

# **Axles India Limited**



**THIRTY SIXTH ANNUAL REPORT  
2017-18**



## Thirty Sixth Annual Report

### Registered Office

21, Patullos Road, Chennai 600 002  
CIN : U27209TN1981PLC008630  
Website Address : www.axlesindia.com

### Factories

Singaperumal Koil Road  
Sriperumbudur, Tamil Nadu 602 105

Cheyyar Taluk, Tiruvannamalai Dist.  
Tamil Nadu 604 410

### Bankers

Indian Overseas Bank  
HDFC Bank Limited

### Registrars & Share Transfer Agents

Cameo Corporate Services Ltd.  
"Subramanian Building"  
1, Club House Road, Chennai 600 002  
Phone: 2846 0395, 2846 0390 Fax: 2846 0129  
E-mail : investor@cameoindia.com

### Board of Directors

S Ram (*Chairman*)  
V Madhavan (*Managing Director*)  
Srivats Ram  
Rafael Aquique  
Saket Sapra  
Jamie Martel  
Sowmya Vencatesan (*upto 25-03-2018*)  
Rakesh Chopra (*upto 25-03-2018*)  
Radha Unni (*from 28-06-2018*)  
Jason Miller (*from 28-06-2018*)

### Audit Committee

S Ram (Chairman)  
V Madhavan  
Saket Sapra  
Jamie Martel

### Stakeholders Relationship Committee

S Ram (*Chairman*)  
V Madhavan  
Srivats Ram

### Corporate Social Responsibility Committee

S Ram (*Chairman*)  
V Madhavan  
Saket Sapra

### Auditors

Price Waterhouse & Co Chartered Accountants LLP  
Chartered Accountants  
8<sup>th</sup> Floor, Prestige Palladium Bayan  
Greaves Road, Chennai 600 006

### Chief Financial Officer

Y Krishnamoorthy

### Secretary

T V Venkata Subramanyam

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## Notice to Shareholders

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NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held on Thursday, 27<sup>th</sup> September 2018 at Mini Hall, Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018 at 10.30 a.m. to transact the following items of business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of accounts for the year ended 31<sup>st</sup> March 2018 and the Report of the Directors and the Auditors thereon.
2. To Declare Dividend for the financial year 2017-18
3. To elect a Director in the place of Mr. S Ram (DIN 00018309) who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in the place of Mr. Saket Sapra (DIN 05154694) who retires by rotation and being eligible offers himself for re-election.
5. Appointment of Auditors

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory enactment or modification thereof, M/s. Price Waterhouse & Co Chartered Accountants LLP (ICAI Registration No. FRN 304026E / E-300009) be and is hereby appointed as the Statutory Auditor of the Company from the 36<sup>th</sup> Annual General Meeting of the Company until the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors excluding applicable Goods and Service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit.

RESOLVED FURTHER THAT the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (ICAI Registration No. FRN 304026E / E-300009) at the 35<sup>th</sup> Annual General Meeting for the financial year 2017-18 be treated as part of the initial term of 5 consecutive years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all steps and to do all such acts, deeds, matters and things which may be necessary in this regard.

### SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association be amended so as to replace the expression ‘Sundaram Finance Limited’ by the expression ‘Sundaram Finance Holdings Limited’ wherever the said expression appears in the Articles of Association.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.

- 7 To Consider and if thought to fit to pass with or without modification (s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 160 of the Companies Act, 2013, Mrs. Radha Unni (DIN 03242769) be and is hereby appointed as a Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 160 of the Companies Act, 2013, Mr. Jason Miller (DIN 0008168554) be and is hereby appointed as a Director of the Company

By order of the Board

Regd. Office:

21, Patullos Road

Chennai 600 002

28<sup>th</sup> June 2018

**S Ram**

*Chairman*

DIN No.00018309

#### Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself and such a proxy need not be a member of the company.
2. Proxies must be lodged with the Company not less than 48 hours before the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September 2018 to 27<sup>th</sup> September 2018 (both days inclusive).
6. Final Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 20.09.2018. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.

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7. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Company.
  8. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, as amended, dividend declared which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant (s) are requested to make their claim to the Secretarial Department of the Company at Singaperumal Koil Road, Sriperumbudur 602105. Hence, shareholders are requested to claim the dividend.
  9. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, remote e-voting facility have been provided to the members. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e – voting shall be able to exercise their right at the meeting. Members intending to vote at the venue are requested to bring their photo identity card.
  10. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time schedule including the time period during which the votes may be cast by remote e – voting, the details of the login id, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders.
  11. The Board of Directors have appointed Mr N Ramanathan, Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period: The e-voting period would commence on 24<sup>th</sup> September 2018 (9.00 am) and end on 26<sup>th</sup> September 2018 (5.00 pm).
  12. During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.
  13. The route map for the venue of the Annual General Meeting, procedure and instructions for e-voting is furnished in the page no. 80 of this report. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the e-voting will be announced by the Company on its website – [www.axlesindia.com](http://www.axlesindia.com) within two days of the Annual General Meeting.



## Annexure to the Notice

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### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

#### Special Business

##### Item No. 6

Sundaram Finance Ltd had a shareholding of 38.82% as a promoter in our Company. Sundaram Finance Ltd has undertaken a composite scheme of arrangement which has resulted in the vesting of shares to M/s. Sundaram Finance Holdings Ltd. The scheme was sanctioned by the Hon'ble National Company Law Tribunal, Chennai. Consequently, the Articles of Association of our Company needs to be amended by inserting a new clause 1 (x). The Board of Directors recommends the above resolution for the approval of the shareholders. None of the Directors are interested or concerned in the above said resolution. None of the Key Managerial Personnel of the Company either directly or through their relatives are in any way concerned or interested, whether financially or otherwise in this resolution.

##### Item No. 7

Mrs. Radha Unni (DIN 03242769), aged 69 years, is an M.A. Graduate from Delhi University. She worked in State Bank of India for 36 years and retired as Chief General Manager in 2008. Post retirement, Mrs. Radha Unni (DIN 03242769) is offering advisory services to Banks. Mrs. Radha Unni (DIN03242769) was appointed as an Additional Director at the Board meeting held on 28<sup>th</sup> June 2018 and she will hold office till the ensuing Annual General Meeting. Notice has been received from a Member of the Company proposing the appointment of Mrs. Radha Unni (DIN 03242769) as a Director of the Company. The Board of Directors recommends the above resolution for the approval of the shareholders. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mrs. Radha Unni (DIN 03242769) is, in any way, interested or concerned, whether financially or otherwise, in this resolution. Mrs. Radha Unni (DIN 03242769) does not hold any Equity Share in the Company. She is not related to any of the Directors of the Company.

##### Item No. 8

Mr. Jason Miller (DIN 0008168554), aged 45 years, is a Graduate from Oakland Community College, USA. He is the Vice President, North American Operations and Global Heavy Manufacturing Operations. Mr. Jason Miller (DIN 0008168554) was appointed as an Additional Director at the Board meeting held on 28<sup>th</sup> June 2018 and he will hold office till the ensuing Annual General Meeting. Notice has been received from a Member of the Company proposing the appointment of Mr. Jason Miller (DIN 0008168554) as a Director of the Company. The Board of Directors recommends the above resolution for the approval of the shareholders. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Jason Miller (DIN 0008168554) is, in any way, interested or concerned, whether financially or otherwise, in this resolution. Mr. Jason Miller (DIN 0008168554) does not hold any Equity Share in the Company. He is not related to any of the Directors of the Company.

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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Your Directors present the Thirty Sixth Annual Report of the Company along with the audited accounts for the year ended 31<sup>st</sup> March 2018.

### Performance

The turnover (net of excise duty) during the year 2017-18 was ` 475 crores against ` 414 crores in 2016-17.

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the Company adopted Ind AS with effect from 01.04.2017. The Company's financial results for the previous year ended 31.03.2017 had also been recast in accordance with Ind AS.

The financial results of your Company are as below:

Particulars	(` in lakhs)	
	2017-18	2016-17
Profit before depreciation	<b>4307.54</b>	3279.03
Depreciation	<b>(889.33)</b>	(1001.24)
Profit before tax for the year	<b>3418.21</b>	2277.79
Profit after tax for the year	<b>2231.36</b>	1491.63
Total Comprehensive Income	<b>2182.89</b>	1500.86

### Prospects

The Indian economy registered GDP growth at 6.7%, a slowdown of 0.5% from the previous year, as government reform with the introduction of GST temporarily affected economic activity. The growth momentum in the Indian economy is expected to see GDP grow at 7.4%.

In the latter part of the year under review, we had resurgence in demand for light commercial vehicles post-GST implementation. In the coming year, we expect the growth in the commercial vehicle segment to continue as BS VI engines are to be introduced in 2020. The high cost of the vehicles due to BS VI could dampen demand post introduction of BS VI emission standards.

Your Company's sale of Housings to domestic market increased to 219,000 numbers in 2017-18 from 205,000 numbers in 2016-17. The export sales to Dana USA increased marginally and export to Thailand and Japan increased to 4600 numbers during 2017-18 from 550 numbers in 2016-17.

### Dividend

Your Directors recommend a final dividend of `3/-per equity share (30%) for the year ended 31<sup>st</sup> March 2018. The final dividend recommended, if approved at the Thirty Sixth Annual General Meeting, will be paid to all the shareholders whose name appears in the Register of Members as on the book closure date.

### Particulars of Loans, Guarantees or Investments

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



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## **Associate Companies**

There are no Associate Companies as per the Companies Act, 2013. So relevant form AOC 1 is not applicable.

## **Directors**

Mr. S Ram (DIN 00018309) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Mr. Saket Sapra (DIN 05154694) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

The Independent Directors, Ms. Sowmya Vencatesan (DIN 07108505) and Mr. Rakesh Chopra (DIN 00032818), were appointed at the Extraordinary General Meeting held on 26<sup>th</sup> March 2015 for a period of three years. Our Company, being an unlisted joint venture Company, is entitled to benefit under Rule 4(2) of the Companies (Appointment and Qualification of Directors) Amendment Rules 2017 and is not required to appoint Independent Directors.

The Board places on record its appreciation of the valuable services rendered by Ms. Sowmya Vencatesan (DIN 07108505) and Mr. Rakesh Chopra (DIN 00032818) during their tenure of office. The Committees of the Board were reconstituted accordingly.

Mrs. Radha Unni (DIN 03242769) was appointed as an Additional Director at the meeting of the Board of the Directors held on 28<sup>th</sup> June 2018. She holds office till the ensuing Annual General Meeting. Notice has been received proposing her appointment as a Director of the Company under Section 160 of the Companies Act, 2013. The board is pleased to recommend her appointment as Director at the Annual General Meeting.

Mr. Jason Miller (DIN 0008168554) was appointed as an Additional Director at the meeting of the Board of the Directors held on 28<sup>th</sup> June 2018. He holds office till the ensuing Annual General Meeting. Notice has been received proposing his appointment as a Director of the Company under Section 160 of the Companies Act, 2013. The board is pleased to recommend his appointment as Director at the Annual General Meeting.

## **Board Evaluation**

Pursuant to the provisions of Section 134(3)(p), Section 149(8) and Schedule IV of the Act, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board have been carried out. The performance Evaluation of the Independent Directors was done by the entire Board and that of Chairman and Non Independent Directors by the Independent Directors. The Criteria and manner in which the evaluation has been carried out are provided in Annexure I forming part of this Report.

## **Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for determining qualifications, positive attributes and independence of a Director. It has recommended to the Board a policy relating to the remuneration of the Managing Director and is provided as Annexure II forming part of this report.



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## **Corporate Social Responsibility**

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

The Company has spent ` 20 lakhs during the year. The Constitution of the CSR Committee and the report as required under the 2013 Act, are provided as Annexure III forming part of this Report.

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

Your Company has formulated a Risk Management policy. The policy provides for identification of risks and mitigation measures.

Your Company maintains an adequate and effective Internal Control System commensurate with its size. The Internal Control system provides a reasonable assurance to the effect that the transactions are executed with the authorisations and are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets are secured and safeguarded against any misuse or loss. The internal control system is supplemented through an extensive internal audit programme and periodic review by the Management and Audit Committee. The Company has in place adequate internal financial Controls and no reportable material weakness was observed.

## **Vigil Mechanism**

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

## **Director's Responsibility Statement**

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134(3) (c) of the 2013 Act. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the 2013 Act:

- a. that in the preparation of the annual financial statements the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper systems are in place so as to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Related Party Transactions

All Related Party Transactions that were entered into by the Company during the financial year 2017-18, were in compliance of Section 188 of the 2013 Act and rules framed there under.

Related party transactions were at an arm's length basis and were in the ordinary course of business. Material contracts or arrangement or transactions are at arm's length basis and disclosed in Form AOC-2 which is provided in Annexure IV forming part of this Report. All Related Party Transactions were placed before the Audit Committee. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

### Meeting of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board had met 4 times during the year under review on 28<sup>th</sup> June 2017, 27<sup>th</sup> September 2017, 14<sup>th</sup> December 2017 and 14<sup>th</sup> March 2018.

