQUIVALENTS</b>		
a i) Current Accounts	2.66	1.38
ii) Cash on hand	0.03	0.07
iii) Fixed Deposits	0.88	0.77
	<u>3.57</u>	<u>2.22</u>
b Bank Balances with more than three months maturity		
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	0.13	0.13
ii) Unclaimed Dividend Accounts	0.34	0.38
iii) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed	0.19	0.74
	<u>0.66</u>	<u>1.25</u>
<b>11 CURRENT FINANCIAL ASSETS - OTHERS</b>		
Advances to employees	2.74	2.41
Duty Drawback Receivable	1.60	1.06
Export Incentive License	2.76	0.56
Interest accrued on deposits and investments	0.05	0.03
	<u>7.15</u>	<u>4.06</u>
<b>12 OTHER CURRENT ASSETS</b>		
<b>Unsecured - Considered good</b>		
a) Advances other than Capital Advances		
Advances to Vendors	3.64	4.41
Other Advances	<u>3.31</u>	<u>1.84</u>
	6.95	6.25
b) Balance with GST/ Central Excise authorities	118.65	90.60
c) VAT receivable	-	0.90
d) Export incentives receivable	7.12	8.95
e) GST refund receivable on Exports	16.49	13.75
f) Prepaid expenses	28.85	12.26
	<u>178.06</u>	<u>132.71</u>

Rs. in Crores

## EQUITY AND LIABILITIES

### 13 EQUITY SHARE CAPITAL

	As at 31.03.2022	As at 31.03.2021
a) <b>Authorised</b>	50.00	50.00
5,00,00,000 Equity Shares of Rs.10/- each		
b) <b>Issued, Subscribed and Fully Paid-up</b>		
2,40,64,558 Equity Shares of Rs.10/- each	24.06	24.06
c) <b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>		

#### Equity Shares of Rs.10/- each

Outstanding at the beginning of the year	2,40,64,558	24.06	2,40,64,558	24.06
Change in Equity Share capital During the year	-	-	-	-
Outstanding at the end of the year	2,40,64,558	24.06	2,40,64,558	24.06

#### d) **Rights, Preferences and restrictions**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by e-voting (remote e-voting/ e-voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.

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

	31.03.2022 (Number of shares)	31.03.2021 (Number of shares)
T V Sundram Iyengar & Sons Private Limited	-	49,11,028
Southern Roadways Private Limited	-	22,32,628
Sundaram Finance Holdings Limited	56,01,117	56,01,117
Trichur Sundaram Santhanam & Family Private Limited	71,43,656	-

#### f) **Shareholding of Promoter and Promoter Group**

	31.03.2022		31.03.2021	
	No. of shares	% of total shares	No. of shares	% of total shares
T V Sundram Iyengar & Sons Private Limited	-	-	49,11,028	20.41%
Southern Roadways Private Limited	-	-	22,32,628	9.28%
Sundaram Finance Holdings Limited	56,01,117	23.27%	56,01,117	23.27%
Trichur Sundaram Santhanam & Family Private Limited *	71,43,656	29.69%	-	-
India Motor Parts & Accessories Limited	10,98,655	4.57%	10,98,655	4.57%
Refer Note 50 (b)				





Rs. in Crores

**14 OTHER EQUITY**

	As at 31.03.2022	As at 31.03.2021
a) Capital Reserves*	-	-
b) Securities Premium	131.52	131.52
c) General Reserves	413.28	413.28
d) Retained Earnings	169.33	95.27
e) Other Comprehensive Income Reserve	(4.50)	(3.44)
* Capital Reserve is Rs. 1713/- Refer Note 37	<u>709.63</u>	<u>636.63</u>

**15 NON CONTROLLING INTEREST**

Name of the Subsidiary	Place of Incorporation	Ownership Interest held by Non Controlling Interest (%)	
		31.03.2022	31.03.2021
WIL Car Wheels Limited (WCWL)	India	26%	26%

Rs. in Crores

**NON CURRENT FINANCIAL LIABILITIES****16 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.

104.01 130.33

## b. Term Loans from others

By first Charge by way of hypothecation of specific machinery

24.66 49.21

**B. UNSECURED BORROWINGS**

## a. Fixed Deposits

123.35 154.97

{Includes Rs. 0.79 Crores received from Directors (previous year Rs. 0.19 Crores)}

252.02 334.51

Terms of Repayment : Refer Note 28

		Rs. in Crores	
		As at 31.03.2022	As at 31.03.2021
<b>17 Lease Liabilities</b>			
Lease Liabilities*		17.18	15.09
(*Refer Note 46)		17.18	15.09
<b>18 PROVISIONS</b>			
Provisions for employee benefits		7.63	7.74
		7.63	7.74
<b>19 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities		63.26	61.83
Deferred Tax Assets		(20.39)	(15.48)
Minimum Alternate Tax credit entitlement		(0.48)	(0.48)
		42.39	45.87

