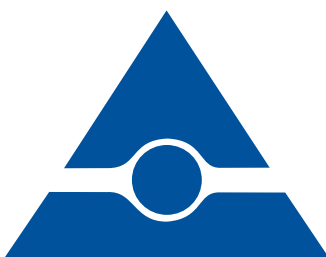


Axles India Limited



THIRTY SECOND ANNUAL REPORT
31ST MARCH 2014

Registered Office

21, Patullos Road
Chennai 600 002
Phone: 2852 2745
CIN : U27209TN1981PLC008630

Factories

Singaperumal Koil Road
Sriperumbudur, Tamil Nadu 602 105
Phone No. 37101773, 37101775

Cheyyar Taluk, Tiruvannamalai Dist.
Tamil Nadu 604 410
Phone No. 27242209

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 No. 2846 0395, 2846 0390
Fax: 2846 0129
E-mail : investor@cameoindia.com

Board of Directors

S Ram (*Chairman*)
M K Surendran (*Managing Director*)
Srivats Ram
Rafael Aquique
Saket Sapra

Audit Committee

S Ram (*Chairman*)
M K Surendran
Saket Sapra

Remuneration Committee

S Ram (*Chairman*)
Saket Sapra

Auditors

Sundaram and Srinivasan
Chartered Accountants
23, C P Ramaswamy Road
Chennai 600 018

Chief Financial Officer

Y Krishnamoorthy

Secretary

T V Venkata Subramanyam

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Thirty Second Annual Report

Notice to Shareholders

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Company will be held on Tuesday the 23rd September 2014 at Mini Hall, Narada Gana Sabha, TTK Salai, Chennai – 600 018 at 11.00 am 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 31st March 2014 and the Report of the Directors and the Auditors thereon.
- 2 To declare dividend for the year ended 31st March 2014.
- 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 M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Registration No.004207S), the retiring auditors, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Statutory Auditors be paid an audit fee of ₹10.00 Lakhs (excluding service tax and reimbursement of out of pocket expenses)

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 in supersession of the resolution passed at the Extraordinary General Meeting of the Company held on 14th July 2009 and in accordance with the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create / modify any mortgage, hypothecation or other charge or encumbrance from time to time, on such terms as it may think fit, over the whole or substantially whole of the Company's undertaking, including all present and future immovable and movable properties of the Company, wherever situate, in favour of banks, financial institutions, mutual funds or any other party for securing term loans, deferred payment credits, guarantees or other facilities provided or to be provided by them to the Company or to secure debentures issued or to be issued by the Company whether by way of private placement or otherwise, which borrowings and facilities together with the existing ones, shall not exceed an aggregate limit of ₹ 100 Crores (Rupees One Hundred Crores Only) apart from security created / to be created for borrowing for working capital purposes.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to this resolution

Regd. Office:
21, Patullos Road
Chennai 600 002
30th June 2014

By order of the Board

S RAM
Chairman
DIN 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 may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September 2014 to 23rd September 2014 (both days inclusive).
5. 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 23rd September 2014. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the depositories for this purpose.
6. 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 or changing bank particulars already registered against their respective folios are requested to write to the Company.
7. In terms of Section 205 A read with Section 205 C of the Companies Act, 1956, the dividend declared by the Company, which remains unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF). Members who have not encashed their interim dividend warrants for the year 2007-08 and final dividend for 2012-13 are requested to send the same to the Secretarial Department of the Company at Singaperumal Koil Road, Sriperumbudur 602 105 for revalidation. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.

Thirty Second Annual Report

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Item No. 6

Section 180 of the Companies Act 2013 has been notified with effect from September 12, 2013 which corresponds to Section 293 of the Companies Act 1956. Ministry of Corporate Affairs vide its General Circular no. 04 / 2014 dated 25.03.2014 have clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to creation of security on the assets of the Company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act 2013 for a period of one year from the date of notification of Section 180 of the Act. Further the new section requires the approval of the members by Special Resolution as against Ordinary Resolution under earlier section.

At present the Board of Directors are empowered to mortgage / hypothecate the assets of the Company as security for the borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) up to ₹ 100 crores vide resolution passed by the members u/s sec. 293(1) (a) of the Companies Act, 1956 at the Extraordinary General Meeting held on 14.07.2009.

Accordingly, the resolution as set out in the Notice are submitted to the Members for consideration to mortgage / hypothecate the assets of the Company up to ₹100 crores

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 the relatives are in any way concerned or interested whether financially or otherwise in this resolution.