Directors	Attendance at Board Meetings		Attendance at AGM held on 22.09.2017
	Held	Attended	
Mr. S Ram	4	4	Yes
Mr. V Madhavan	4	4	Yes
Mr. Srivats Ram	4	4	Yes
Mr. Saket Sapra	4	4	No
Mr. Rafael Aquique*	4	1	No
Ms. Sowmya Vencatesan	4	3	Yes
Mr. Rakesh Chopra*	4	3	No
Mr. Jamie Martel*	4	1	No

\* Participated in the remaining meetings of the Board through teleconference.

### Audit Committee

The Audit Committee comprises of Ms. Sowmya Vencatesan, Chairperson, Mr. Rakesh Chopra and Mr. V Madhavan as members. The Committee had met on 28<sup>th</sup> June 2017, which was attended by all the members of the Committee.

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### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Rakesh Chopra, Chairman, Mr. S Ram, Mr. Saket Sapra and Ms. Sowmya Vencatesan as members. The Committee had met on 28<sup>th</sup> June 2017, which was attended by all the members of the committee.

### **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of Mr. S Ram, Chairman, Mr. V Madhavan and Mr. Srivats Ram as members. The Committee had met 9 times during the year under review on 17<sup>th</sup> May 2017, 8<sup>th</sup> June 2017, 19<sup>th</sup> July 2017, 23<sup>rd</sup> August 2017, 15<sup>th</sup> September 2017, 30<sup>th</sup> October 2017, 29<sup>th</sup> December 2017, 13<sup>th</sup> February 2018 and 14<sup>th</sup> March 2018. All the Directors except Mr. Srivats Ram attended the Stakeholders Relationship Committee meetings.

### **Corporate Social Responsibility**

The Corporate Social Responsibility Committee comprises of Mr. S Ram, Chairman, Mr. V Madhavan, Mr. Saket Sapra and Mr. Rakesh Chopra as members. The Committee had met. on 28<sup>th</sup> June 2017, which was attended by all the members of the Committee.

### **Independent Directors' Meeting**

During the year under review, the Independent Directors met on 14<sup>th</sup> December 2017 inter alia, to evaluate the performance of 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 timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

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

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

### **Employees and details of remuneration:**

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

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

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

### **Auditors**

The Board of Directors of the Company at their meeting held on 28.06.2018, on the recommendation of the Audit Committee, have made its recommendation for the appointment of M/s. Price Waterhouse &



Co Chartered Accountants LLP (ICAI registration number FRN 304026E / E-300009) as the Statutory Auditors of the Company subject to the approval of Members at the 36<sup>th</sup> Annual General Meeting of the Company for a term of 4 years. The term of 4 years is a part of the initial term of 5 years. M/s. Price Waterhouse & Co. Chartered Accountants LLP were appointed at the 35<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September 2017.

Accordingly, a resolution, proposing appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP, as the Statutory Auditors of the Company for a term of four consecutive years i.e. from the conclusion of 36<sup>th</sup> Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company pursuant to Section 139 of the Companies Act 2013, forms part of the Notice of the 36<sup>th</sup> Annual General Meeting of the Company.

The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and the rules framed there under. The Directors recommend their appointment.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the 2013 Act and the rules framed there under, the Company appointed M/s. S Dhanapal & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given as an Annexure V and forms part of this Report. The Company has complied with the Secretarial Standards for the Board Meetings (SS-1) and the General Meetings (SS-2) during the year 2017-18.

#### **Comments on Auditors' report**

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

#### **Extract of Annual Return**

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

#### **General**

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

Your Directors wish to thank the Customers and Bankers for their excellent support and we look forward to their continued support.

Your Directors wish to place on record their appreciation of the excellent effort put in by all the employees of the Company.

For and on behalf of the Board of Directors

**S RAM**

Chairman

DIN 00018309

Chennai

28<sup>th</sup> June 2018

**BOARD EVALUATION**

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

Composition of the Board and availability of multi-disciplinary skills, Commitment to good corporate governance practices, Adherence to regulatory compliance, Grievance Redressal Mechanism, Track record of financial performance, Existence of integrated Risk Management system, Use of modern technology, Commitment to CSR.

In addition to the above the following were also considered:- Qualifications & experience, Leadership qualities, Standard of integrity, Understanding of Macro & micro economic and industry trends, Public relations, Future vision and innovation, Attendance in Board Meetings / Annual General meeting, Understanding of Company's business Value addition in Board Meetings and other parameters mentioned in the Policy.

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**ANNEXURE II****NOMINATION AND REMUNERATION POLICY****Preamble**

The Company strongly believes that human resources which manage other resources is 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.

**Objective**

- a. To carry out evaluation of performance of the Directors.
- b. To formulate criteria for determining qualification, positive attributes and independence of a Director.

**A. Appointment****Appointment and Remuneration – Managing Director**

The appointment, payment of remuneration to the Managing Director 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 and Remuneration Committee may in its absolute discretion deem fit.

**B. Remuneration**

Decision on structure of remuneration for other employees has been delegated to the Managing Director.

**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.

**Independent Directors**

The performance evaluation of Independent Directors shall be done by the Board of Directors, excluding the Director being evaluated.

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### ANNEXURE III

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

1	A brief outline of the Company's CSR Policy, including overview of project or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The CSR activities carried out by the Company are in accordance with the Policy, as laid down and approved by the Committee, duly approved by the Board. The CSR Policy is available in the Company's website and Web-link is <a href="http://axlesindia.com/pdf/CSR-Policy">http://axlesindia.com/pdf/CSR-Policy</a>
2	The Composition of the CSR Committee	The Committee has Mr S Ram, as Chairman, Mr V Madhavan, Mr Saket Sapra, and Mr. Rakesh Chopra as other members
3	Average net profits of the Company for last three financial years	₹ 1734.50 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 35.00 lakhs
5	Details of CSR spent during the financial year	a. Total amount to be spent for the financial year: ₹ 35.00 Lakhs b. Amount Unspent : ₹ 15.00 Lakhs c. Manner in which the amount spent during the financial year is given in Annexure.
6	In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in its Board report:	The projects are being identified.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:	We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Chennai

**V Madhavan**

**S Ram**

28<sup>th</sup> June 2018

*Managing Director*

*Chairman - CSR Committee*

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

(` in lakhs)

SI No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency.
1	Promoting Education by providing financial assistance by way of donation for awarding scholarship for students	Education	Tamil Nadu	10.00	10.00	10.00	Direct and through Implementing Agency: 1.Laxmi charities
2	Promoting Health Care including Preventive Health Care	Health	Tamil Nadu	10.00	10.00	10.00	Sundaram Medical Foundation
	Total			20.00	20.00	20.00	

Chennai

**V Madhavan**

**S Ram**

28<sup>th</sup> June 2018

*Managing Director*

*Chairman - CSR Committee*

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**ANNEXURE IV****FORM NO. AOC - 2**

(Pursuant to clause (h) of Sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangement or transactions not at arm's length basis**

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

a.	Name(s) of the related party and nature of relationship	1. Dana India Private Ltd 2. Dana Commercial vehicle Mfg.LLC. Nature of relationship is related party as per Companies Act, 2013.
b.	Nature of Contracts / arrangements / transactions	Sale of axle housings
c.	Duration of contracts / arrangements / transactions	1. Dana India Private Ltd 2. Dana Commercial Vehicle Mfg. LLc – 01.03.2017 to 28.02.2019
d.	Salient features of the Contracts or arrangements or transactions including the value, if any	Supply of axle housings as per agreement.
e.	Date(s) of approval by the Board, if any	28.06.2017
f.	Amount paid as advances, if any	NIL

Chennai  
28<sup>th</sup> June 2018

**S Ram**  
Chairman

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**ANNEXURE V****FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

To,  
THE MEMBERS,  
M/S. AXLES INDIA LIMITED,  
CHENNAI.

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

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



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

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 BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015) - **(NOT APPLICABLE AS THE COMPANY IS UNLISTED PUBLIC COMPANY)**

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.



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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 , pursuant to order of National Company Law Tribunal, Chennai (NCLT) dated January 18, 2018, the 9891754 ( 38.82%) equity shares of the Company held by Sundaram Finance Limited has been vested with Sundaram Finance Holdings Limited. The issuance of share certificate in the name of Sundaram Finance Holdings Limited, consequent to the above order has been effected on April 12, 2018 by the Company.

We further report that, during the audit period, Ms. Sowmya Venkatesan and Mr. Rakesh Chopra has retired as independent directors of the company with effect from 26.3.2018.

We further report that during the audit period the company has sought the approval of its members for appointment of M/s. Price Waterhouse & Co as new Statutory Auditors of the Company till the conclusion of the Next General Meeting.

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

For **S Dhanapal & Associates**

**S. Dhanapal**

(Partner)

FCS 6881, CP No. 7028

Chennai

28<sup>th</sup> June 2018

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

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#### **Annexure A**

TO

THE MEMBERS, AXLES INDIA LIMITED, CHENNAI

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

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

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

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

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

#### **Disclaimer**

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

For **S Dhanapal & Associates**

**S. Dhanapal**

(Partner)

FCS 6881, CP No. 7028

Chennai

28<sup>th</sup> June 2018

**ANNEXURE VI****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.3.2018

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

**I REGISTRATION AND OTHER DETAILS**

(i)	CIN	U27209TN1981PLC008630
(ii)	Registration Date :	18 <sup>th</sup> February 1981
(iii)	Name of the Company:	Axles India Limited
(iv)	Category / Sub-Category of the Company:	Public Limited Company
(v)	Address of the Registered office and contact details	Registered office: 21, Patullos Road, Chennai 600 002 Office: Singaperumal Koil Road, Sriperumbudur Tamil Nadu - 602 105 Phone: 8939368687 E- Mail: axles@axlesindia.com
(vi)	Whether listed company :	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Cameo Corporate Services Limited "Subramanian Building", No. 1, Club House Road, Chennai 600 002, Phone : 044 - 28460390 Fax : 044 - 28460129 E - Mail : investor@cameoindia.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Axles	29301	94%

Sub Class (29301) : Manufacture of diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalysers, clutches, steering wheels, steering columns and steering boxes etc.

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
			NIL		

#### IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	11402081	914334	12316415	48.33	11402081	914334	12316415	48.33	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	11402081	914334	12316415	48.33	11402081	914334	12316415	48.33	-
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	12316415	12316415	48.33	-	12316415	12316415	48.33	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	12316415	12316415	48.33	-	12316415	12316415	48.33	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	11402081	13230749	24632830	96.66	11402081	13230749	24632830	96.66	-
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	213	213	-	-	213	213	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	213	213	-	-	213	213	-	-
(2) Non-Institutions									
(a) Bodies Corporate									
i. Indian	24466	5038	29504	0.12	26726	4567	31293	0.12	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to ` 1 lakh	461018	271754	732772	2.88	462357	263756	726113	2.85	-0.03
ii. Individual shareholders holding nominal share capital in excess of ` 1 lakh	13212	15000	28212	0.11	12912	15000	27912	0.11	-
(C) Others (Specify)									
Clearing member	-	-	-	-	-	-	-	-	-
Directors and their relatives	-	-	-	-	-	-	-	-	-
Escrow Account - Clause 5A of the Listing Agreement	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	9044	-	9044	0.03	9748	-	9748	0.04	0.01
Non-resident Indians	51485	75	51560	0.20	55951	75	56026	0.22	0.02
Trust	275	-	275	-	275	-	275	0.00	-
Sub-Total (B)(2)	559500	291867	851367	3.34	567969	283398	851367	3.34	-
Total Public Shareholding = (B) (1) + (B) (2)	559500	292080	851580	3.34	567969	283611	851580	3.34	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11961581	13522829	25484410	100.00	11970050	13514360	25484410	100	-



(ii) Shareholding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	
1	Sundaram Finance Ltd*	9891754	38.82	Nil	Nil	Nil	Nil	(38.82)
2	Sundaram Finance Holdings Ltd*	Nil	Nil	Nil	9891754	38.82	Nil	38.82
3	Wheels India Ltd	2424661	9.51	Nil	2424661	9.51	Nil	Nil
4	Dana Gopal Products Inc	12316415	48.33	Nil	12316415	48.33	Nil	Nil
Total		24632830	96.66	Nil	24632830	96.66	Nil	Nil

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	24632830	96.66	24632830	96.66
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus / sweat equity etc):*	NIL	NIL	NIL	NIL
	At the End of the year	24632830	96.66	24632830	96.66

\* Pursuant to the order of National Company Law Tribunal, Chennai (NCLT) dated January 18, 2018, the shareholding of the Company has been transferred and vested from Sundaram Finance Limited to Sundaram Finance Holdings Limited. The issuance of share certificate in the name of Sundaram Finance Holdings Limited, consequent to the above order has been effected on April 12, 2018 by the Company.