		Rs. In Crores			
Movement in Deferred Tax Assets and Liabilities		31.03.2022	Charge in Statement of Profit or Loss	31.03.2021	Charge in Statement of Profit or Loss
a)	Deferred Tax Liability				
	i) Depreciation	61.39	2.08	59.33	3.85
	ii) Export Incentives	1.73	(0.47)	2.20	0.45
	iii) Remeasurement of Financial Liabilities	0.14	(0.16)	0.30	0.10
		<u>63.26</u>	<u>1.45</u>	<u>61.83</u>	<u>4.40</u>
	Less:				
b)	Deferred Tax Assets				
	i) Expenses allowable for tax purpose on payment basis	4.90	(0.25)	5.15	1.12
	ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financil years	15.18	5.14	10.04	3.65
	iii) Expenses not admissable	0.31	0.02	0.29	0.28
c)	Minimum Alternate Tax credit entitlement	0.48	-	0.48	(0.84)
	<b>Net Deferred Tax Liability/ (Assets) (a-b-c)</b>	<u><b>42.39</b></u>	<u><b>(3.46)</b></u>	<u><b>45.87</b></u>	<u><b>0.19</b></u>



Rs. in Crores

**CURRENT FINANCIAL LIABILITIES****20 BORROWINGS****A. SECURED BORROWINGS**

- a. Loans repayable on demand from Banks

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.

**297.63**

150.48

**B. UNSECURED BORROWINGS**

- a. Loans repayable on demand from Banks

**137.45**

74.06

- b. Fixed Deposits

**8.75**

10.64

(Includes NIL received from Directors)

**C. Current maturities of long-term debt****153.15**

107.31

(Refer Note 28)

(Includes Rs. 0.19 crores received from Directors

(previous year Rs. 0.79 crores))

**596.98****342.49****21 TRADE PAYABLES**

Dues to Micro Enterprises and Small Enterprises

**74.60**

46.89

Dues to others

**1,009.86**

850.00

**1,084.46****896.89**

(Refer Note 38 for details of dues to Micro Enterprises and Small Enterprises)

**Trade payables ageing schedule March 31, 2022**

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>						
Micro and Small Enterprises	74.25	0.35				74.60
Other than Micro and Small Enterprises	794.06	215.77	0.01	0.02		1,009.86
<b>Disputed Trade Payables</b>						
Micro and Small Enterprises		-	-	-	-	-
Other than Micro and Small Enterprises		-	-	-	-	-
<b>Total</b>	<b>868.31</b>	<b>216.12</b>	<b>0.01</b>	<b>0.02</b>	<b>-</b>	<b>1,084.46</b>

## Trade payables ageing schedule March 31, 2021

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>						
Micro and Small Enterprises	46.23	0.64	0.02	-	-	46.89
Other than Micro and Small Enterprises	644.93	204.36	0.48	0.17	0.06	850.00
<b>Disputed Trade Payables</b>						
Micro and Small Enterprises	-	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-	-
<b>Total</b>	<b>691.16</b>	<b>205.00</b>	<b>0.50</b>	<b>0.17</b>	<b>0.06</b>	<b>896.89</b>

	Rs. in Crores	
	As at 31.03.2022	As at 31.03.2021
<b>22 Lease Liabilities</b>		
Lease Liabilities*	9.68	5.58
(*Refer Note 46)	9.68	5.58
<b>23 CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
a) Creditors for capital goods {includes due to Micro enterprises and Small enterprises Rs .1.88 crores (previous year Rs. 0.79 crores)}	13.53	8.80
b) Interest accrued but not due on borrowings	13.58	9.29
c) Unclaimed Dividends	0.34	0.38
d) Trade Deposits	1.47	1.39
e) Recovery from Employees	3.21	2.24
f) Unclaimed matured deposits and interest accrued thereon	3.83	2.63
	35.96	24.73
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	14.88	8.07
Statutory dues	113.28	76.31
Employee Benefits Payable	5.33	3.98
Provision for expenses	8.65	7.07
	142.14	95.43



Rs. in Crores

**25 SHORT TERM PROVISIONS**

	As at 31.03.2022	As at 31.03.2021
a) Provision for employee benefits	18.61	15.55
b) Provision for Warranty (Refer Note below)	6.21	5.72
c) Due to Directors	3.41	0.13
	<u>28.23</u>	<u>21.40</u>

**i) Provision for Warranty claims:**

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

ii)	Movement in Provisions	As at 1 <sup>st</sup> April, 2021	Additions	Amounts used	As at 31 <sup>st</sup> March, 2022
	Warranties	5.72	0.49	-	6.21