Report of the Directors to the Shareholders

Your Directors present the Thirty Second Annual Report of the Company along with the audited accounts for the year ended 31st March 2014.

WORKING RESULTS

The turnover during the year 2013-14 was ₹ 330 crores against ₹ 410 crores in 2012-13.

	(₹ in lakhs)	
	2013-14	2012-13
Profit before depreciation	1367.75	1433.40
Depreciation	(1059.84)	(1098.11)
Profit before tax for the year	307.91	335.29
Profit after tax for the year	197.37	190.98

PROSPECTS

In the financial year 2013-14 Indian economy's growth was 4.7%. This was the second year in succession where the economic growth was below 5%. In order to restrict fiscal deficit, Government restricted funding for infrastructure projects.

The marginal growth of 4.7% during the year resulted from slow down in manufacturing. Road transport to a large extent depend on manufacturing activity. Production and sales of medium and heavy commercial vehicles dropped by 24%, on top of a similar drop in the previous year. Axle housing sales to the domestic industry was 122,000 compared to last year's 167,000. Our export of housings to USA was 84,000 compared to last year's 89,000. Consequent to this our turnover dropped to ₹ 330 crores from ₹ 410 crores, a drop of 20%. Your company worked on cost saving measures to remain profitable in a difficult year.

After two years of reduced demand for CVs, there is now expectation of growth in second half of the current year.

DIVIDEND

Your Board of Directors decided to recommend, out of the profits of the current year, a dividend of ₹ 0.50 per share on the paid up capital of the Company as at 31st March 2014. The dividend will be paid to all the shareholders whose name appears in the Register of Members as on the Book closure date.

If the dividend recommended is approved at the Thirty Second Annual General Meeting, a sum of ₹ 1,27,42,205/-will become payable. A dividend tax of ₹ 21,65,538/-(including surcharge) will be paid on the dividend declared.

DEPOSITS

The deposits from public and shareholders as on 31st March 2014 were ₹ 765.54 lakhs.

Thirty Second Annual Report

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.

AUDITORS

The Auditors of the Company, M/s. Sundaram and Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Thirty Second Annual General Meeting and are eligible for reappointment. The Company has received necessary certificate from the Auditors under Section 141 of the Companies Act 2013 to the effect that they satisfy the conditions under the Companies Act 2013 and the rules made there under for the above appointment. The Directors recommend their reappointment.

COST AUDITORS

The Report of M/s. Geeyes & Co., Cost and Management Accountants, Chennai, (Firm Regn. No. 00044) on the Cost Audit carried out for the financial year 2012-13 was filed with the Central Government on 22.10.2013 (due date being 180 days from the closure of the financial year).

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, Directors' Responsibility Statement is annexed hereto and forms an integral part of this report.

GENERAL

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

Chennai
30th June 2014

S RAM
Chairman
DIN 00018309

ANNEXURE A TO DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Board of Directors of Axles India Ltd. hereby declares that

- i in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March 2014 and of the profit of the company for the year ended on that date;
- iii proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv the annual accounts have been prepared on a going concern basis.

For and on behalf of the
Board of Directors

Chennai
30th June 2014

S RAM
Chairman
DIN 00018309

ANNEXURE B TO DIRECTORS' REPORT

Information under Section 217 (1)(e) of the Companies Act, 1956.

Conservation of energy

Each of the production line is metered for power consumption and improvements are being made through energy audits.

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.

Foreign Exchange earnings and outgo

Foreign Exchange used	₹ 2,466.11 lakhs
Foreign Exchange earned	₹ 13,079.97 lakhs

For and on behalf of the
Board of Directors

Chennai
30th June 2014

S RAM
Chairman
DIN 00018309

Thirty Second Annual Report

Independent Auditors' Report on the Financial Statements

To the Members of Axles India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of AXLES INDIA LIMITED, which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Sundaram & Srinivasan**
Chartered Accountants
(Registration No. 004207S)
K Srinivasan
Partner
Membership No. 5809

Chennai
30th June 2014

Thirty Second Annual Report

Annexure to the Independent Auditors' Report

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

- I
- a) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
- II
- (a) Physical verification of inventory has been conducted at reasonable intervals by the Management.
 - (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- III
- The Company has neither granted nor taken any loans, secured or unsecured, to / from Companies, firms or other parties in the register maintained under section 301 of the Act. Hence the clauses (iii) (b) to (g) of the Order are not applicable.
- IV
- There is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. There is no continuing failure to correct the major weaknesses in the internal control system.
- V
- (a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the Section.
 - (b) The transactions in excess of ₹ 5 lakhs in respect of each party have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- VI
- The Company has complied with the provisions of Section 58 A and 58 AA or any other relevant provisions of the Act and the Rules framed there under with regard to the deposits accepted from the public.
- VII
- The Company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII
- We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- IX
- (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, VAT, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
-