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

Sl. No.	Name of the Shareholder	No. of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
1	Mr. Mahendra Kumar Khetshi Shah				
	At the beginning of the year 01-Apr-2017	36000	0.14	36000	0.14
	At the end of the year 31-Mar-2018	36000	0.14	36000	0.14
2	Mr. Raajamani K H				
	At the beginning of the year 01-Apr-2017	15000	0.06	15000	0.06
	At the end of the year 31-Mar-2018	15000	0.06	15000	0.06
3	Mr. Palkash Jayantilal Shamji Shah				
	Jt:1 Bhupendra Shamji Shah				
	At the beginning of the year 01-Apr-2017	15000	0.05	15000	0.05
	At the end of the year 31-Mar-2018	15000	0.05	15000	0.05

Sl. No.	Name of the Shareholder	No. of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
4	Mr. Rangavittal T L				
	At the beginning of the year 01-Apr-2017	13212	0.05	13212	0.05
	Sale 17- Nov - 2017	(300)	0.00	12912	0.05
	At the end of the year 31-Mar-2018	12912	0.05	12912	0.05
5	The Property Company Pvt Ltd				
	At the beginning of the year 01-Apr-2017	10000	0.03	10000	0.03
	At the end of the year 31-Mar-2018	10000	0.03	10000	0.03
6	Mr. V Ravichandran				
	At the beginning of the year 01-Apr-17	10000	0.04	10000	0.04
	At the end of the year 31-Mar-2018	10000	0.04	10000	0.04
7	Mr. Devendra Mehta				
	At the beginning of the year 01-Apr-2017	9901	0.04	9901	0.04
	At the end of the year 31-Mar-2018	9901	0.04	9901	0.04
8	Charu Gupta**				
	At the beginning of the year 01-Apr-2017	4265	0.01	4265	0.01
	Purchase 16-Mar-2018	4283	0.01	8548	0.03
	At the end of the year 31-Mar-2018	8548	0.03	8548	0.03
9	Mr. PL Chockalingam				
	At the beginning of the year 01-Apr-2017	8150	0.03	8150	0.03
	At the end of the year 31-Mar-2018	8150	0.03	8150	0.03
10	Mr. K S Mallaya				
	At the beginning of the year 01-Apr-2017	8110	0.03	8110	0.03
	At the end of the year 31-Mar-2018	8110	0.03	8110	0.03
11	Mr. O.S. Krishnamoorthy				
	At the beginning of the year 01-Apr-2017	8000	0.03	8000	0.03
	At the end of the year 31-Mar-2018	8000	0.03	8000	0.03
12	Plutus Capital Management LLP*				
	At the beginning of the year 01-Apr-2017	6895	0.02	6895	0.02
	At the end of the year 31-Mar-2018	6895	0.02	6895	0.02
13	Ms. Masiha Tahseen*				
	At the beginning of the year 01-Apr-2017	7500	0.02	7500	0.02
	At the end of the year 31-Mar-2018	7500	0.02	7500	0.02

\* Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2017.

\*\* Not in the list of Top 10 shareholders as on 01.04.2017. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 31.03.2018.



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Mr. S Ram	Nil	Nil	Nil	Nil
2	Mr Srivats Ram	Nil	Nil	Nil	Nil
3	Mr. V Madhavan	Nil	Nil	Nil	Nil
4	Mr Rafael Aquique	Nil	Nil	Nil	Nil
5	Mr. Saket Sapra	Nil	Nil	Nil	Nil
6	Ms.Sowmya Vencatesan (up to 25.03.2018)	Nil	Nil	Nil	Nil
7	Mr. Rakesh Chopra (up to 25.03.2018)	Nil	Nil	Nil	Nil
8	Mr. Jamie Martel	Nil	Nil	Nil	Nil
9	Mr. Y Krishnamoorthy (CFO)	Nil	Nil	Nil	Nil
10	Mr. T V Venkata Subramanyam (Secretary)	Nil	Nil	Nil	Nil
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):		There is no Increase / Decrease in Shareholding during the year for the above Directors and KMP mentioned.			
At the End of the year		As there is no Increase / Decrease in Shareholding during the year, the shareholding of the above Directors and KMP which stood during the beginning of the year remains same as at the end of the year also			

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits Unsecured	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2848.41	-	-	2848.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	2848.41	-	-	2848.41
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	
Reduction	1032.08	-		1032.08
<b>Net Change</b>	(1032.08)	-		(1032.08)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1816.33	-	-	1816.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1816.33	-	-	1816.33

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lakhs)

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr V. Madhavan Managing Director	Total Amount
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59.16	59.16
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.32
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	17.51 0.5%	17.51
5	Others, please specify		-
<b>Total (A)</b>			<b>76.99</b>
<b>Ceiling as per the Act (5% of Net Profits)</b>			<b>175.14</b>

### B. Remuneration to other Directors: (₹ in lakhs)

S. No	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / committee meetings	Commission	Others, please specify	
	Independent Directors				
1	Ms. Sowmya Vencatesan	1.25	-	-	1.25
2	Mr. Rakesh Chopra	1.50	-	-	1.50
Total (1)		2.75			2.75
	Other Non-Executive Directors				
1	Mr. S Ram	3.75	-	-	3.75
2	Mr. Srivats Ram	1.00	-	-	1.00
Total (2)		4.75	-	-	4.75
<b>Total (B) = (1)+(2)</b>		<b>7.50</b>	-	-	<b>7.50</b>
<b>Total Managerial Remuneration (A+B)</b>			-	-	<b>84.49</b>
<b>Overall Ceiling as per the Act (11% of Net Profits)</b>					<b>385.29</b>



**C. Remuneration To Other Directors Key Managerial Personnel Other Than MD/Manager/WTD:** (₹ in lakhs)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr Y Kishnamoorthy CFO	Mr TV VenkataSubramanyam Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.92	7.13	41.05
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.96	0.19	1.15
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
Total (A)		34.88	7.32	42.20

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

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

**ANNEXURE VII**

**Conservation of energy**

Your Company is implementing Energy conservation activities in all its plant locations. Energy saving projects have been successfully implemented on following themes: Use of Variable Speed Drive for motor, Replacement of inefficient motor with Energy Efficient motor, Optimization of motor Capacity, Use of energy efficient lamp like induction lamp, LED lamp, Replacement of inefficient water pump with energy efficient pump and Power factor improvement to reduce energy billing in our plants. Instead of generating units, we are also using third party supplies. Each of the production lines is metered for power consumption and improvements are being made through energy audits. Poly carbonate sheets are used instead of Fibre Reinforced Plastic (FRP) sheets to improve lighting during the day time in the factory.

**Technology absorption**

Your Company has capability to design and test Axle Housings that perform satisfactorily under Indian Operating conditions. Axle Housings that are exported are made to customer designs. Your Company continues to innovate and increase its technology deployment to meet the requirements of its customers in various industry segments and will continue its efforts towards yield improvement, resource optimisation and improved performance of its products.

**Foreign Exchange earnings and outgo**

Foreign Exchange used ₹ 988.28 Lakhs  
Foreign Exchange earned ₹ 7678.65 Lakhs

For and on behalf of the Board of Directors

Chennai  
28<sup>th</sup> June 2018

**S Ram**  
Chairman  
DIN 00018309



# INDEPENDENT AUDITORS' REPORT

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## TO THE MEMBERS OF AXLES INDIA LIMITED

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Axles India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



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## Opinion

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

## Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated June 28, 2017 and June 29, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- 
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 29;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

*Chartered Accountants*

**Arun Kumar R**

*Partner*

Chennai

June 28, 2018

Membership Number: 211867

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## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Axles India Limited on the financial statements for the year ended March 31, 2018

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Axles India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

2. 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 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 Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.



4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

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

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

*Chartered Accountants*

**Arun Kumar R**

*Partner*

Membership Number: 211867

Chennai

June 28, 2018

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Axles India Limited on the financial statements as of and for the year ended March 31, 2018.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, duty of customs, duty of excise, value added tax and goods and service tax. The particulars of dues of income tax, sales tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount ( Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	47.20	Assessment Year 2013-14, 2014-15	Commissioner of Income Tax (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.15	Financial Year 1989-1990	Tamil Nadu Sales Tax Appellate Tribunal
Tamil Nadu General Sales Tax Act	Sales Tax	0.21	Financial Year 1995-1996	Appellate Assistant Commissioner (Commercial Tax)
Central Sales Tax Act, 1956	Sales Tax	1.29	Financial Year 2007-2008	Assistant / Deputy Commissioner (Commercial Tax).



- viii. According to the records of the Company examined by us and the information and explanation given to us, **the Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks** as at the balance sheet date. The Company does not have any loans or borrowings from Government, nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the **Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.**
- xi. The Company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed **in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.**
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E/E-300009  
*Chartered Accountants*

**Arun Kumar R**  
*Partner*

Membership Number: 211867

Chennai  
June 28, 2018

## Balance Sheet as at 31<sup>st</sup> March 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	4,633.58	5,407.64	5,609.79
Capital work-in-progress	3	348.82	105.04	96.78
Intangible assets	4	56.35	69.64	17.30
Financial assets				
(i) Investments	5 (a)	0.63	0.96	1.09
(ii) Loans	5 (c)	228.88	277.97	160.00
(iii) Other financial assets	5 (e)	-	112.39	-
Other non-current assets	6	175.64	29.77	34.64
<b>Total non-current assets</b>		<b>5,443.90</b>	<b>6,003.41</b>	<b>5,919.60</b>
<b>Current assets</b>				
Inventories	7	7,436.79	6,421.85	7,734.95
Financial Assets				
(i) Trade Receivables	5 (b)	13,630.78	8,588.60	8,896.91
(ii) Cash and bank balances	5 (d)	1,800.99	2,437.52	2,440.97
(iii) Loans	5 (c)	57.80	65.53	59.92
(iv) Other financial assets	5 (e)	279.14	155.96	0.06
Current tax assets	8 (a)	18.43	38.78	10.46
Other current assets	9	732.05	590.27	779.21
<b>Total current assets</b>		<b>23,955.98</b>	<b>18,298.51</b>	<b>19,922.48</b>
<b>Total Assets</b>		<b>29,399.88</b>	<b>24,301.92</b>	<b>25,842.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10(a)	2,548.88	2,548.88	2,548.88
Other Equity				
(i) Reserves and surplus	10(b)	8,342.79	6,711.67	5,670.76
(ii) Other reserves	10(c)	0.27	0.60	0.73
<b>Total equity</b>		<b>10,891.94</b>	<b>9,261.15</b>	<b>8,220.37</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	11(a)	4.92	242.83	558.09
Provisions	12	70.06	-	-
Employee benefit obligations	13	159.71	130.04	107.24
Deferred tax liabilities (Net)	14	236.36	389.51	351.25
<b>Total non-current liabilities</b>		<b>471.05</b>	<b>762.38</b>	<b>1,016.58</b>
<b>Current Liabilities</b>				
Financial liabilities				
(i) Borrowings	11(b)	8,137.44	6,665.67	7,571.14
(ii) Trade payables	11(c)	7,865.91	5,812.01	7,666.45
(iii) Other financial liabilities	11(d)	925.83	1,046.92	844.81
Provisions	12	19.39	19.39	19.39
Employee benefit obligations	13	152.99	77.11	67.88
Current tax liabilities	8(b)	30.42	-	-
Other current liabilities	15	904.91	657.29	435.46
<b>Total current liabilities</b>		<b>18,036.89</b>	<b>14,278.39</b>	<b>16,605.13</b>
<b>Total liabilities</b>		<b>18,507.94</b>	<b>15,040.77</b>	<b>17,621.71</b>
<b>Total equity and liabilities</b>		<b>29,399.88</b>	<b>24,301.92</b>	<b>25,842.08</b>

The accompanying notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our Report of the even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

**Arun Kumar R**

Partner

Membership Number: 211867

Chennai

28 June 2018

For and on behalf of the Board of Directors

**S Ram**  
Chairman

**V Madhavan**  
Managing Director

**Y Krishnamoorthy**  
Chief Financial Officer

**T V Venkata Subramanyam**  
Secretary



# Statement of profit and loss for the year ended 31<sup>st</sup> March 2018

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	16	48,009.11	44,908.72
Other income	17(a)	168.08	109.13
Other gains/(losses )	17(b)	209.21	510.63
<b>Total income</b>		<b>48,386.40</b>	<b>45,528.48</b>
<b>Expenses</b>			
Cost of materials consumed	18(a)	30,181.44	25,855.62
Changes in inventories of work-in-progress and finished goods	18(b)	359.58	(90.16)
Excise duty		880.49	4,169.30
Employee benefit expenses	19	5,644.82	5,529.91
Depreciation and amortisation expenses	20	889.33	1,001.24
Other expenses	21	6,829.35	6,577.72
Finance costs	22	183.18	207.06
<b>Total expenses</b>		<b>44,968.19</b>	<b>43,250.69</b>
<b>Profit before tax</b>		<b>3,418.21</b>	<b>2,277.79</b>
Income tax expense / (income)			
Current Tax	23	1,314.00	752.90
Deferred Tax	23	(127.15)	33.26
<b>Total tax expense</b>		<b>1,186.85</b>	<b>786.16</b>
<b>Profit for the year</b>		<b>2,231.36</b>	<b>1,491.63</b>
<b>Other comprehensive income / (expense)</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of post-employment benefit obligations		(74.14)	14.36
Income tax relating to above item		26.00	(5.00)
Change in fair value of FVOCI equity instruments		(0.33)	(0.13)
<b>Other comprehensive income for the year, net of tax</b>		<b>(48.47)</b>	<b>9.23</b>
<b>Total Comprehensive Income for the year</b>		<b>2,182.89</b>	<b>1,500.86</b>
<b>Earnings per equity share:</b>			
Basic & Diluted earnings per share	31	8.56	5.89