**26 CURRENT TAX LIABILITIES**

Provision for Taxation less Advance Tax and Tax deducted at Source	6.60	6.57
Less: Minimum Alternate Tax credit entitlement set off	-	-
	<u>6.60</u>	<u>6.57</u>

**27 CONTINGENT LIABILITIES AND COMMITMENTS**

**i) Contingent Liabilities**

a) Bills discounted with Banks	2.91	38.08
b) Disputed amounts in respect of GST and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. NIL (previous year Rs. 0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	5.71	6.75

**ii) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for	44.89	24.48
--	-------	-------

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

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

		Rs. in Crores	
		2021-22	2020-21
<b>29 OTHER INCOME</b>			
a) Interest on deposits and advances		0.97	1.82
b) Profit on sale of fixed assets (Net)		0.06	-
c) Dividend Received		-	0.36
d) Other non-operating income		0.90	0.18
e) Net Gain on foreign currency transactions and translation		10.48	-
		<u>12.41</u>	<u>2.36</u>
<b>30 COST OF MATERIAL CONSUMED</b>			
Raw Material		2,578.12	1,367.33
Components		466.61	330.10
		<u>3,044.73</u>	<u>1,697.43</u>
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>			
a) Opening inventory of Finished Goods		67.98	55.91
Less: Closing inventory of Finished Goods		140.07	67.98
Net change in stock of Finished Goods		<u>(72.09)</u>	<u>(12.07)</u>
b) Opening inventory of Work in Progress		109.96	101.22
Less: Closing inventory of Work in Progress		180.72	109.96
Net change in stock of Work in Progress		<u>(70.76)</u>	<u>(8.74)</u>
Net change in Finished Goods and Work in Progress		<u>(142.85)</u>	<u>(20.81)</u>



Rs. in Crores

**32 EMPLOYEE BENEFIT EXPENSE**

a) Salaries, Wages, Bonus and Commission	<b>330.95</b>	262.41
b) Contribution to Provident and Other Funds	<b>17.31</b>	14.50
c) Staff Welfare expenses	<b>30.79</b>	22.60
	<b>379.05</b>	299.51

**33 OTHER EXPENSES**

Consumption of Stores, tools and spare parts	<b>115.92</b>	71.98
Power and fuel	<b>151.43</b>	101.79
Rent including Lease Rent	<b>13.51</b>	13.44
Repairs to		
Buildings	<b>11.89</b>	7.80
Machinery	<b>16.64</b>	9.75
Insurance	<b>5.89</b>	5.13
Rates and taxes, excluding taxes on income	<b>1.70</b>	1.92
Directors sitting fees	<b>0.20</b>	0.17
Auditors' remuneration		
Statutory Audit	<b>0.52</b>	0.48
Tax Audit	<b>0.09</b>	0.08
Certification fees	<b>0.14</b>	0.11
Reimbursement of expenses	<b>0.02</b>	0.09
Expenditure on Corporate Social Responsibility (refer Note 48)	<b>1.06</b>	1.62
Freight	<b>53.77</b>	33.78
Net Loss on foreign currency transactions and translation	-	0.53
Miscellaneous expenses	<b>58.16</b>	45.57
	<b>430.94</b>	294.24

**34 FINANCE COSTS**

a) Interest expense	<b>72.15</b>	57.60
b) Other borrowing costs	<b>(0.66)</b>	1.27
	<b>71.49</b>	58.87

		Rs. in Crores	
		2021-22	2020-21
<b>35 INCOME TAX EXPENSES</b>			
<b>A. Components of Income Tax Expense</b>			
<b>i) Tax Expenses recognised in Statement of Profit and Loss:</b>			
(a) Current Tax			
- on Current year Tax Income		27.08	1.38
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences		(3.46)	(0.70)
		23.62	0.68
<b>ii) Tax Expenses recognised in Other Comprehensive Income:</b>			
(a) Current Tax on Remeasurement of Post Employment Benefit obligation		0.27	0.54
<b>B. Reconciliation of Effective tax Rate</b>			
Total Comprehensive Income before tax		96.99	2.89
Less: Share of Profit of an Associate		3.80	(0.13)
Total Comprehensive Income before tax (excluding Share of an Associate)		93.19	3.02
Income Tax Expense	23.46 25.17%		0.76 25.17%
Income not chargeable to tax	0.62		(0.09)
Income Tax Incentives	(0.38)		(0.16)
Expenses not admissible	0.42		0.21
Others	(0.23)		0.50
Taxed at Differential Rate	23.89 25.63%		1.22 40.38%

		Rs. in Crores	
		2021-22	2020-21
<b>36 Earnings Per Share</b>			
Net profit as per P& L account		76.47	1.82
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		31.78	0.76





- 37 Dividend of Rs. 8.30 Per equity share amounting to Rs. 19.97 Crores for the Financial year 2021-22 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	
		2021-22	2020-21
38	<b>Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”</b>		
	<b>Particulars</b>		
a)	The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	74.60	46.89
	- 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 Group on which the Auditors have relied upon.