- (b) There was no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Excise Duty, VAT, Service Tax and Customs Duty. However, the disputed Sales Tax, and Income Tax aggregating to ₹ 17.26 lakhs have not been deposited on account of disputes which are contested in appeals and rectification proceedings and are pending before the Tamil Nadu Sales Tax Appellate Tribunal/Appellate Assistant Commissioner Commercial Taxes, Assistant Commissioner (Commercial Tax) and Deputy Commissioner of Income Tax.
- X The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI The Company has not defaulted in repayment of dues to banks and financial institutions.
- XII The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Order is not applicable to the Company.
- XIV The Company is not dealing or trading in shares, securities, debentures and other investments
- XV The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI The term loans were applied for the purpose for which the loans were obtained.
- XVII Based on the balance sheet and fund flow statement of the Company in our opinion the funds raised on short-term basis have not been used for long term investments.
- XVIII The Company has not made any preferential allotment of shares during the year.
- XIX The Company has not issued any debentures during the year.
- XX The Company has not raised any money by way of public issues during the year.
- XXI To the best of our knowledge and belief and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Sundaram & Srinivasan
Chartered Accountants
(Registration No. 004207S)

K Srinivasan
Partner

Chennai
30th June 2014

Membership No.5809

Thirty Second Annual Report

Balance Sheet as at 31st March 2014

		(₹ in lakhs)	
	Note No.	31.03.2014	31.03.2013
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2548.88	2548.88
(b) Reserves and Surplus	2	4180.77	4132.48
		6729.65	6681.36
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	533.59	1072.41
(b) Deferred Tax Liabilities (Net)	4	610.97	753.77
(c) Other Long Term Liabilities	5	2.75	13.70
(d) Long Term Provisions	6	127.63	75.62
		1274.94	1915.50
(3) Current Liabilities			
(a) Short-Term Borrowings	7	1244.68	2023.30
(b) Trade Payables	8	5463.88	4833.77
(c) Other Current Liabilities	9	1484.64	1356.19
(d) Short-Term Provisions	10	591.14	781.27
		8784.34	8994.53
TOTAL		16788.93	17591.39
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	6220.35	7080.44
(ii) Intangible assets	12	24.38	23.63
(iii) Capital Work in Progress	13	1.58	-
(b) Non-current investments	14	0.36	0.36
(c) Long term loans and advances	15	103.86	275.61
		6350.53	7380.04
(2) Current Assets			
(a) Inventories	16	5732.05	5277.54
(b) Trade receivables	17	3708.08	3989.64
(c) Cash and cash equivalents	18	28.28	31.44
(d) Short-term loans and advances	19	967.89	910.80
(e) Other current assets	20	2.10	1.93
		10438.40	10211.35
TOTAL		16788.93	17591.39
Significant Accounting Policies	A		

S Ram
Chairman

M K Surendran
Managing Director

As per our Report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.004207S)

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

K SRINIVASAN
Partner
Membership No. 5809

Chennai
30th June 2014

Profit & Loss Statement for the year ended 31st March 2014

		(₹ in lakhs)	
	Note No.	31.03.2014	31.03.2013
I Revenue from Operations			
(a) sale of products		33201.86	41106.81
(b) sale of services		-	217.01
(c) other operating revenues		2283.41	2918.24
Revenue from Operations - Gross		35485.27	44242.06
Less: Excise Duty {On sale of products			
₹ 2217.60 lakhs (previous year ₹ 2969.22 lakhs);			
Others ₹ 247.48 lakhs (previous year ₹ 317.28 lakhs)}		2465.08	3286.50
Revenue from Operations - Net		33020.19	40955.56
II Other Income	21	180.23	121.22
III Total Revenue (I+II)		33200.42	41076.78
IV Expenses			
a) Cost of materials consumed	22	20742.66	25527.60
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(122.64)	846.18
c) Employee benefits expense	24	4363.91	4617.84
d) Other expenses	25	6073.85	7725.43
e) Finance costs	26	774.89	926.33
f) Depreciation and Amortisation Expenses	11&12	1059.84	1098.11
Total Expenses		32892.51	40741.49
V Profit before exceptional items and tax (III - IV)		307.91	335.29
VI Exceptional Items		-	-
VII Profit before tax (V + VI)		307.91	335.29
VIII Tax expense			
(1) Current Tax		253.34	209.00
(2) Deferred Tax		(142.80)	(64.69)
		110.54	144.31
Profit for the year (VII - VIII)		197.37	190.98
Earnings per equity share			
Basic & Diluted		0.77	0.75
Significant Accounting Policies	A		