The accompanying notes are an integral part of these financial statement

"This is the Statement of profit and loss referred to in our Report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

**Arun Kumar R**

Partner

Membership Number: 211867

Chennai

28 June 2018

For and on behalf of the Board of Directors

**S Ram**  
Chairman

**Y Krishnamoorthy**  
Chief Financial Officer

**V Madhavan**  
Managing Director

**T V Venkata Subramanyam**  
Secretary



## Statement of changes in equity as at 31<sup>st</sup> March 2018

(All amounts in INR lakhs, unless otherwise stated)

### A. Equity Share Capital

	Notes	
<b>As at 1 April 2016</b>	10(a)	2,548.88
Changes in equity share capital		-
<b>As at 31 March 2017</b>	10(a)	2,548.88
Changes in equity share capital		-
<b>As at 31 March 2018</b>	10(a)	2,548.88

### B. Other Equity

Particulars	Reserves and Surplus		Other Reserves	Total
	General Reserve	Retained Earnings	FVOCI Equity Instruments	
<b>Balance as at 1 April 2016</b>	<b>78.43</b>	<b>5,592.33</b>	<b>0.73</b>	<b>5,671.49</b>
Profit for the year	-	1,491.63	-	1,491.63
Other comprehensive income	-	9.36	(0.13)	9.23
Total comprehensive income for the year	-	1,500.99	(0.13)	1,500.86
Transactions with owners in their capacity as owners:				
Interim dividend 2016-17 at ` 1.50 per share	-	(382.26)	-	(382.26)
Dividend distribution tax	-	(77.82)	-	(77.82)
<b>Balance as at 31 March 2017</b>	<b>78.43</b>	<b>6,633.24</b>	<b>0.60</b>	<b>6,712.27</b>
Profit for the year	-	2,231.36	-	2,231.36
Other comprehensive income	-	(48.14)	(0.33)	(48.47)
Total comprehensive income for the year	-	2,183.22	(0.33)	2,182.89
Transactions with owners in their capacity as owners:				
Final dividend 2016-17 at ` 1.80 per share	-	(458.72)	-	(458.72)
Dividend distribution tax	-	(93.38)	-	(93.38)
<b>Balance as at 31 March 2018</b>	<b>78.43</b>	<b>8,264.36</b>	<b>0.27</b>	<b>8,343.06</b>

The accompanying notes are an integral part of these financial statements.

This is the Statement of change in equity also referred to in our Report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

**Arun Kumar R**

Partner

Membership Number: 211867

Chennai

28 June 2018

For and on behalf of the Board of Directors

**S Ram**  
Chairman

**Y Krishnamoorthy**  
Chief Financial Officer

**V Madhavan**  
Managing Director

**T V Venkata Subramanyam**  
Secretary

# Cash Flow Statement for the year ended 31<sup>st</sup> March 2018

(All amounts in INR lakhs, unless otherwise stated)



	Year ended 31 March 2018	Year ended 31 March 2017
<b>A. Cash flow from operating activities:</b>		
Profit before income-tax	3,418.21	2,277.79
<b>Adjustments for:</b>		
Interest and other finance cost	183.18	207.06
Net exchange differences	(286.88)	(291.85)
Depreciation and amortisation expense	889.33	1,001.24
Gain on disposal of property, plant and equipment	(7.72)	(18.00)
Loss on write off of redundant assets	-	5.18
Interest income	(89.79)	(108.92)
Operating profit before working capital changes	4,106.33	3,072.50
<b>Changes in working capital:</b>		
(Increase) / decrease in trade receivables	(5,033.61)	325.48
(Increase) / decrease in current and non-current loans	56.82	(123.58)
(Increase) / decrease in other financial assets	268.35	-
(Increase) / decrease in current and non-current assets	(139.96)	184.65
(Increase) / decrease in inventories	(1,014.94)	1,313.10
Increase / (decrease) in trade payables	2,053.02	(1,848.05)
Increase / (decrease) in other financial liabilities	(121.09)	202.11
Increase / (decrease) in provisions	70.06	-
Increase / (decrease) in employee benefit obligation	31.41	46.39
Increase / (decrease) in other liabilities	247.62	221.83
<b>Cash generated from operations</b>	<b>524.01</b>	<b>3,394.43</b>
Income tax paid	(1,263.24)	(781.22)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(739.23)</b>	<b>2,613.21</b>
<b>Cash flow from investing activities:</b>		
Payments for property, plant and equipment	(506.02)	(874.26)
Proceeds from sale of property, plant and equipment	17.96	34.52
Interest received	89.85	108.92
<b>Net cash outflow from investing activities</b>	<b>(398.21)</b>	<b>(730.82)</b>
<b>Cash flow from financing activities:</b>		
Repayment of borrowings	(237.91)	(1,220.73)
Proceeds from borrowings	1,471.77	-
Interest paid	(183.18)	(207.06)
Dividends paid to company's shareholders (including DDT)	(552.10)	(460.08)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>498.58</b>	<b>(1,887.87)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(638.86)</b>	<b>(5.48)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,433.07</b>	<b>2,438.55</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,794.21</b>	<b>2,433.07</b>

The accompanying notes are an integral part of these financial statements.  
This is the Cash Flow Statement referred to in our Report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants

**Arun Kumar R**  
Partner  
Membership Number: 211867  
Chennai  
28 June 2018

For and on behalf of the Board of Directors

**S Ram**  
Chairman

**Y Krishnamoorthy**  
Chief Financial Officer

**V Madhavan**  
Managing Director

**T V Venkata Subramanyam**  
Secretary

## Notes on Accounts

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(All amounts in INR lakhs, unless otherwise stated)

### Company overview

Axles India Limited (the 'Company') is engaged in manufacturing of Axle housings to automobile companies. The company has its manufacturing plants in Sriperumbudur and Cheyyar, Tamil Nadu, India and sells primarily in India and United States. The company is an unlisted public limited company.

### 1. Significant accounting policies

#### 1.1 Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

#### 1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) is measured at fair value;

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### 1.3 Going concern

The board of directors have considered the financial position of the Company at 31 March 2018 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

#### 1.4 Revenue Recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

##### 1.4.1. Sale of goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer, as per terms of contract. Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Tax, Sales Tax and GST.

##### 1.4.2 Income from service

Income from services is accounted over the period of rendering of services.

#### 1.5 Foreign currencies

##### 1.5.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the company's functional and presentation currency.



## Notes on Accounts

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### 1.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

### 1.6 Employee benefits

#### 1.6.1 Short term obligations

“Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.”

#### 1.6.2 Other long term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### 1.6.3 Post employment obligations

The Company operates the following post-employment schemes:

- a) Defined contribution plans such as provident fund, and
- b) Defined benefit plans such as gratuity for its eligible employees.

##### **Defined contribution plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

## Notes on Accounts

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### **Defined benefit plan**

“The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India (‘LIC’). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **1.7 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **1.7.1 Current tax**

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted.

#### **1.7.2 Deferred tax**

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **1.7.3 Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

### **1.8 Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the



## Notes on Accounts

cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Particulars	Useful life in years ascertained by the company	Useful life of the asset as prescribed in schedule II of Companies Act, 2013
Buildings	30	30
Plant & Machinery	7.5*	7.5*
Furniture and fixtures	5	5
Vehicles	8	8
Computer hardware	3	3

\* The Company generally operates on a triple shift basis, useful life of the Plant and Machinery under Schedule II of Companies Act, 2013 has been considered accordingly.

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

## 1.9 Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

### Amortisation and estimated useful lives

Intangible assets with a finite useful life using the straight-line method over a 5 year period

### Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 1.10. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## 1.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Cost of Work in progress comprises of raw material cost. The cost of finished goods comprises raw materials,

## Notes on Accounts

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direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non- production inventory (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption.

### 1.12 Provisions and contingencies

**Provisions:** Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

**Contingent Liabilities:** 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 an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 1.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

### 1.14 Financial assets

All purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 1.14.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset that meets the following two conditions is measured at



## Notes on Accounts

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amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

### **1.14.2. Financial assets at fair Value through other Comprehensive Income (FVOCI)**

Investment in equity instrument are classified at fair value through other Comprehensive Income, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit and loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss.

### **1.14.3 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

### **1.14.4. Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

### **1.14.5. Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).



## Notes on Accounts

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For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses

### **1.15. Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

#### **1.15.1. Trade and other payables**

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

#### **1.15.2. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **1.15.3. Foreign exchange gains or losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### **1.16. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### **1.17. Leases**

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



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### 1.18. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### 1.19. Earnings Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive

### 1.20. Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

### 1.21. Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest INR Millions as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

### 1.22. Recent accounting pronouncements: Standards issued but not yet effective

The Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers is applicable from FY 2018-19, the management believes that the adoption of Ind AS 115 does not have any significant impact on the financial statements.

The management believes that the adoption of amendment to Ind AS 21, Foreign currency transactions and advance consideration and amendment to Ind AS 12 Income Taxes does not have any significant impact on the financial statements.

The amendment to Ind AS 40, Investment Property is not applicable.

## 2. Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 13: Provision for employee benefits
- Note 12 & 29: Provision for Litigations
- Note 12: Provision for warranty
- Note 11: Provision for purchase price revision

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 3. Property, plant and equipment

Particulars	Freehold land	Freehold buildings	Furniture and fittings	Plant and machinery	Computers	Vehicles	Leased vehicles*	Leased machinery*	Total	Capital Work-in-progress
<b>Year ended 31 March 2017</b>										
<b>Gross carrying amount</b>										
Deemed cost as at 1 April 2016	15.03	1,365.61	51.78	4,098.91	24.29	5.49	20.28	28.40	5,609.79	96.78
Additions	-	0.09	6.38	764.72	29.07	-	-	-	800.26	881.39
Disposals	-	-	-	(163.47)	-	-	-	-	(163.47)	(873.13)
<b>Gross carrying amount as at 31 March 2017</b>	<b>15.03</b>	<b>1,365.70</b>	<b>58.16</b>	<b>4,700.16</b>	<b>53.36</b>	<b>5.49</b>	<b>20.28</b>	<b>28.40</b>	<b>6,246.58</b>	<b>105.04</b>
<b>Accumulated Depreciation</b>										
Depreciation charge during the year	-	100.14	10.92	848.57	11.11	1.15	2.93	5.89	980.71	-
Disposals	-	-	-	(141.77)	-	-	-	-	(141.77)	-
<b>Accumulated depreciation as at 31 March 2017</b>	<b>-</b>	<b>100.14</b>	<b>10.92</b>	<b>706.80</b>	<b>11.11</b>	<b>1.15</b>	<b>2.93</b>	<b>5.89</b>	<b>838.94</b>	<b>-</b>
<b>Net carrying amount</b>	<b>15.03</b>	<b>1,265.56</b>	<b>47.24</b>	<b>3,993.36</b>	<b>42.25</b>	<b>4.34</b>	<b>17.35</b>	<b>22.51</b>	<b>5,407.64</b>	<b>105.04</b>
<b>Year ended 31 March 2018</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	15.03	1,365.70	58.16	4,700.16	53.36	5.49	20.28	28.40	6,246.58	105.04
Additions	-	0.07	0.37	106.18	1.69	-	-	-	108.31	356.00
Disposals	-	-	-	(79.52)	-	(9.15)	-	-	(88.67)	(112.22)
<b>Gross carrying amount as at 31 March 2018</b>	<b>15.03</b>	<b>1,365.77</b>	<b>58.53</b>	<b>4,726.82</b>	<b>55.05</b>	<b>(3.66)</b>	<b>20.28</b>	<b>28.40</b>	<b>6,266.22</b>	<b>348.82</b>
<b>Accumulated Depreciation</b>										
Opening accumulated depreciation	-	100.14	10.92	706.80	11.11	1.15	2.93	5.89	838.94	-
Depreciation charge during the year	-	69.38	9.33	784.77	0.28	0.32	2.93	5.12	872.13	-
Disposals	-	-	-	(73.15)	-	(5.28)	-	-	(78.43)	-
<b>Accumulated depreciation as at 31 March 2018</b>	<b>-</b>	<b>169.52</b>	<b>20.25</b>	<b>1,418.42</b>	<b>11.39</b>	<b>(3.81)</b>	<b>5.86</b>	<b>11.01</b>	<b>1,632.64</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>15.03</b>	<b>1,196.25</b>	<b>38.28</b>	<b>3,308.40</b>	<b>43.66</b>	<b>0.15</b>	<b>14.42</b>	<b>17.39</b>	<b>4,633.58</b>	<b>348.82</b>

\* The lease term in respect of assets acquired under finance leases generally expire within five years. Under the terms of the leases, the Company has the option to acquire the leased assets on expiry of the leases.

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)



### 3. Property, plant and equipment

#### (i) Property, Plant and equipment pledged as security

Refer note 32 for information on property, plant and equipment pledged as security by the company

#### (ii) Contractual obligations

Refer note 30(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment

#### (iii) Capital work-in-progress

Capital work-in-progress mainly comprises plant and machinery & building being constructed.