		Rs. in Crores	
39	Expenditure incurred on Scientific Research and Development	2021-22	2020-21
a)	Revenue Expenditure	16.18	14.55
b)	Capital Expenditure	5.94	1.19

#### 40 EMPLOYEE BENEFITS Defined Contribution Plan

##### a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Group has contributed Rs. 7.36 crores for the year ended 31st March 2022 (previous year Rs. 6.42 crores) to Provident fund Authorities. The Group has no obligation towards the Interest accumulation thereon.

##### b) Superannuation :

The Group has contributed Rs. 0.66 crores for the period 2021-22 (previous year Rs. 0.54 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. 3.73 crores for the year ended 31st March, 2022 (previous year Rs. 2.75 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, 2022 of Rs. 2.19 crores. (previous year - Rs. 1.87 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)	
		2021-22	2020-21	2021-22	2020-21
<b>Change in defined benefit obligation</b>					
Opening defined benefit obligation		28.99	30.04	11.09	10.40
Current service cost		3.78	4.10	-	-
Interest cost		1.91	1.87	0.57	0.61
Actuarial loss / (gain) due to change in demographic & financial Assumptions		(1.08)	(0.78)	(0.25)	(0.24)
Actuarial loss / (gain) arising from experience adjustments		0.90	(2.57)	2.98	2.63
Benefits paid		(2.91)	(3.67)	(2.36)	(2.31)
Closing defined benefit obligation		31.59	28.99	12.03	11.09
<b>Change in fair value of assets</b>					
Opening fair value of plan assets		27.92	24.34	3.65	3.43
Expected return on plan assets		1.85	1.68	0.24	0.23
Actuarial gain / (Loss) arising from return on plan assets		(0.11)	(0.10)	0.06	(0.01)
Contribution by employer		0.75	5.67	2.36	2.31
Benefits paid		(2.91)	(3.67)	(2.36)	(2.31)
Closing fair value of plan assets		27.50	27.92	3.95	3.65



	Gratuity (funded)		Leave Salary (Partly funded)	
	2021-22	2020-21	2021-22	2020-21
<b>Amount recognised in the Balance Sheet</b>				
Present value of obligations at year end	<b>31.59</b>	28.99	<b>12.03</b>	11.09
Fair value of plan assets at year end	<b>27.50</b>	27.92	<b>3.95</b>	3.65
Net (liability) / asset recognised as on 31st March	<b>(4.09)</b>	(1.07)	<b>(8.08)</b>	(7.44)
<b>Expenses recognised in the Profit &amp; Loss Statement</b>				
Current Service cost	<b>3.78</b>	3.79	-	-
Interest on defined benefit obligation	<b>1.91</b>	1.87	<b>0.57</b>	0.61
Expected return on plan assets	<b>(1.85)</b>	(1.68)	<b>(0.24)</b>	(0.23)
Benefits transferred	-	-	-	-
Actuarial gain/ loss (on Leave Salary)	-	-	<b>2.67</b>	2.40
Expenses recognised in the Profit & Loss A/c	<b>3.84</b>	3.98	<b>3.00</b>	2.78
<b>Remeasurement on the net defined benefit liability</b>				
Actuarial loss / (gain) due to change in demographic & financial Assumptions	<b>(1.08)</b>	(0.78)		
Actuarial loss / (gain) arising from experience adjustments	<b>0.90</b>	(2.57)		
Actuarial gain / (Loss) arising from return on plan assets	<b>0.11</b>	0.10		
<b>Expenses recognised in Other Comprehensive Income</b>	<b>(0.07)</b>	(3.25)	<b>NA</b>	NA

	Gratuity (funded)		Leave Salary (Partly funded)		Provident Fund	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Principal actuarial assumptions used</b>						
Discount rate (p.a)	<b>7.29%-7.34%</b>	6.91%-6.96%	7.15%	6.76%-6.84%	7.36%	6.95%
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.