S Ram
Chairman

M K Surendran
Managing Director

As per our Report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.004207S)

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

K SRINIVASAN
Partner

Chennai
30th June 2014

Membership No. 5809

Thirty Second Annual Report

Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2014	31.03.2013
1 SHARE CAPITAL		
(a) Authorised		
2 60 00 000 Equity Shares of ₹ 10/- each	2600.00	2600.00
6 00 000 Redeemable Preference Shares of ₹100/- each	600.00	600.00
	3200.00	3200.00
(b) Issued		
2 54 90 646 Equity Shares of ₹ 10/- each	2549.06	2549.06
(c) Subscribed and Paid up		
2 54 84 410 Equity Shares of ₹ 10/- each fully Paid-up	2548.44	2548.44
Add: Forfeited Shares [6236 Equity Shares @ ₹ 7 per share]	0.44	0.44
	2548.88	2548.88
(d) Reconciliation of Shares outstanding at the beginning and end of the reporting period		
There is no change in the Shareholding pattern of Equity Share Capital during the year 2013 - 14		
(e) Shareholding of shareholders having more than 5% of shares as on (No. of shares in lakhs)		
Sundaram Finance Limited	98.92	98.92
Wheels India Limited	24.24	24.24
Dana Global Products Inc	123.16	123.16

Notes to Financial Statements

		(₹ in lakhs)	
		31.03.2014	31.03.2013
2	RESERVES AND SURPLUS		
	State Capital Subsidy Reserve		
	As per last Balance Sheet	35.63	35.63
	General Reserve		
	As per last Balance Sheet	42.80	42.80
	Surplus		
	As per Last Balance Sheet	4054.05	3997.24
	Add: Profit for the year	197.37	190.98
		4251.42	4188.22
	Less: Proposed Equity Dividend ₹ 0.50 per share (previous year ₹ 0.45 per share)	127.42	114.68
	Dividend Tax on Proposed equity dividend	21.66	19.49
		4102.34	4054.05
		4180.77	4132.48
	NON - CURRENT LIABILITIES		
3	Long Term Borrowings		
	SECURED BORROWINGS		
	Term Loans		
	From Banks	61.00	305.00
	From Financial Institution	70.79	212.36
	<i>Secured by a pari passu first charge on the fixed assets of the Company and second pari passu charge on the current assets of the Company</i>	131.79	517.36
	UNSECURED BORROWINGS		
	Fixed Deposits	401.80	555.05
		533.59	1072.41
	Terms of Repayment : Refer Note No.28		
4	Deferred Tax Liabilities (Net)		
	a. Deferred Tax Liabilities		
	Depreciation	788.97	961.50
	Others	26.04	22.76
		815.01	984.26
	b. Deferred Tax Assets		
	Expenses to be allowed at the time of payment	204.04	230.49
		610.97	753.77
5	OTHER LONG TERM LIABILITIES		
	Finance Lease Obligations	2.75	13.70
6	LONG TERM PROVISIONS		
	Provision for employee benefits	127.63	75.62

Thirty Second Annual Report

Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2014	31.03.2013
CURRENT LIABILITIES		
7 Short-Term Borrowings		
A. Secured Borrowings		
Loan repayable on demand from Banks	1235.72	2011.18
<i>Working Capital facilities from banks are secured by hypothecation of raw materials, work in progress, finished goods, consumable store and the whole of the moveable properties including book debts on first pari passu basis and additional security by a second charge on the fixed assets</i>		
B. Unsecured Borrowings		
Fixed Deposits	8.96	12.12
	<u>1244.68</u>	<u>2023.30</u>
8 TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises	141.34	403.18
Due to Others	5322.54	4430.59
	<u>5463.88</u>	<u>4833.77</u>
9 OTHER CURRENT LIABILITIES		
(i) Current Maturities of Long Term Debt Refer Note No. 28	385.57	493.08
(ii) Current Maturities of Fixed Deposits	350.96	206.94
(iii) Current Maturities of finance lease obligations	10.94	16.48
(iv) Interest accrued but not due on borrowings	76.73	64.26
(v) Interest accrued and due on borrowings	3.98	4.39
(vi) Unclaimed Matured Deposits	3.82	6.14
(vii) Unclaimed Dividend	2.34	3.04
(viii) Other Payables		
Statutory Dues	65.94	64.45
MTM on Forward Contracts	-	58.00
Advance from customers	105.22	154.70
Trade Deposits	28.69	23.19
Creditors for Capital Goods	34.13	33.94
Provision for Expenses	368.77	210.97
Provision for Excise Duty on Finished Goods	47.55	16.61
	<u>1484.64</u>	<u>1356.19</u>
10 SHORT TERM PROVISIONS		
(i) Provision for employees benefits	442.06	647.10
(ii) Provision for Dividend	127.42	114.68
(iii) Provision for Dividend Tax	21.66	19.49
	<u>591.14</u>	<u>781.27</u>