### 4. Intangible assets

Particulars	Computer Software
<b>Year ended 31 March 2017</b>	
<b>Gross carrying amount</b>	
Deemed cost as at 1 April 2016	17.30
Additions	72.87
<b>Gross carrying amount as at 31 March 2017</b>	<b>90.17</b>
<b>Accumulated Amortisation</b>	
Amortisation charge for the year	20.53
<b>Accumulated amortisation as at 31 March 2017</b>	<b>20.53</b>
<b>Closing net Carrying amount</b>	<b>69.64</b>
<b>Year ended 31 March 2018</b>	
<b>Gross Carrying Amount</b>	
Opening gross carrying amount	90.17
Additions	3.91
<b>Gross carrying amount as at 31 March 2018</b>	<b>94.08</b>
<b>Accumulated Amortisation</b>	
Opening accumulated amortisation	20.53
Amortisation charge for the year	17.20
<b>Accumulated amortisation as at 31 March 2018</b>	<b>37.73</b>
<b>Net Carrying amount</b>	<b>56.35</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 5. Financial assets

#### 5 (a) Non-current investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Equity investments at FVOCI			
Quoted, fully paid			
3,600 (31 March 2017 and 1 April 2016 : 3,600)	0.63	0.96	1.09
equity shares of Indian Overseas Bank			

#### 5 (b) Trade receivables

Trade receivables	13,630.78	8,588.60	8,896.91
Total receivables	13,630.78	8,588.60	8,896.91
Current portion	13,630.78	8,588.60	8,896.91
Non-current portion	-	-	-
<b>Break-up of security details</b>			
Secured, considered good	-	-	-
Unsecured, considered good	13,630.78	8,588.60	8,896.91
Doubtful	-	-	-
<b>Total trade receivables</b>	<b>13,630.78</b>	<b>8,588.60</b>	<b>8,896.91</b>

#### Transferred receivables

The carrying amounts of the trade receivables include which are subject to a bills discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the bills discounting in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under this agreement is presented as secured borrowing.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total transferred receivables	6,545.29	4,349.50	4,598.81
Associated secured borrowing (note 11(b))	6,545.29	4,349.50	4,598.81

#### 5 (c) Loans

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Unsecured, considered good</b>						
Security deposits	-	228.88	-	277.97	-	159.70
Loan to employees	57.80	-	65.53	-	59.92	0.30
<b>Total loans</b>	<b>57.80</b>	<b>228.88</b>	<b>65.53</b>	<b>277.97</b>	<b>59.92</b>	<b>160.00</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 5 (d) Cash and bank balances

Particulars	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents			
- cash on hand	0.50	0.80	0.28
Bank Balances			
- in current accounts	1,793.71	2,432.27	2,438.27
<b>Total cash and cash equivalents</b>	<b>1,794.21</b>	<b>2,433.07</b>	<b>2,438.55</b>
Other bank balances			
- unpaid dividend accounts	6.78	4.45	2.42
<b>Total cash and bank balances</b>	<b>1,800.99</b>	<b>2,437.52</b>	<b>2,440.97</b>

### 5 (e) Other financial assets

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Foreign exchange on forward contracts	279.14	-	155.90	112.39	-	-
Interest accrued on deposits	-	-	0.06	-	0.06	-
<b>Total other financial assets</b>	<b>279.14</b>	<b>-</b>	<b>155.96</b>	<b>112.39</b>	<b>0.06</b>	<b>-</b>

### 6. Other non-current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for capital goods	173.90	23.88	31.01
Prepaid expenses	1.74	5.89	3.63
<b>Total other non-current assets</b>	<b>175.64</b>	<b>29.77</b>	<b>34.64</b>

### 7. Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials and components	3,627.86	2,241.48	3,523.93
Work-in-progress	1,691.12	1,806.76	2,282.90
Finished Goods (includes goods-in-transit)	1,817.45	2,061.39	1,495.09
Stores and spares	137.48	150.42	221.88
Loose tools	162.88	161.80	211.15
<b>Total inventories</b>	<b>7,436.79</b>	<b>6,421.85</b>	<b>7,734.95</b>

### 8 (a) Current Tax assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Opening Balance	38.78	10.46	(35.47)
Add: Tax paid / (refund) during the year	(20.35)	781.22	855.93
Less: Tax payable during the year	-	(752.90)	(810.00)
<b>Closing Balance</b>	<b>18.43</b>	<b>38.78</b>	<b>10.46</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 8 (b) Current Tax liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Opening Balance	-	-	-
Add: Current tax payable for the year	1,314.00	-	-
Less: Taxes paid during the year	(1,283.58)	-	-
<b>Closing Balance</b>	<b>30.42</b>	-	-

### 9. Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance to vendors	612.56	182.38	101.44
Balance with Central excise authorities	-	98.90	461.56
Prepaid expenses	41.44	173.84	65.03
VAT receivable	-	26.58	116.57
Other advances	78.05	108.57	34.61
<b>Total other current assets</b>	<b>732.05</b>	590.27	779.21

### 10 (a) Equity share capital

Particulars	No. of Shares	Amount
Authorised Equity Share Capital		
As at 1 April 2016	260,00,000	2,600.00
Increase during the year	-	-
As at 31 March 2017	260,00,000	2,600.00
Increase during the year	-	-
<b>As at 31 March 2018</b>	260,00,000	2,600.00

### (i) Movements in equity share capital

Particulars	No. of Shares	Amount
As at 1 April 2016		
Subscribed and paid up	254,84,410	2548.44
Forfeited Shares	6,236	0.44
As at 31 March 2017	254,90,646	2548.88
<b>As at 31 March 2018</b>	254,90,646	2548.88

### Terms and rights attached to equity shares

Equity shares have a par value of INR 10. They entitle holder to participate in dividends and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (ii) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Sundaram Finance Limited	-	-	98,91,754	38.82%	98,91,754	38.82%
Sundaram Finance Holdings Limited*	98,91,754	38.82%	-	-	-	-
Wheels India Limited	24,24,661	9.51%	24,24,661	9.51%	24,24,661	9.51%
Dana Global Products Inc.,	123,16,415	48.33%	123,16,415	48.33%	123,16,415	48.33%

\* Pursuant to the order of National Company Law Tribunal, Chennai (NCLT) dated January 18, 2018, the shareholding of the Company has been transferred and vested from Sundaram Finance Limited to Sundaram Finance Holdings Limited. The issuance of share certificate in the name of Sundaram Finance Holdings Limited, consequent to the above order has been effected on April 12, 2018 by the Company.

### 10. (b) Reserves and surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
General Reserve	78.43	78.43	78.43
Retained Earnings	8,264.36	6,633.24	5,592.33
<b>Total reserves and surplus</b>	<b>8,342.79</b>	<b>6,711.67</b>	<b>5,670.76</b>

#### (i) General reserve

Particulars	31 March 2018	31 March 2017
Opening balance	78.43	78.43
Appropriations during the year	-	-
<b>Closing balance</b>	<b>78.43</b>	<b>78.43</b>

#### (ii) Retained earnings

Particulars	31 March 2018	31 March 2017
Opening balance	6,633.24	5,592.33
Net profit for the year	2,231.36	1,491.63
Other comprehensive income directly recognised in retained earnings	(48.14)	9.36
Dividends	(458.72)	(382.26)
Dividend distribution tax	(93.38)	(77.82)
<b>Closing balance</b>	<b>8,264.36</b>	<b>6,633.24</b>

#### 10 (c) Other Reserves

Particulars	31 March 2018	31 March 2017
Opening balance	0.60	0.73
Change in fair value of FVOCI equity instruments	(0.33)	(0.13)
<b>Closing balance</b>	<b>0.27</b>	<b>0.60</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### FVOCI equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

### 11 (a) Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon / Interest rate	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>						
Term Loans						
From a Bank	31 Oct 2018	Quarterly	6months MCLR+135 bps	233.61	543.38	849.52
Finance lease obligation	30 Nov 2019	Monthly	13.25%	4.92	11.63	18.49
Total non-current borrowings				238.53	555.01	868.01
Less: current maturity of long-term debt (included in note no.11(d))				231.04	308.06	308.06
Less: interest accrued (included in note no.11(d))				2.57	4.12	1.86
<b>Non-current borrowings (as per balance sheet)</b>				<b>4.92</b>	<b>242.83</b>	<b>558.09</b>

### 11 (b) Current borrowings

Particulars	Maturity date	Terms of repayment	Coupon / Interest rate	31 March 2018	31 March 2017	1 April 2016
<b>Loan repayable on demand</b>						
<b>Secured</b>						
From Banks						
Loan repayable on demand	Payable on demand	Payable on demand		-	-	528.45
Packing credit in foreign currency facility	20 Sep 2018	Payable on demand	LIBOR+75 bps	1,585.29	2,309.15	2,436.77
Bills discounted with Banks	19 July 2018	Payable on demand	LIBOR+75 bps	1,817.40	1,449.76	-
Finance lease obligation	30 Nov 2019	Monthly	13.25%	6.86	7.02	7.11
<b>Unsecured</b>						
From Banks						
Bills discounted with Banks	18 May 2018	Payable on demand	1 Month MCLR+10 bps	4,727.89	2,899.74	4,598.81
<b>Total current borrowings</b>				<b>8,137.44</b>	<b>6,665.67</b>	<b>7,571.14</b>

Note: Refer note 32 for security details



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### Net Debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	1,794.21	2,433.07
Current borrowing	(8,137.44)	(6,665.67)
Non-current borrowing	(238.53)	(555.01)
<b>Net Debt</b>	<b>(6,581.76)</b>	<b>(4,787.61)</b>

Particulars	Other assets	Liabilities from financing activities		
	Cash and bank overdraft	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2016	2,438.55	(868.01)	(7,571.14)	(6,000.60)
Cash flows	(5.48)	313.00	905.47	1,212.99
Net debt as at 31 Mar 2017	2,433.07	(555.01)	(6,665.67)	(4,787.61)
Cash flows	(638.86)	316.48	(1,471.77)	(1,794.15)
<b>Net debt as at 31 Mar 2018</b>	<b>1,794.21</b>	<b>(238.53)</b>	<b>(8,137.44)</b>	<b>(6,581.76)</b>

### 11 (c) Trade Payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Current			
(a) Total outstanding dues to micro enterprises and small enterprises (Refer note 34) and	261.47	254.37	325.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Acceptances	69.72	42.09	51.25
(ii) Others	7534.72	5515.55	7,289.25
<b>Total trade payables</b>	<b>7,865.91</b>	<b>5,812.01</b>	<b>7,666.45</b>

### 11 (d) Other financial liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term debt	231.04	308.06	308.06
Interest accrued and due on borrowings	2.57	4.12	1.86
Capital creditors	84.42	97.37	42.09
Due to director	17.51	8.06	13.82
Due to employees	590.29	629.31	478.98
<b>Total other financial liabilities</b>	<b>925.83</b>	<b>1,046.92</b>	<b>844.81</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 12. Provisions

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for litigations/ disputes	19.39	-	19.39	-	19.39	-
Provision for warranty	-	70.06	-	-	-	-
	19.39	70.06	19.39	-	19.39	-

#### (i) Movements in provisions

Movements in each class of provisions during the financial year, are set out below:

Particulars	Litigations/disputes	Warranty
As at 1 April 2017	19.39	-
Charged to profit or loss		
- additional provision recognised	-	220.06
Amount used during the year	-	150.00
<b>As at 31 March 2018</b>	<b>19.39</b>	<b>70.06</b>

### 13. Employee Benefit Obligations

Particulars	31 March 2018			31 March 2017			1 April 2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Leave obligations	81.67	117.59	199.26	27.84	130.04	157.88	11.37	107.24	118.61
Gratuity	71.32	42.12	113.44	49.27	-	49.27	56.51	-	56.51
<b>Total employee benefit obligations</b>	<b>152.99</b>	<b>159.71</b>	<b>312.70</b>	<b>77.11</b>	<b>130.04</b>	<b>207.15</b>	<b>67.88</b>	<b>107.24</b>	<b>175.12</b>

#### (i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The classification of leave obligation as current and non-current is based on the amounts determined by actuary.

#### I. Post employment benefit obligations

##### (i) Defined benefit plans

##### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised fund in India.