## Consolidated - Notes on Accounts (Contd.)

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

### a) Gratuity

Rs. in Crores

Assumptions	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	30.27	27.73	33.02	30.36
Salary escalation	0.50%	33.05	30.36	30.23	27.70
Mortality	5.00%	31.61	29.00	31.59	28.98
Attrition	5.00%	31.63	29.01	31.56	28.97

### b) Leave Salary

Rs. in Crores

Assumptions	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	10.25	10.75	10.89	11.44
Salary escalation	0.50%	10.89	11.45	10.25	10.74
Mortality	5.00%	10.56	11.08	10.56	11.08
Attrition	5.00%	10.56	11.09	10.55	11.08

### c) Provident Fund

Rs. in Crores

	Change in Assumption	Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	1.07	1.86	1.09	1.89
Shortfall	0.50%	1.09	1.92	1.06	1.86
Mortality	5.00%	1.08	1.87	1.08	1.88
Attrition	5.00%	1.08	1.87	1.08	1.88

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

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

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

	<b>Rs. In Crores</b>	
	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Financial Assets:</b>		
<b>Financial assets measured at Cost:</b>		
i. Investment in Equity shares	<b>16.68</b>	12.88
<b>Financial assets measured at fair value:</b>		
i. Investment measured at Fair value through other comprehensive income	<b>5.73</b>	8.17
ii. Investment measured at Fair value through profit or loss	<b>2.09</b>	2.09
iii. Derivative financial instruments	-	22.65
<b>Financial assets measured at amortised cost:</b>		
Trade receivables	<b>891.34</b>	718.33
Cash and cash equivalents	<b>3.57</b>	2.22
Bank balances other than Cash and cash equivalents	<b>0.66</b>	1.25
Other financial assets	<b>28.33</b>	24.21
<b>Financial Liabilities:</b>		
<b>Financial Liabilities measured at fair value:</b>		
Borrowings	-	-
Derivative financial instruments	-	-
<b>Financial Liabilities measured at amortised cost:</b>		
Borrowings	<b>849.00</b>	677.00
Trade payables	<b>1,084.46</b>	896.89
Other financial liabilities	<b>62.82</b>	45.40

## 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, 2022	Level 1	Level 2	Level 3
<b>Financial Assets :</b>			
<b>Equity shares</b>			<b>7.82</b>
Derivative financial instruments	-	-	-
<b>Total</b>			
<b>Financial Liabilities :</b>			
Derivative financial instruments	-	-	-
<b>As at March 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets :</b>			
Equity shares	-	-	10.26
Derivative financial instruments	-	22.65	-
<b>Financial Liabilities :</b>			
Derivative financial instruments	-	-	-

- 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.
- 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 in the previous year and the same has been valued by Registered valuer taking a combination of comparable companies multiple method and Discounted cash flow method during the year.
- Valuation inputs for Discounted Cash flow technique are as follows :

### For the year ended

Significant Unobservable Input:	31.03.2022	31.03.2021
a) Risk adjusted discount rate	* As per	11.52%
b) Earnings Growth rate	Valuation report	2.00%

\* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company.



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

### C. Financial risk management

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

#### a) Management of Liquidity risk

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

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

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

Rs. In Crores			
	Payable within one year	More than one year	Total
<b>As at 31st March, 2022</b>			
Non-Derivative Liabilities			
Trade payable	1,084.46	-	1,084.46
Borrowings	596.98	252.02	849.00
Other Financial liabilities	45.64	17.18	62.82
Derivative Liabilities			
Forward exchange contracts	-	-	-
<b>As at 31st March, 2021</b>			
Non-Derivative Liabilities			
Trade payable	896.89	-	896.89
Borrowings	342.49	334.51	677.00
Other Financial liabilities	30.31	15.09	45.40
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, 2022, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to **Rs. 241.88 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. 12.10 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, 2022 is "Nil" (31st March, 2021 - no 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. 181.40 Crores** Borrowings at Floating rate of Interest as at 31st March, 2022 (previous year Rs. 200.84 Crores).

**Sensitivity to risk**

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 1.81 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, provision for credit loss is not required to be created as per Expected credit loss (ECL) method. 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, 2022 is the carrying value of each class of financial assets as on that date.

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

	Rs. In Crores	
	2021-22	2020-21
Borrowing Costs capitalised during the year	3.89	8.67
Capitalisation rate used for Borrowing Costs	6.53%	5.39%