Notes to Financial Statements

NON CURRENT ASSETS - FIXED ASSETS

(₹ in lakhs)

Description	Gross Block			Depreciation / Amortisation			Net Block			
	As at 31/03/13	Additions	Adjustments Relating to Foreign Exchange Fluctuations and Borrowing Costs	Deductions	As at 31/03/14	As at 31/03/13	Additions	Deletions	As at 31/03/14	As at 31/03/13
11 TANGIBLE ASSETS										
Owned Assets										
Land	15.14	-	-	-	15.14	-	-	-	15.14	15.14
Buildings	2070.14	4.06	-	-	2074.20	578.76	65.32	-	644.08	1430.12
Plant & Machinery	12329.72	208.46	-	61.50	12476.68	6899.65	968.74	33.02	7835.37	4641.31
Furniture & Fixtures	128.80	8.86	-	-	137.66	50.74	9.31	-	60.05	77.61
Vehicles	12.38	-	-	-	12.38	2.89	1.18	-	4.07	8.31
Leased Assets										
Vehicle	38.17	-	-	-	38.17	27.80	3.37	-	31.17	7.00
Machinery	58.29	-	-	-	58.29	12.36	5.07	-	17.43	40.86
Total	14652.64	221.38	-	61.50	14812.52	7572.20	1052.99	33.02	8592.17	6220.35
12 INTANGIBLE ASSETS										
Computer Software	92.91	7.60	-	-	100.51	69.28	6.85	-	76.13	24.38
Total	92.91	7.60	-	-	100.51	69.28	6.85	-	76.13	24.38
Grand Total	14745.55	228.98	-	61.50	14913.03	7641.48	1059.84	33.02	8668.30	6244.73
Previous Year	14308.89	443.28	-	6.62	14745.55	6548.35	1098.11	4.98	7641.48	7104.07
13 CAPITAL WORK-IN-PROGRESS										
(a) Buildings	-	-	-	-	-	-	-	-	-	-
(b) Plant and Machinery	1.58	-	-	-	1.58	-	-	-	-	-
	1.58	-	-	-	1.58	-	-	-	-	-

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Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2014	31.03.2013
14 NON-CURRENT INVESTMENTS		
Investments in Equity Instruments		
Non Trade - Quoted		
In shares of Indian Overseas Bank		
3600 Equity Shares of ₹ 10 each fully paid - up		
Face Value ₹ 0.36 lakhs,		
Market Value ₹ 1.83 lakhs (previous year ₹ 2.35 lakhs)	<u>0.36</u>	<u>0.36</u>
15 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
(i) Advances for Capital goods	35.60	40.69
(ii) Security Deposits	2.38	91.52
(iii) Advances to Employees	23.30	12.15
(iv) Advance Tax and Tax deducted at Source		
less Provision for tax	42.58	82.72
(v) Minimum Alternate tax credit entitlement	-	48.53
	<u>103.86</u>	<u>275.61</u>
CURRENT ASSETS		
16 INVENTORIES		
As certified by Managing Director		
Raw materials and Components	1924.69	1560.47
Work in progress	2997.75	3171.50
Finished Goods	469.43	173.04
Stores and Spares	159.73	171.27
Loose tools	180.45	201.26
	<u>5732.05</u>	<u>5277.54</u>
17 TRADE RECEIVABLES		
Unsecured Considered Good		
Outstanding for a period exceeding		
Six months	32.80	39.45
Other debts	3675.28	3950.19
	<u>3708.08</u>	<u>3989.64</u>
18 CASH AND CASH EQUIVALENTS		
Cash on hand	0.35	1.34
With Scheduled Banks in current account	0.46	4.06
Unpaid Dividend Accounts	2.34	3.04
Fixed Deposit Account	25.13	23.00
	<u>28.28</u>	<u>31.44</u>