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)



### (ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% basic salary as per the regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 116.48

#### (a) Reconciliation of defined benefit plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2016	666.32	(609.81)	56.51
Current service cost	54.01	-	54.01
Interest expense / (income)	53.30	(46.97)	6.33
Total amount recognised in profit or loss	107.31	(46.97)	60.34
Remesurements			
Actuarial (gain) / losses	(13.05)	(1.31)	(14.36)
Total amount recognised in other comprehensive income	(13.05)	(1.31)	(14.36)
Employer contributions/premium paid	-	(53.22)	(53.22)
Benefits payment	(98.36)	98.36	-
31 March 2017	662.22	(612.95)	49.27
Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2017	662.22	(612.95)	49.27
Current service cost	41.73	-	41.73
Interest expense / (income)	45.55	(44.33)	1.22
Total amount recognised in profit or loss	87.28	(44.33)	42.95
Remesurements			
Actuarial (gain) / losses	69.95	4.19	74.14
Total amount recognised in other comprehensive income	69.95	4.19	74.14
Employer contributions/premium paid	-	(52.92)	(52.92)
Benefits payment	(99.97)	99.97	-
<b>31 March 2018</b>	<b>719.48</b>	<b>(606.04)</b>	<b>113.44</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### Major category of Plan Assets as a % of total Plan Assets

	31 March 2018	31 March 2017	31 March 2016
Fund managed by LIC	100%	100%	100%

### The net liability disclosed above relates to funded and unfunded plans are as follows:

	31 March 2018	31 March 2017	31 March 2016
Present value of funded obligations	719.48	662.22	666.32
Fair value of plan assets	(606.04)	(612.95)	(609.80)
<b>Deficit of gratuity plan</b>	<b>113.44</b>	<b>49.27</b>	<b>56.52</b>

### The significant actuarial assumptions were as follows:

	31 March 2018	31 March 2017	31 March 2016
Discount rate	7.52%	8.00%	8.00%
Expected return on plan assets	7.52%	8.00%	8.00%
Salary growth rate	5.00%	5.00%	5.00%
Attrition rate	5.00%	5.00%	3.00%

### Sensitivity analysis

#### The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption
	31 March 2018		31 March 2018		31 March 2018
Discount rate	100 base points	Decrease by	6.89%	Increase by	7.87%
Salary growth rate	100 base points	Increase by	7.74%	Decrease by	6.88%
Attrition rate	100 base points	Increase by	1.10%	Decrease by	1.21%
Mortality rate	10% up	Increase by	0.05%		
Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption
	31 March 2017		31 March 2017		31 March 2017
Discount rate	100 base points	Decrease by	7.62%	Increase by	8.79%
Salary growth rate	100 base points	Increase by	8.75%	Decrease by	7.72%
Attrition rate	100 base points	Increase by	1.65%	Decrease by	1.83%
Mortality rate	10% up	Increase by	6.00%		

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)



The following payments are expected contribution to the defined benefit plan in future years.

Particulars	31 March 2018	31 March 2017
Within next 12 months (next annual reporting period)	<b>113.44</b>	49.27
Between 2 to 5 years	-	-
Beyond 5 years	-	-
<b>Total</b>	<b>113.44</b>	49.27

### Risk exposure

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

#### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

#### Change in bond yields

A decrease in bond yields will create plan liabilities although this will be partially offset by an increase in the value of plan's bond holdings

### 14. Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to:

Particulars	31 March 2018	31 March 2017	1 April 2016
Property, Plant and equipment and Intangibles - Depreciation	<b>437.98</b>	507.31	542.19
Others - MTM gain on forward contracts	<b>97.54</b>	79.80	33.49
Others - expenses to be allowed on payment basis as per the provisions of Income Tax Act, 1961	<b>(299.16)</b>	(197.60)	(224.43)
<b>Net deferred tax liabilities</b>	<b>236.36</b>	389.51	351.25

### Movement in deferred tax liabilities

Particulars	Property, Plant and equipment and Intangibles	Other Items	Total
As at 1 April 2016	542.19	(190.94)	351.25
Charged			
- to profit or loss	(34.88)	78.14	43.26
- to other comprehensive income	-	(5.00)	(5.00)
As at 31 March 2017	507.31	(117.80)	389.51
Charged			
- to profit or loss	(69.33)	(109.82)	(179.15)
- to other comprehensive income	-	26.00	26.00
<b>As at 31 March 2018</b>	<b>437.98</b>	<b>(201.62)</b>	<b>236.36</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 15. Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred revenue	550.00	442.12	244.80
Unclaimed dividend	6.78	4.45	2.42
Statutory dues	264.93	141.33	157.05
Trade deposits	27.29	42.49	31.19
Advance from customers	55.91	26.90	-
<b>Total other current liabilities</b>	<b>904.91</b>	<b>657.29</b>	<b>435.46</b>

### 16. Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of products (including excise duty)	44,993.75	42,107.55
Sale of services	47.65	3.81
Other operating revenue (including excise duty)	2,967.71	2,797.36
<b>Total revenue</b>	<b>48,009.11</b>	<b>44,908.72</b>

### 17. Other income and other gains/(losses)

#### (a) Other income

Particulars	31 March 2018	31 March 2017
Interest income on bank deposits	65.77	106.64
Interest income on income tax refund	22.80	-
Interest income on advances	1.22	2.28
Lease rental	0.17	0.21
Liabilities no longer required written back	78.12	-
<b>Total other income</b>	<b>168.08</b>	<b>109.13</b>

#### (b) Other gains/(losses )

Particulars	31 March 2018	31 March 2017
Net gain on disposal of property, plant and equipment	7.72	18.00
Net foreign exchange gain	152.92	142.07
MTM Gain on Forward Contracts	48.57	350.56
<b>Total other gains/(losses)</b>	<b>209.21</b>	<b>510.63</b>

### 18 (a) Cost of materials consumed

Particulars	31 March 2018	31 March 2017
Raw materials at the beginning of the year	1,593.39	3,003.97
Add: Purchases	31,528.11	24,445.04
Less: Raw materials at the end of the year	2,940.06	1,593.39
<b>Total cost of material consumed</b>	<b>30,181.44</b>	<b>25,855.62</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 18 (b) Changes in inventories of Work-in-progress and Finished Goods

Particulars	31 March 2018	31 March 2017
<b>Opening Balance</b>		
Work-in-progress	1,806.76	2,282.90
Finished goods	2,061.39	1,495.09
<b>Total opening balance</b>	<b>3,868.15</b>	<b>3,777.99</b>
<b>Closing balance</b>		
Work-in-progress	1,691.12	1,806.76
Finished goods	1,817.45	2,061.39
<b>Total closing balance</b>	<b>3,508.57</b>	<b>3,868.15</b>
<b>Total changes in inventories of work-in-progress and finished goods</b>	<b>359.58</b>	<b>(90.16)</b>

### 19. Employee benefit expenses

Particulars	31 March 2018	31 March 2017
Salaries, wages and bonus	4,828.17	4,595.92
Contribution to provident fund and other funds	256.77	259.28
Gratuity (refer note 13)	42.34	81.66
Staff welfare expenses	517.54	593.05
<b>Total employee benefit expenses</b>	<b>5,644.82</b>	<b>5,529.91</b>

### 20. Depreciation and amortisation expense

Particulars	31 March 2018	31 March 2017
Depreciation of Property, plant and equipment	872.13	980.71
Amortisation of Intangible assets	17.20	20.53
<b>Total depreciation and amortisation expense</b>	<b>889.33</b>	<b>1,001.24</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 21. Other expenses

Particulars	31 March 2018	31 March 2017
Consumption of stores, spares and tools	1,269.07	1,249.32
Power and fuel	1,696.14	1,564.81
Rent including lease rentals	29.70	35.21
Rates and taxes excluding tax on income	32.73	51.67
Repairs		
Building	225.23	288.89
Plant & machinery	483.19	730.35
Others	174.13	111.05
Insurance	62.41	58.84
Packing and carriage outwards	1,881.12	1,533.40
Directors' sitting fees	7.52	7.04
Payments to auditors (refer note 21(a) below)	25.60	23.82
Expenditure on Corporate Social Responsibilities (Refer note 21(b) below)	20.00	5.80
Loss on write-off of redundant fixed assets	-	5.18
Miscellaneous expenses	922.51	912.34
<b>Total other expenses</b>	<b>6,829.35</b>	<b>6,577.72</b>

### 21 (a) Details of payments to auditors

#### Payment to auditors

Particulars	31 March 2018	31 March 2017
As auditor:		
Audit fee	15.00	12.50
Other services	6.00	7.60
Reimbursement of expenses	4.60	3.72
<b>Total payments to auditors</b>	<b>25.60</b>	<b>23.82</b>

### 21 (b) Corporate Social Responsibility expenditure

Particulars	31 March 2018	31 March 2017
(i) Contribution to Laxmi Charities	10.00	5.00
(ii) Contribution to Sundaram Medical Foundation	10.00	-
Others	-	0.80
<b>Total</b>	<b>20.00</b>	<b>5.80</b>

Gross amount required to be spent by the Company during the year 2017-18 ` 34.69 Lakhs



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	In Cash	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (i) above	20.00	-	20.00

### 22. Finance costs

Particulars	31 March 2018	31 March 2017
Interest expense	167.99	173.36
Other borrowing costs	15.19	33.33
Interest on shortfall and other interest under Income Tax Act	-	0.37
<b>Total finance cost</b>	<b>183.18</b>	<b>207.06</b>

### 23. Income tax expense

Particulars	31 March 2018	31 March 2017
Current tax on profits for the year	1,314.00	752.90
Decrease in deferred tax liabilities	(127.15)	33.26
<b>Total income tax expenses</b>	<b>1,186.85</b>	<b>786.16</b>

#### (a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Profit before income tax expenses	3,418.21	2,277.79
<b>Tax at the Indian tax rate of 34.608%</b>	<b>1,182.97</b>	<b>788.30</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
- Corporate social responsibility expenditure	3.46	1.14
- Interest to MSMEs	0.04	-
- Interest under Income Tax Act, 1961	-	0.13
- Other items	0.38	(3.41)
<b>Income tax expenses</b>	<b>1,186.85</b>	<b>786.16</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 24. Fair value measurements

#### Financial instruments by category and hierarchy

Particulars	Hierarchy	31 March 2018			31 March 2017			1 April 2016		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets										
Investments in equity securities	Level 1	-	0.63	-	-	0.96	-	-	1.09	-
Loans	Level 3	-	-	286.68	-	-	343.50	-	-	219.92
Trade receivables	Level 3	-	-	13,630.78	-	-	8,588.60	-	-	8,896.91
Cash and bank balances	Level 3	-	-	1,800.99	-	-	2,437.52	-	-	2,440.97
Other financial assets	Level 3	-	-	-	-	-	0.06	-	-	0.06
Forward contracts	Level 2	279.14	-	-	268.29	-	-	-	-	-
Total		279.14	0.63	15,718.45	268.29	0.96	11,369.68	-	1.09	11,557.86
Financial Liabilities										
Borrowings	Level 3	-	-	8,142.36	-	-	6,908.50	-	-	8,129.23
Trade payables	Level 3	-	-	7,865.91	-	-	5,812.01	-	-	7,666.45
Other financial liabilities	Level 3	-	-	925.83	-	-	1,046.92	-	-	844.81
Total		-	-	16,934.10	-	-	13,767.43	-	-	16,640.49

#### (i) Fair value hierarchy

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of equity instrument which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Derivative instruments are at values determined by counter parties / banks using the market observable data.

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances and other financial assets are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of short-term borrowings, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

There are no transfers between level 1, level 2 and level 3 during the year.

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)



### 25. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency risk exposures. Derivatives are exclusively for hedging purposes and not as trading or speculative instruments.

#### (A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with bank and credit exposures to customers including outstanding receivables

##### (i) Credit risk management

Credit risk on balances with bank is mitigated by depositing the funds with reputed private sector banks.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company's customers are established OEM's and there have been no defaults in the past. The Company sells the products to the customer only when the collection is certain. The credit risk is monitored on a on-going basis throughout the reporting period. Based on the credit assessment, the Company expects a low trend of defaults as at the balance sheet. An impairment analysis is performed at each reporting date on a individual basis for major clients. Any recoverability of receivables is provided for based on the assessment. Based on the credit risk assessment and historical trend, the company had no significant credit risk at the transition date and 31 March 2017.