**43 Segment information for the year ended 31st March 2022 in accordance with Ind AS 108 - Operating Segments**

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

- a) Automotive Components and
- b) Industrial Components

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

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

	Rs. in Crores	
	2021-22	2020-21
<b>1. Segment Revenue</b>		
(a) Automotive Components	3,214.86	2,014.84
(b) Industrial Components	751.63	398.53
Total	3,966.49	2,413.37
Less: Inter Segment Revenue	-	-
Revenue from Operations	3,966.49	2,413.37
<b>2. Segment Results (Profit / (Loss) before tax and interest from each segment)</b>		
(a) Automotive Components	134.45	19.84
(b) Industrial Components	34.85	38.53
Total	169.29	58.37
Less:		
(i) Interest	71.49	58.87
(ii) other unallocable income	-	(1.30)
Total Profit Before Tax	97.80	0.80
<b>3. Capital Employed</b>		
<b>Segment Assets</b>		
(a) Automotive Components	2,257.18	2,001.33
(b) Industrial Components	666.40	432.31
(c) unallocated	50.38	42.66
Total	2,973.96	2,476.30
<b>Segment Liabilities</b>		
(a) Automotive Components	1,047.11	925.05
(b) Industrial Components	217.28	108.82
(c) unallocated	975.84	781.74
Total	2,240.24	1,815.61
<b>4. Capital Expenditure</b>		
(a) Automotive Components	79.63	86.50
(b) Industrial Components	55.64	33.30
<b>5. Depreciation &amp; Amortisation expense</b>		
(a) Automotive Components	86.13	71.54
(b) Industrial Components	14.83	14.06

**(ii) Geographical Information:**

Rs. in Crores		
Particulars	2021-22	2020-21
<b>1. Revenue from Operations</b>		
within India*	2,965.50	1,843.25
Outside India	1,000.99	570.12
<b>Total</b>	<b>3,966.49</b>	<b>2,413.37</b>
<b>2. Non Current Assets</b>		
within India	1,093.30	1,047.21
Outside India	-	-
<b>Total</b>	<b>1,093.30</b>	<b>1,047.21</b>

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

Rs. in Crores			
		31st March 2022	31st March 2021
<b>a) Type of goods and service</b>			
a) Sale of products		3591.62	2201.11
b) Sale of services		23.36	17.79
c) Other operating revenues		351.51	194.47
Total operating revenue		3966.49	2413.37
In India		2965.50	1843.25
Outside India		1000.99	570.12
<b>b) Timing of revenue recognition</b>		At a point of time	At a point of time
Sale of products and other operating income		3966.49	2413.37
<b>c) Revenue recognised in relation to contract liabilities</b>		Nil	Nil
<b>d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price</b>			
Revenue at contracted prices		3966.49	2413.37
Revenue from contract with customers		3966.49	2413.37
Difference		-	-
<b>e) Unsatisfied or partially satisfied performance obligation</b>		Nil	Nil



**45 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. (up to 04th February 2022)

Trichur Sundaram Santhanam & Family Private Limited (With effect from 04th February 2022)

Sundaram Finance Holdings Limited

**ii) Other Related parties and the relationship where transaction exists:**

**a) Associate's Subsidiary**

Sundaram Industries Private Limited (up to 04th February 2022)

The Associated Auto Parts Private Limited (up to 04th February 2022)

Sundaram Clayton Limited (up to 04th February 2022)

SI Air Springs Private Limited (up to 04th February 2022)

TVS Motors Limited (up to 04th February 2022)

TVS Electronics Ltd (up to 04th February 2022)

TVS Training & Services Ltd (up to 04th February 2022)

Lucas TVS Limited (up to 04th February 2022)

**b) Subsidiary Associate by virtue of their shareholding in Group**

Topy Industries Limited, Japan

**iii) Key Managerial Personnel:**

Mr. S Ram

Mr. Srivats Ram

**iv) Post Employment Benefit plan entity**

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust

Nature of transactions	Rs. In Crores	
	2021-22	2020-21
<b>Associates</b>		
Dividend Received	-	0.36
Dividend paid	1.05	2.79
Purchase of goods	3.07	0.46
Receiving of Services	3.59	1.05
Rendering of Services	0.08	0.06
Sale of goods	3.40	21.43
Royalty Paid	2.81	1.73
Balance Payable	4.10	2.52
Balance Receivable	0.01	1.84
<b>Associate's subsidiary</b>		
Purchase of goods	21.99	11.88
Receiving of Services	1.34	1.89
Rendering of Services	-	-
Sale of goods	6.94	7.60
Balance Payable	5.03	4.56
Balance Receivable	0.59	1.18

	Rs. in Crores			
	2021-22		2020-21	
	Mr S Ram	Mr Srivats Ram	Mr S Ram	Mr Srivats Ram
<b>Key Managerial Personnel</b>				
a) Short term employee benefits	1.14	4.30	0.13	1.14
Remuneration, Perquisites and Commission	1.14	2.27	0.13	-
Commission outstanding				
b) Post Employment Benefits*	-	0.34	-	0.19
c) Others				
Interest on fixed deposits	-	0.08	-	0.08
Dividend paid during the year	-	0.01	-	0.01
Deposits balance outstanding	-	0.98	-	0.81