Notes to Financial Statements

(₹ in lakhs)
31.03.2014 31.03.2013

19 SHORT TERM LOANS AND ADVANCES

Unsecured Considered good

Advances to Vendors	74.72	195.41
Deposits	57.68	17.08
Balance with Excise and Sales Tax Department	394.47	313.04
Minimum Alternate Tax Credit Entitlement	96.25	200.00
Others		
VAT Receivable	160.88	48.95
Prepaid Expenses	70.30	58.68
Advances to Employees	45.36	38.23
Other Advances	68.23	39.41
	967.89	910.80

20 OTHER CURRENT ASSETS

Interest accrued on deposits	2.10	1.93
------------------------------	------	------

21 OTHER INCOME

Income on Advances and deposits	83.94	87.32
Lease and Transition Services	0.18	30.54
Dividend Income	0.10	0.16
Profit on Sale of Fixed Assets	-	3.20
Net Gain on Foreign Exchange Transaction	96.01	-
	180.23	121.22

22 COST OF MATERIALS CONSUMED

(a) Raw Material	7868.51	10099.01
(b) Components	12874.15	15428.59
	20742.66	25527.60

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Opening Inventory of Finished Goods	173.04	874.31
Less: Closing inventory of Finished Goods	469.43	173.04
Net change in stock of Finished Goods	(296.39)	701.27
Opening inventory of Work in Progress	3171.50	3316.41
Less: Closing inventory of Work in Progress	2997.75	3171.50
Net change in stock of Work in Progress	173.75	144.91
Net change in Finished Goods and Work in Progress	(122.64)	846.18

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Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2014	31.03.2013
24 EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages, Bonus and Commission	3561.91	3799.88
(b) Contribution to Provident Fund and other Funds	289.48	295.74
(c) Staff Welfare expenses	512.52	522.22
	4363.91	4617.84
25 OTHER EXPENSES		
Consumption of Stores, Spares and Tools	1072.67	1297.68
Power and Fuel	1594.83	2066.16
Rent including Lease Rentals	8.70	19.00
Rates and Taxes excluding tax on income	99.86	14.06
Repairs		
Building	45.65	51.33
Plant & Machinery	650.25	834.31
Others	143.82	176.13
Insurance	58.89	66.82
Auditors' Remuneration		
Statutory Audit	10.00	5.00
Tax Audit	3.00	3.00
Income Tax Matters	0.50	2.00
VAT Audit	0.10	-
Certification Fees	1.00	3.00
Expenses	1.90	2.10
	16.50	15.10
Packing and Carriage outwards	1765.04	1789.82
Directors' Sitting Fees	0.08	0.02
Net Loss on Foreign Exchange Transaction (Other than exchange loss considered in Financial cost)	-	760.14
Miscellaneous Expenses	617.56	634.86
	6073.85	7725.43
26 FINANCE COSTS		
(a) Interest expense	548.52	656.29
(b) Other Borrowing Costs	23.32	38.68
(c) Applicable net loss on foreign currency transactions and translation	197.99	231.36
(d) Interest on shortfall and other interest under Income Tax Act	5.06	-
	774.89	926.33

Notes on Accounts

A Significant Accounting Policies

a. General

The financial statements have been prepared on the historical cost convention and in accordance with generally accepted accounting principles.

b. Fixed Assets and Depreciation

Fixed Assets are stated at historical cost as reduced by accumulated depreciation. Depreciation on fixed assets including leased assets has been provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956

The cost of intangible assets, viz., computer software is amortized over the estimated useful life viz five years on Straight Line basis.

In accordance with AS 16 – Borrowing Cost – issued by ICAI the borrowing cost attributable to acquisition of qualifying asset is capitalized till the said asset is put to use and other borrowing costs is recognized in the year in which it is incurred.

c. Investments

Investments are valued at cost or market value whichever is lower.

d. Inventories

The Raw Materials & Components, Stores & Spares and Loose Tools are valued at cost exclusive of credits under CENVAT / VAT Scheme on weighted average cost basis.

Work in progress and finished goods are valued at cost (the cost exclusive of credits under CENVAT / VAT scheme) including relevant and appropriate overheads.

e. Foreign Currency transactions

Foreign currency transactions outstanding at the year end are accounted for at year end rates and the profit / loss so determined and also the realized exchange gains or losses are recognized in the profit and loss account. In respect of forward exchange contracts the difference between the forward rate and the exchange the rate at the date of inception of the contract is recognized as income or expenses over the period of contract. Any profit or loss arising the cancellation or renewal of such forward exchange contracts is recognized as income or expenses for the year.