##### (ii) Provision for expected credit loss

Year ended 31 March 2018

##### (a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0 - 30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	180 days to 365 days past due	More than 365 days past due	Total
Gross carrying amount	9,519.93	3,201.76	678.66	208.32	22.11	-	-	13,630.78
Loss provision specifically identified and provided	-	-	-	-	-	-	-	-
Carrying amount of trade receivable (net of impairment)	9,519.93	3,201.76	678.66	208.32	22.11	-	-	13,630.78

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### Year ended 31 March 2017

#### (a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0 - 30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	180 days to 365 days past due	More than 365 days past due	Total
Gross carrying amount	5,414.20	3,111.76	62.64	-	-	-	-	8,588.60
Loss provision specifically identified and provided	-	-	-	-	-	-	-	-
Carrying amount of trade receivable (net of impairment)	5,414.20	3,111.76	62.64	-	-	-	-	8,588.60

### Year ended 1 April 2016

#### (a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0 - 30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	180 days to 365 days past due	More than 365 days past due	Total
Gross carrying amount	8,692.86	204.05	-	-	-	-	-	8,896.91
Loss provision specifically identified and provided	-	-	-	-	-	-	-	-
Carrying amount of trade receivable (net of impairment)	8,692.86	204.05	-	-	-	-	-	8,896.91

### (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The management monitors rolling forecasts of the Company's liquidity position (comprising undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

#### (i) Financing arrangements

The Company has the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2018	31 March 2017	1 April 2016
Floating rate			
- Expiring within one year (Bank loan facility)	1,097.31	1,441.10	290.31



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (ii) Maturities of financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<b>31 March 2018</b>						
Borrowings	7,918.45	212.13	-	-	-	8,130.58
Obligations under finance lease	1.71	1.71	3.44	4.92	-	11.78
Trade payables	7,865.91	-	-	-	-	7,865.91
Other financial liabilities:						
- Current maturities of long term debt	77.01	77.01	77.02	-	-	231.04
- Interest accrued and due on borrowings	2.57	-	-	-	-	2.57
- Capital creditors	84.42	-	-	-	-	84.42
- Due to director	-	17.51	-	-	-	17.51
- Due to employees	590.29	-	-	-	-	590.29
<b>Total non-derivative liabilities</b>	<b>16,540.36</b>	<b>308.36</b>	<b>80.46</b>	<b>4.92</b>	<b>-</b>	<b>16,934.10</b>

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
<b>31 March 2017</b>						
Borrowings	6,658.65	-	-	231.20	-	6,889.85
Obligations under finance lease	1.72	1.72	3.43	6.86	4.92	18.65
Trade payables	5,812.01	-	-	-	-	5,812.01
Other financial liabilities:						
- Current maturities of long term debt	77.02	77.02	154.02	-	-	308.06
- Interest accrued and due on borrowings	4.12	-	-	-	-	4.12
- Capital creditors	97.37	-	-	-	-	97.37
- Due to director	-	8.06	-	-	-	8.06
- Due to employees	629.31	-	-	-	-	629.31
<b>Total non-derivative liabilities</b>	<b>13,280.20</b>	<b>86.80</b>	<b>157.45</b>	<b>238.06</b>	<b>4.92</b>	<b>13,767.43</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
1 April 2016						
Borrowings	7,564.03	-	-	308.06	231.54	8,103.63
Obligations under finance lease	1.78	1.78	3.55	6.86	11.63	25.60
Trade payables	7,666.45	-	-	-	-	7,666.45
Other financial liabilities:						
- Current maturities of long term debt	77.02	77.02	154.02	-	-	308.06
- Interest accrued and due on borrowings	1.86	-	-	-	-	1.86
- Capital creditors	42.09	-	-	-	-	42.09
- Due to director	-	13.82	-	-	-	13.82
- Due to employees	478.98	-	-	-	-	478.98
<b>Total non-derivative liabilities</b>	<b>15,832.21</b>	<b>92.62</b>	<b>157.57</b>	<b>314.92</b>	<b>243.17</b>	<b>16,640.49</b>
Derivatives (net settled)						
Foreign exchange forward contracts	-	-	-	-	119.99	119.99
Total derivative liabilities	-	-	-	-	119.99	119.99

### (C) Market Risk

#### (i) Foreign currency risk

The Company's activities expose it to foreign exchange risk arising from foreign currency transactions in USD. The foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable transactions.

The Company's risk management policy is to hedge 100% of the forecasted foreign currency sales for the subsequent 11 months.

The Company also imports certain materials which are denominated significantly in USD which exposes it to foreign currency risk.



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (a) Foreign currency risk exposure:

The company's exposure of foreign currency risk in USD currency at the end of the reporting period is expressed in INR are as follows

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Financial assets</b>			
Trade receivable	2,543.81	1,670.52	2,812.28
Derivative assets:			
Foreign exchange forward contracts:	-	-	-
Sell foreign currency	(3,656.64)	(7,815.12)	(12,404.36)
Net exposure to foreign currency risk (assets)	(1,112.83)	(6,144.60)	(9,592.08)
<b>Financial liabilities</b>			
Foreign currency loan facility	3,402.69	3,758.91	2,436.77
Trade payables	206.29	213.65	659.30
Derivative liabilities:			
Foreign exchange forward contracts	-	-	-
Buy foreign currency	-	-	-
Net exposure to foreign currency risk (liabilities)	3,608.98	3,972.56	3,096.07

### (b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit after tax	
	31 March 2018	31 March 2017
USD sensitivity		
INR/USD - Increase by 5%	180.45	198.63
INR/USD - Decrease by 5%	(180.45)	(198.63)

### (ii) Interest rate risk

The exposure of Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowing	233.61	543.38	1,377.97
Fixed rate borrowing	8,142.36	6,677.30	7,061.18
<b>Total borrowing</b>	<b>8,375.97</b>	<b>7,220.68</b>	<b>8,439.15</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

As at the end of the reporting period, the Company had the following variables rate borrowings outstanding

Particulars	31 March 2018			31 March 2017			1 April 2016		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term loan	9.93	233.61	2.79	10.63	543.38	7.53	11.46	1,377.97	16.33

An analysis by maturities is provided in note 11. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	31 March 2018	31 March 2017
Interest rates - increase by 120 basis points*	2.80	6.52
Interest rates - decrease by 120 basis points*	(2.80)	(6.52)

\*Holding all other variables constant

## 26. Capital management

### (a) Risk management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The company determines the amount of capital required on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the company

Particulars	31 March 2018	31 March 2017	1 April 2016
Net Debt	8,375.97	7,220.68	8,439.15
Total Equity	10,891.94	9,261.15	8,220.37
<b>Net Debt to equity ratio</b>	<b>0.77</b>	0.78	1.03



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (i) Loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

- i) Debt / Equity of <0.8x (complied as detailed in table above)
- ii) the ratio of net finance cost to EBITDA of <1.5x

The company has complied with these covenants through the reporting period. As at 31<sup>st</sup> March 2018, the ratio of net finance cost to EBITDA is 0.04 (31 March 2017 - 0.06)

### (b) Dividends

Particulars	31 March 2018	31 March 2017
<b>(i) Equity shares</b>		
No interim dividend for the year ended 31 March 2018 (Previous year - INR 1.50) per fully paid share	-	382.26
DDT on final dividend	-	77.82
Final dividend for the year ended 31 March 2017 of INR 1.80 (Previous year - NIL) per fully paid share	<b>458.72</b>	-
DDT on final dividend	<b>93.38</b>	-
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 3 Per fullypaid equity share (31st March 2017 - INR 1.80). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.)	<b>764.53</b>	458.72
DDT on proposed dividend	<b>157.15</b>	93.38

## 27. Segment information

### (a) Description of segments and principal activities

The Company is in the manufacturing of Axle housing for global vehicle manufacturers with sales in India and outside India.

The chairman and managing director of the company (CODM) along with the Board of Directors of the Company evaluates the company performance, allocates resources based on analysis of various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the company. The company is domiciled in India.

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (b) Entity wide disclosures

#### (i) Revenue from geographical areas

The segment revenue is measured in the same way as in the statement of profit or loss:

Particulars	31 March 2018			31 March 2017		
	Total	Within India	Outside India	Total	Within India	Outside India
Segment revenue by location of customers	48,009.11	40,330.46	7,678.65	44,908.72	38,015.06	6,893.66

All non-current assets are within India.

#### (ii) Information about major customers

Revenues of INR 6,555.71 (31 March 2017 - INR 6,760.16) are derived from single external customer

## 28. Related party transaction

### (a) Names of related parties and nature of relationship

#### Jointly controlled by:

Sundaram Finance Limited (till January 18, 2018)

Sundaram Finance Holdings Limited (from January 19, 2018)

Wheels India Limited

Dana Global Products Inc

#### Key Managerial Personnel

Mr.M K Surendran (till July 05, 2016)

Mr.V Madhavan (from July 06, 2016)

### (a) Transactions with related parties

Particulars	31 March 2018	31 March 2017
The following transactions occurred with jointly controlled entities:		
Sale of goods	8.43	6.15
Purchase of goods	10.46	-
Receiving of services	29.73	10.41
Rendering of services	24.03	3.81
Lease payments	18.87	20.19
Tool cost paid	5.90	-
Dividend paid	443.39	369.50

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)



### (b) Key managerial personnel compensation

Particulars	31 March 2018	31 March 2017
Remuneration, perquisites and commission*	76.99	74.64

\* As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to Key Managerial Personnel cannot be individually identified.

### (c) Outstanding balances arising from sales / purchases of goods and services

Particulars	31 March 2018	31 March 2017
Key Managerial personnel	17.51	8.06

## 29. Contingent liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Claims against the company not acknowledged as debts:			
- Income tax matters	72.52	72.52	25.60
- Sales tax matters	3.34	3.34	90.57
- Labour related issues	23.74	23.74	23.74
- Claims made by electricity department	44.31	44.31	44.31

The company is contesting the demands and the management, including its tax advisors and legal consultant, believe that its position will be likely upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

## 30. Commitments

### (a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	1,146.02	34.91	8.85

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### (b) Non-cancellable finance lease

The Company has taken vehicles on finance lease. These Lease arrangements are for a period of 5 years and are non-cancellable. Leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	31 March 2018	31 March 2017	1 April 2016
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:			
Within one year	6.86	7.02	7.11
Later than one year and not later than five years	4.92	11.63	18.49
Total	11.78	18.65	25.60

### (c) Non-cancellable operating lease

The Company has taken vehicles on operating lease. These Lease arrangements are for a period of 5 years and are non-cancellable. Leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	31 March 2018	31 March 2017	1 April 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	13.56	7.92	7.66
Later than one year and not later than five years	31.04	21.23	24.15
Total	44.60	29.15	31.81

## 31. Earnings per share

Particulars	31 March 2018	31 March 2017
(a) Basic earnings per share		
Basic earnings per share attributable to equity shareholders of the Company	8.56	5.89
(b) Diluted earnings per share		
Diluted earnings per share attributable to equity shareholders of the Company	8.56	5.89
(c) Profit attributable to equity holders of the company used in calculating basic and diluted earnings per share	2,182.89	1,500.86
(d) Weighted average number of equity shares used as a denominator in calculating basic and diluted earnings per share	254,84,410	254,84,410



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 32. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>				
<b>Non-financial assets</b>				
First Charge				
Inventories	7	<b>7,436.79</b>	6,421.85	7,734.95
<b>Financial assets</b>				
Second charge				
Trade Receivables	5(b)	<b>13,630.78</b>	8,588.60	8,896.91
Cash and bank balances	5(d)	<b>1,800.99</b>	2,437.52	2,440.97
Other Financial assets	5(e)	<b>279.14</b>	155.96	0.06
Loans	5(c)	<b>57.80</b>	65.53	59.92
Other current assets	9	<b>732.05</b>	590.27	779.21
<b>Total current assets pledged as security</b>		<b>23,937.55</b>	18,259.73	19,912.02
<b>Non-Current</b>				
First Charge				
Property, plant and equipment	3	<b>4,633.58</b>	5,407.64	5,609.79
<b>Total non-current assets pledged as security</b>		<b>4,633.58</b>	5,407.64	5,609.79
<b>Total assets pledged as security</b>		<b>28,571.13</b>	23,667.37	25,521.81

### First time adoption of Ind AS

#### 33. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A.1 Ind AS optional exemptions

##### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

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making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.

### B. Notes to first-time adoption - Ind AS and other adjustments

#### Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. This increased other reserves by INR 0.60 as at 31 March 2017 (1 April 2016 - INR 0.73) and other comprehensive income for the year ended 31 March 2017 decreased by INR 0.13.

#### Note 2: Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by INR.4130.69. There is no impact on the total equity and profit.

#### Note 3: Financial Assets

Debtors which were subject to bill discounting hitherto derecognised has been recognised as financial asset and a corresponding financial liability being created. There is no impact in the total equity.

#### Note 4: Remeasurement of post employee benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by INR 14.36 lakhs. There is no impact on the total equity as at 31 March 2017.

#### Note 5: Deferred Taxes

Deferred tax have been recognised on the adjustments made on transition to Ind AS.