\* 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

	2021-22		2020-21	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	0.47	3.37	5.21	0.47
Wheels India Limited Staff Provident Fund	3.73	0.34	2.75	0.25
Wheels India Senior Officers Superannuation Trust	0.67	0.67	0.54	0.54

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

Rs. in Crores

Particulars	2021-22	2020-21
<b>a) Movement in Lease Liability</b>		
<b>Opening Balance</b>	<b>20.67</b>	<b>9.46</b>
Additions during the year	13.24	13.51
modifications to lease	(1.66)	(0.29)
Finance Cost Accrued during the year	1.45	1.13
Payment of Lease Liabilities	(6.84)	(3.14)
<b>Closing Balance</b>	<b>26.86</b>	<b>20.67</b>
 <b>Current Liability (Note 22)</b>	<b>9.68</b>	<b>5.58</b>
<b>Non Current liability (Note 17)</b>	<b>17.18</b>	<b>15.09</b>
 <b>b) Maturity Analysis of Lease Liabilities</b>		
Not later than 1 year	8.10	6.23
Later than 1 year and not later than 5 years	22.11	17.49
<b>Total Undiscounted Lease Liability</b>	<b>30.22</b>	<b>23.72</b>
 <b>c) Amount recognised in the statement of Profit or Loss</b>		
Interest on Lease Liabilities	1.45	1.13
Expenses relating to short term leases	0.97	0.79
 <b>d) Amount recognised in the statement of cash flow</b>		
Total Cash outflow for leases	6.84	3.83

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

		Rs. In Crores	
		2021-22	2020-21
<b>Computer software &amp; Technical know how</b>	Refer to Note 3		
Gross carrying amount at the beginning of the year		27.18	26.13
Acquired during the year		1.60	1.06
Deletion during the year		0.13	0.01
Gross carrying amount at the end of the year		28.65	27.18
Gross amortisation at the beginning of the year		23.79	21.19
Amortised during the year		2.14	2.61
Deletion during the year		0.10	0.01
Gross amortisation at the end of the year		25.83	23.79
Net carrying amount at the beginning of the year		3.39	4.94
Net carrying amount at the end of the year		2.82	3.39

**48 Disclosures in relation to Corporate Social Responsibility**

		Rs. In Crores	
		2021-22	2020-21
a)	Gross amount required to be spent by the company during the year	1.06	1.59
b)	Amount approved by the board to be spent during the year	1.06	1.59
c)	Contribution towards :		
	Promoting Education	0.66	0.40
	Rural Development Projects	0.14	0.09
	Health care	0.02	0.03
	National Heritage, Arts and Culture	0.10	0.05
	PM Cares, State Disaster Management Authority & Disaster Management for Covid	0.49	1.05
	Total	1.41	1.62
d)	Amount spent during the year on		
	i) Construction / acquisition of any other asset	-	-
	ii) on purposes other than (i) above	1.41	1.62
e)	Details of excess CSR expenditure under Section 135 (5) of the Act :		
	Balance excess spent as at April 1, 2021 :	-	-
	Amount spent during the year	1.41	1.62
	Amount required to be spent during the year	1.06	1.59
	Balance excess spent as at March 31, 2022	0.35	0.03



## Consolidated - Notes on Accounts (Contd.)

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

Rs. in Crores

	Net Assets, i.e., total as- sets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
<b>2021-22</b>								
Parent: Wheels India Limited	89.07%	668.63	107.53%	79.77	-137.04%	1.48	111.15%	81.25
<b>I. Subsidiary</b>								
Indian:								
WIL Car Wheels Limited	6.45%	48.38	-8.79%	(6.52)	293.52%	(3.17)	-13.25%	(9.69)
Non Controlling Interest in Subsidiary	2.26%	17.00	-3.09%	(2.29)	-2.78%	0.03	-3.09%	(2.26)
<b>II. Associates: (Investments as per Equity method)</b>								
Indian:								
Axles India Limited	2.23%	16.68	4.35%	3.22	-53.71%	0.58	5.20%	3.80
<b>Total</b>	<b>100.00%</b>	<b>750.69</b>	<b>100.00%</b>	<b>74.18</b>	<b>100.00%</b>	<b>(1.08)</b>	<b>100.00%</b>	<b>73.10</b>
<b>2020-21</b>								
Parent: Wheels India Limited	87.19%	592.90	5625.00%	6.75	83.43%	1.48	492.81%	8.23
<b>I. Subsidiary</b>								
Indian:								
WIL Car Wheels Limited	8.08%	54.91	-4033.33%	(4.84)	10.85%	0.08	-285.03%	(4.76)
Non Controlling Interest in Subsidiary	2.84%	19.31	-1416.67%	(1.70)	3.92%	0.03	-100.00%	(1.67)
<b>II. Associates: (Investments as per Equity method)</b>								
Indian:								
Axles India Limited	1.89%	12.88	-75.00%	-0.09	1.80%	-0.04	-7.78%	(0.13)
<b>Total</b>	<b>100.00%</b>	<b>680.00</b>	<b>100.00%</b>	<b>0.12</b>	<b>100.00%</b>	<b>1.55</b>	<b>100.00%</b>	<b>1.67</b>