Derivative Contracts

The Profit / Loss arising on derivative contracts is accounted for as Income / Expenditure on the date of settlement of the contract.

f. Staff terminal benefits

The monthly contribution to provident Fund and yearly contribution to Superannuation Scheme and Gratuity Scheme administered by the LIC of India are charged against revenue. Leave encashment (compensated absence) benefits are accounted on accrual basis

g. Taxes on income

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

Deferred tax is recognized on timing differences; being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

Notes on Accounts

(₹ in lakhs)
31.03.2014 31.03.2013

27 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

a) Bills discounted with Banks	4029.48	4710.28
b) Disputed Sales Tax and Income Tax not provided for	44.27	75.31
c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	100.01	147.89
d) Claims against the Company not acknowledged debts	68.05	68.05

28 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS

The term loans and other loans are repayable over a period of 1 to 4 years as per the terms of agreement entered into with the Banks

29 Imported and Indigenous Materials consumed

	% to total Consumption	Value	% to total Consumption	Value
a) Raw Materials				
i) Imported	—	—	—	—
ii) Indigenous	100.00	7868.51	100.00	10099.01
	100.00	7868.51	100.00	10099.01
b) Components				
i) Imported	18.76	2415.15	16.02	2471.14
ii) Indigenous	81.24	10459.00	83.98	12957.45
	100.00	12874.15	100.00	15428.59
<i>Refer to note no 22</i>				
c) Stores and spares				
i) Imported	3.70	39.69	2.34	30.32
ii) Indigenous	96.30	1032.98	97.66	1267.36
	100.00	1072.67	100.00	1297.68
<i>Refer to note no 25</i>				

Notes on Accounts

(₹ in lakhs)

31/03/2014

31/03/2013

30 Details of Inventories

Raw Material & Components	31/03/2014		31/03/2013			
	Consumption	Closing Stock	Opening Stock	Consumption	Closing Stock	Opening Stock
Steel Plates	7868.51	423.75	253.84	10099.01	253.84	365.89
Forgings	6591.50	214.40	339.82	7954.98	339.82	337.81
Other Raw Materials and Components	6282.65	1286.54	966.81	7473.61	966.81	1087.85
	<u>20742.66</u>	<u>1924.69</u>	<u>1560.47</u>	<u>25527.60</u>	<u>1560.47</u>	<u>1791.55</u>

Refer to note no 16 & 22

Class of Goods	Sales		Closing Stock		Opening Stock		Sales		Closing Stock		Opening Stock	
	Finished Goods	Progress	Finished Goods	Progress	Finished Goods	Progress	Finished Goods	Progress	Finished Goods	Progress	Finished Goods	Progress
Axle Housings	30984.26	469.43	173.04	2997.75	3171.50	38137.59	173.04	874.31	3171.50	3171.50	874.31	3316.41

Notes on Accounts

(₹ in lakhs)
31.03.2014 31.03.2013

31 Imports (CIF Value)

i)	Raw Materials	2457.56	2593.93
ii)	Spare Parts	56.39	48.59
iii)	Capital Goods	-	32.04

32 Expenditure in Foreign Currency

i)	Travel	2.48	7.90
ii)	Interest	1.93	9.70
iii)	Others	46.80	26.07

33 Amount remitted in Foreign Currency towards Dividend

i)	Number of Non-Resident Shareholders	1	1
ii)	Number of Shares held	12316415	12316415
iii)	Dividend and years to which it relates		
	Final Dividend - 2012-13	55.42	

34 Earnings in Foreign Exchange

Exports (on FOB basis)	12188.44	12621.85
------------------------	-----------------	----------

35 Earnings Per Share

Net profit as per P&L account	197.37	190.98
Number of Shares	25484410	25484410
Nominal value per share - Rupees	10.00	10.00
Basic earnings per share - Rupees	0.77	0.75

36 Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"

Particulars

a. Principal amount due to Suppliers under the Act	-	-
b. Interest accrued and due to Suppliers under the Act, on the above amount	-	-
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	-	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made	-	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-

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

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Notes on Accounts

37 Employee Benefits:

The Company has followed the Accounting Standard 15 (AS-15 revised) "Employee Benefits".

Brief Description of the plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity and Earned Leave Encashment. In case of funded schemes, the funds are recognized by the Income Tax Authorities and administered by Trustees/ Life Insurance Corporation of India. The Company's defined contribution plans are Provident Fund and Employee's Pension Scheme (Under the provisions of the Employee's Provident Fund Miscellaneous Provisions Act, 1952) and Superannuation Fund. The Company has no further obligation beyond making the contributions.