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 33. Transition to Ind AS

#### C. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### C.1 Reconciliation of equity as at date of transition (1 April 2016)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		5,609.79	-	5,609.79
Capital work-in-progress		96.78	-	96.78
Other intangible assets		17.30	-	17.30
Financial assets				
(i) Investments	Note 1	0.36	0.73	1.09
(ii) Loans		160.00	-	160.00
Other non-current assets		34.64	-	34.64
<b>Total non-current assets</b>		<b>5,918.87</b>	<b>0.73</b>	<b>5,919.60</b>
<b>Current assets</b>				
Inventories		7,479.05	255.90	7,734.95
Financial Assets				
(i) Trade Receivables	Note 3	4,203.64	4,693.27	8,896.91
(ii) Cash and bank balances*		4.20	2,436.77	2,440.97
(iii) Loans		59.92	-	59.92
(iv) Other Financial assets		0.06	-	0.06
Current Tax Assets (Net)		10.46	-	10.46
Other current assets		864.59	(85.38)	779.21
<b>Total current assets</b>		<b>12,621.92</b>	<b>7,300.56</b>	<b>19,922.48</b>
<b>Total assets</b>		<b>18,540.79</b>	<b>7,301.29</b>	<b>25,842.08</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital		2,548.88	-	2,548.88
<b>Other Equity</b>				
(i) Reserves and surplus		5,670.76	-	5,670.76
(ii) Other reserves	Note 1	-	0.73	0.73
<b>Total equity</b>		<b>8,219.64</b>	<b>0.73</b>	<b>8,220.37</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings		558.09	-	558.09
Employee Benefit Obligations		107.24	-	107.24
Deferred tax liabilities (Net)		351.25	-	351.25
<b>Total non-current liabilities</b>		<b>1,016.58</b>	<b>-</b>	<b>1,016.58</b>
<b>Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings *	Note 3	535.56	7,035.58	7,571.14
(ii) Trade payables		7,646.27	20.18	7,666.45
(iii) Other current liabilities		844.81	-	844.81
Provisions		19.39	-	19.39
Employee Benefit Obligations		67.88	-	67.88
Other liabilities		190.66	244.80	435.46
<b>Total current liabilities</b>		<b>9,304.57</b>	<b>7,300.56</b>	<b>16,605.13</b>
<b>Total liabilities</b>		<b>10,321.15</b>	<b>7,300.56</b>	<b>17,621.71</b>
<b>Total equity and liabilities</b>		<b>18,540.79</b>	<b>7,301.29</b>	<b>25,842.08</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation for the purpose of this note

### C.2 Reconciliation of equity as at date of transition (31 March 2017)

Particulars	Notes to first-time adoption	Previous GAAP	Ind AS and other Adjustments	Ind AS
<b>Assets</b>				
Non-current assets				
Property, plant and equipment		5,407.64	-	5,407.64
Capital work-in-progress		105.04	-	105.04
Other intangible assets		69.64	-	69.64
Financial assets				
(i) Investments	Note 1	0.36	0.60	0.96
(ii) Loans		277.97	-	277.97
(iii) Other financial assets		112.39	-	112.39
Other non-current assets		29.77	-	29.77
<b>Total non-current assets</b>		<b>6,002.81</b>	<b>0.60</b>	<b>6,003.41</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP	Ind AS and other Adjustments	Ind AS
<b>Current assets</b>				
Inventories		6,072.45	349.40	6,421.85
Financial Assets				
(i) Trade Receivables	Note 3	4,078.47	4,510.13	8,588.60
(ii) Cash and bank balances*		128.37	2,309.15	2,437.52
(iii) Loans		65.53	-	65.53
(iv) Other Financial assets		155.96	-	155.96
Current Tax Assets (Net)		38.78	-	38.78
Other current assets		636.20	(45.93)	590.27
<b>Total current assets</b>		<u>11,175.76</u>	<u>7,122.75</u>	<u>18,298.51</u>
<b>Total assets</b>		<b>17,178.57</b>	<b>7,123.35</b>	<b>24,301.92</b>
<b>Equity And Liabilities</b>				
<b>Equity</b>				
Equity share capital		2,548.88	-	2,548.88
<b>Other Equity</b>				
(i) Reserves and surplus		6,711.67	-	6,711.67
(ii) Other reserves	Note 1	-	0.60	0.60
<b>Total equity</b>		<u>9,260.55</u>	<u>0.60</u>	<u>9,261.15</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings		242.83	-	242.83
Employee Benefit Obligations		130.04	-	130.04
Deferred tax liabilities (Net)		389.51	-	389.51
<b>Total non-current liabilities</b>		<u>762.38</u>	<u>-</u>	<u>762.38</u>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP	Ind AS and other Adjustments	Ind AS
<b>Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings*	Note 3	7.02	6,658.65	6,665.67
(ii) Trade payables		5,790.03	21.98	5,812.01
(iii) Other current liabilities		1,046.92	-	1,046.92
Provisions		19.39	-	19.39
Employee Benefit Obligations		77.11	-	77.11
Other liabilities		215.17	442.12	657.29
<b>Total current liabilities</b>		<b>7,155.64</b>	<b>7,122.75</b>	<b>14,278.39</b>
<b>Total liabilities</b>		<b>7,918.02</b>	<b>7,122.75</b>	<b>15,040.77</b>
<b>Total equity and liabilities</b>		<b>17,178.57</b>	<b>7,123.35</b>	<b>24,301.92</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation for the purpose of this Note.

### C.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
<b>Revenue from operations</b>	Note 2	40,739.42	4,169.30	44,908.72
Other Income		109.13	-	109.13
Other gains/(losses )		510.63	-	510.63
<b>Total income</b>		<b>41,359.18</b>	<b>4,169.30</b>	<b>45,528.48</b>
<b>Expenses</b>				
Cost of materials consumed		25,855.62	-	25,855.62
Changes in inventories of work-in-progress and finished goods		(90.16)	-	(90.16)
Excise duty	Note 2	0.00	4,169.30	4,169.30
Employee benefit expenses	Note 4	5,515.55	14.36	5,529.91
Depreciation and Amortisation Exp.		1,001.24	-	1,001.24
Other Expenses		6,577.72	-	6,577.72
Finance Costs		207.06	-	207.06
<b>Total expenses</b>		<b>39,067.03</b>	<b>4,183.66</b>	<b>43,250.69</b>
<b>Profit before tax</b>		<b>2,292.15</b>	<b>(14.36)</b>	<b>2,277.79</b>
Total tax expense	Note 5	791.16	(5.00)	786.16
<b>Profit for the year</b>		<b>1,500.99</b>	<b>(9.36)</b>	<b>1,491.63</b>
Other comprehensive income for the year		0.00	9.23	9.23
<b>Total Comprehensive Income for the year</b>		<b>1,500.99</b>	<b>(0.13)</b>	<b>1,500.86</b>



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### C.4 Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	31 March 2017	1 April 2016
Total equity (shareholder's funds) as reported under previous GAAP		9,260.55	8,219.64
<b>Adjustments:</b>			
Change in fair value of investments	Note 1	0.60	0.73
<b>Total equity as per Ind AS</b>		<b>9,261.15</b>	<b>8,220.37</b>

### C.5 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	31 March 2017
Net profit after tax as per previous GAAP	1,500.99
Adjustments:	
Actuarial Gain / (Loss) on Employee benefits (Net of Tax) classified to OCI	9.36
Change in fair valuation of investments	(0.13)
Net profit after tax under Ind AS	1,510.22
Actuarial Gain / (Loss) on remeasurement of defined benefit obligation	(14.36)
Less: Tax on above	5.00
<b>Total comprehensive income under Ind AS</b>	<b>1,500.86</b>

### C.6 Analysis of changes in cash flow statement for the year ended 31 March 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2,289.56	323.65	2,613.21
Net cash flow from investing activities	(737.95)	7.13	(730.82)
Net cash flow from financing activities	(1,427.44)	(460.43)	(1,887.87)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>124.17</b>	<b>(129.65)</b>	<b>(5.48)</b>
Cash and cash equivalents as at 1st April 2016	4.20	2,434.35	2,438.55
<b>Cash and cash equivalents as at 31st March 2017</b>	<b>128.37</b>	<b>2,304.70</b>	<b>2,433.07</b>

## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

### 34. Dues to micro and small enterprises\*

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2018 Current	31 March 2017 Current
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	261.47	254.37
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.13	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

\* As certified by the Company

### 35. Disclosure on Specified Bank Notes (SBNs)

The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016.

Particulars	SBNs*	Other denomination notes	Total
Closing Cash in hand as on 8 November 2016	1,69,500	44,978	2,14,478
Add : Permitted receipts	-	5,64,088	5,64,088
Less : Permitted payments	-	5,25,631	5,25,631
Less : Amount deposited in banks	1,69,500	-	1,69,500
Closing Cash in hand as on 30 December 2016	-	83,435	83,435



## Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

36. A portion of the land belonging to the Company at Sriperumbudur has been acquired by the State Government for widening the highway. In the absence of exact quantum of compensation receivable for the above land the same has not been considered in the accounts.
37. Previous year's figures have been regrouped wherever necessary to conform to this year's classification to enable better comparability and presentation.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants

**Arun Kumar R**

*Partner*

Membership Number: 211867

Chennai

28 June 2018

**For and on behalf of the Board of Directors**

**S Ram**

Chairman

**V Madhavan**

Managing Director

**Y Krishnamoorthy**

Chief Financial Officer

**T V Venkata Subramanyam**

Secretary

## Financial Summary - Last Ten Years

Particulars	31.3.18	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09
Sales Turnover (including other income & Net of Excise duty)	<b>47505.91</b>	41359.18	48588.49	43079.64	33200.42	41076.78	51650.37	48727.05	39318.17	31809.43
Paid-up Capital	<b>2548.88</b>	2548.88	2548.88	2548.88	2548.88	2548.88	2548.88	3148.88	3148.88	3148.88**
Reserves & Surplus	<b>8342.79</b>	6711.67	5670.76	4420.23	4180.77	4132.48	4075.67	449.44	35.63	35.63
Profit Before Tax	<b>3418.21</b>	2277.79	1923.11	988.25	307.91	335.29	5223.75	629.16	149.51	(2026.09)
Profit After Tax	<b>2231.36</b>	1491.63	1250.53	594.49	197.37	190.98	3968.52	420.16	85.95	(1336.15)
Dividend - Amount	<b>764.53@</b>	382.26	-	254.84	127.42	114.68	294.51#	-	-	-
- Rate	<b>30.00%</b>	33.00%	-	10.00%	5.00%	4.50%	12.00%	-	-	-

@ Subject to the approval of shareholders in the ensuing Annual General Meeting.

# Dividend on cumulative preference shares

\*\* Includes ₹1529.06 lakhs of Right issue of equity share



## PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- i) The voting period begins on 24.9.2018 at 9.00 A.M. (IST) and ends on 26.9.2018 at 5.00 P.M. (IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20.9.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant Axles India Limited. On which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

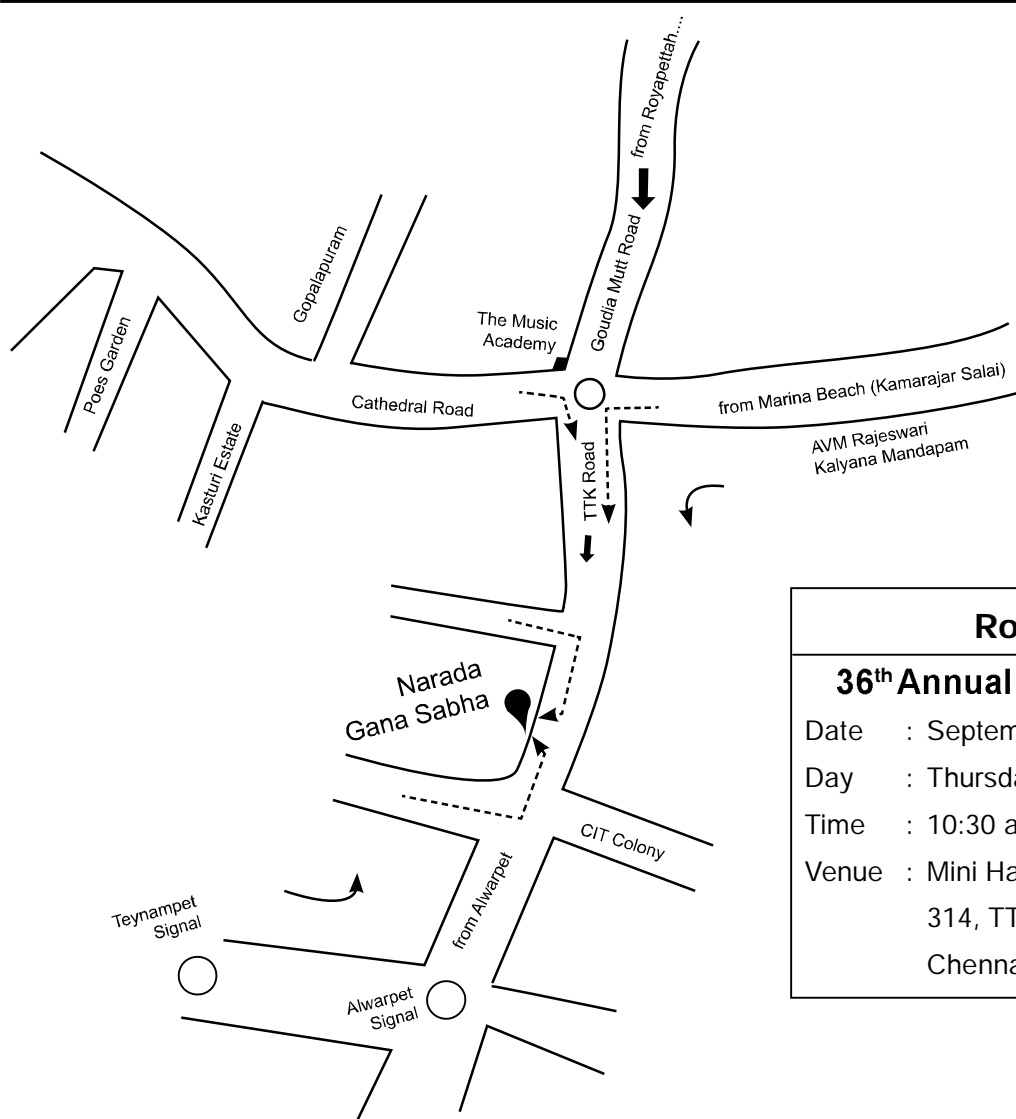
xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance

User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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



### Route Map

#### 36<sup>th</sup> Annual General Meeting

Date : September 27, 2018

Day : Thursday

Time : 10:30 a.m.

Venue : Mini Hall, Narada Gana Sabha  
314, TTK Salai, Alwarpet,  
Chennai 600 018, Tamil Nadu