### 50 Other notes :

- a) The Board of Directors of the Company, at their meeting held on December 07, 2021, approved the scheme of amalgamation of Sundaram Hydraulics Limited with the Company and their respective shareholders. Based on receipt of 'No Objection Letter' dated February 10, 2022 from NSE / SEBI, the Company has filed an application with the Hon'ble NCLT, Chennai on March 16, 2022 and is awaiting necessary directions in this regard.
- b) Consequent to the approval of the composite scheme of amalgamation / arrangement, the holding of 71,43,656 equity shares have been transferred to / vested in M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL), effective February 04, 2022.
- c) During the year, the Company has borrowings from banks on the basis of security of current assets. Returns/ Statements filed with the banks on a periodical basis are in agreement with the books of accounts.

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

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#### **S RAM**

Chairman  
DIN: 00018309

#### **R RAGHUNATHAN**

Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

#### **SRIVATS RAM**

Managing Director  
DIN: 00063415

#### **K V LAKSHMI**

Company Secretary

#### **S PRASAD**

Director  
DIN: 00063667

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 2022**



		Rs. In Crores	
		2021-22	2020-21
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Total Comprehensive Income after tax	73.10	1.67
	Add:		
	Depreciation	100.96	85.60
	Obsolescence	0.10	0.84
	Lease Liabilities	0.85	0.79
	Effect of Exchange Rate Change	(3.24)	2.88
	Loss on Sale of Fixed Assets	0.53	0.02
	Taxes on Income	23.88	1.22
	Interest Expenses	71.49	58.87
		<u>194.58</u>	<u>150.22</u>
		267.68	151.89
	Less:		
	Share of an Associate	3.79	(0.13)
	Interest Income	0.98	1.83
	Gain/(Loss) on Fair Valuation of Investments	(2.44)	0.14
	Dividend Income	-	0.36
		<u>2.33</u>	<u>2.20</u>
	Cash flow from Operation before Working Capital Changes	265.35	149.69
	Cash flow from Working Capital :		
	Trade Receivables	(137.22)	(266.60)
	Inventories	(251.99)	(136.20)
	Advances & Other Current Assets	(58.40)	(46.53)
	Trade Payables	177.84	387.20
	Other Payables & Provisions	59.25	50.08
		<u>(210.51)</u>	<u>(12.04)</u>
	Taxes paid	(27.23)	10.55
	<b>Net Cash Flow from Operating Activities (A)</b>	<u>27.61</u>	<u>148.20</u>
<b>B</b>	<b>Investing Activities</b>		
	Purchase of Fixed Assets	(135.27)	(119.80)
	Sale of Fixed Assets	14.13	0.62
	Dividend Received	-	0.36
	Interest Received	0.77	1.21
	<b>Net cash used in Investing Activities (B)</b>	<u>(120.37)</u>	<u>(117.61)</u>

## Consolidated Statement of Cash Flows (Contd.)

Rs. In Crores			
	2021-22	2020-21	
<b>C Financing Activities</b>			
Proceeds from Long Term Borrowings	71.97	166.30	
Repayment of Long Term Borrowings	(108.62)	(137.03)	
Increase in Working Capital Borrowings	199.55	9.41	
Repayment of Lease Liabilities	(7.59)	(2.69)	
Dividend paid	(2.45)	(6.41)	
Interest paid	(69.05)	(59.53)	
<b>Net Cash used in Financing Activities (C)</b>	<b>83.81</b>	<b>(31.08)</b>	
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(8.95)</b>	<b>(0.49)</b>	
Closing Cash & Cash Equivalents	(1.26)	7.69	
Opening Cash & Cash Equivalents	7.69	8.18	
Net Increase in Cash and Cash Equivalents	(8.95)	(0.49)	
Closing Cash & Cash Equivalents as per Balance sheet	3.57	2.22	
(Add)/ Less: Cash Credit as at the end of the year	4.83	(5.47)	
Cash & Cash Equivalents for the purpose of IndAS 7	(1.26)	7.69	

**S RAM**  
Chairman  
DIN: 00018309

**R RAGHUNATHAN**  
Chief Financial Officer  
Place : Chennai  
Date : May 20, 2022

**SRIVATS RAM**  
Managing Director  
DIN: 00063415

**K V LAKSHMI**  
Company Secretary

**S PRASAD**  
Director  
DIN: 00063667

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