In respect of the Employees Provident Fund Scheme, the interest payable by the Trust to the beneficiaries as notified by the Government is met by the Trust and hence the Company has no obligation towards this interest contribution. The liability in respect of leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for accordingly.

Disclosures for the Defined Benefit Plans based on Actuarial Reports are as under:

(₹ in lakhs)

	Gratuity (funded)		Leave Salary (unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Change in defined benefit obligation				
Opening defined benefit obligation	451.40	404.09	134.55	122.25
Current service cost	36.95	34.87	22.92	31.99
Interest cost	36.11	32.33	10.31	7.95
Actuarial loss / (gain)	14.14	9.75	17.74	5.46
Benefits paid	(27.07)	(29.64)	(42.43)	(33.10)
Closing defined benefit obligation	511.53	451.40	143.09	134.55
Change in fair value of assets				
Opening fair value of plan assets	204.31	89.72		
Expected return on plan assets	24.71	12.23		
Actuarial gain / (Loss)	-	-		
Contribution by employer	190.00	132.00		
Benefits paid	(27.07)	(29.64)		
Closing fair value of plan assets	391.95	204.31		
Amount recognised in the Balance Sheet				
Present value of obligations at year end	511.53	451.40	143.09	134.55
Fair value of plan assets at year end	391.95	204.31	-	-
Amount now recognised as liability	119.58	247.09	143.09	134.55
Net (liability) / asset recognised as on 31st March	119.58	247.09	143.09	134.55

Notes on Accounts

(₹ in lakhs)

Expenses recognised in the Profit & Loss Statement	Gratuity (funded)		Leave Salary (partly funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current Service cost	36.95	34.87	22.92	31.99
Interest on defined benefit obligation	36.11	32.33	10.31	7.95
Expected return on plan assets	(24.71)	(12.23)	-	-
Net actuarial loss / (gain) recognised in the current year	14.14	9.75	17.74	5.46
Expenses recognised in the Profit & Loss A/c	62.49	64.72	50.97	45.40
Principal actuarial assumptions used				
Discount rate (p.a)	8.00%	8.00%	9.10%	7.50%
Expected rate of return on plan assets (p.a)	8.75%	9.25%	-	-
Attrition rate	1-3%	1-3%	3%	3%
Salary escalation	5%	5%	5%	5%

38 Segment information for the year ended 31st March, 2014 in accordance with AS 17 issued by ICAI:

(i) Primary segments:

Automotive components is the only reportable segment of the company

(ii) Revenue by Geographical Segment:

(₹ in lakhs)

	31.03.2014			31.03.2013		
	India	Outside India	Total	India	Outside India	Total
External	19940.22	13079.97	33020.19	26798.06	14157.50	40955.56
Inter-Segment	-	-	-	-	-	-
Total	19940.22	13079.97	33020.19	26798.06	14157.50	40955.56
Carrying amount of segment assets	16788.93	-	16788.93	17591.39	-	17591.39
Additions to fixed assets	228.98	-	228.98	443.28	-	443.28

The geographical segments considered for disclosure are as follows:

Sales within India include Sales to customers located within India

Sales outside India include Sales to customers located outside India.

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Notes on Accounts

(₹ in lakhs)

31.03.2014

31.03.2013

39 Related Party disclosures in accordance with AS18 issued by ICAI

Associates

Dana Global Products Inc
Dana Commercial Vehicle Mfg. LLC
Dana Commercial Vehicle Products
Dana India Pvt Limited
Dana Heavy Vehicle Systems Group
Dana De Mexico Corporation
Wheels India Limited
Sundaram Finance Limited

Key Managerial Personnel

Mr M K Surendran

Nature of Transaction

Purchase of Goods

Wheels India Limited	0.82		1.66	
Dana India Pvt Limited	-		2.96	
Dana Heavy Vehicle Systems Group, LLC	16.56	17.38	19.60	24.22

Sale of Goods

Wheels India Limited	2.83		6.23	
Dana Commercial Vehicle Mfg. LLC	13074.16		14113.38	
Dana Commercial Vehicle Products	5.81		-	
Dana India Pvt Limited	3641.65		5332.26	
Dana De Mexico Corporation	-	16724.45	44.11	19495.98

Receiving of Services

Sundaram Finance Limited	-		0.16	
Wheels India Limited	7.24	7.24	3.84	4.00

Rendering of Services

Dana India Pvt Limited	-		204.95	
Wheels India Limited	4.96	4.96	42.42	247.37

Notes on Accounts

	(₹ in lakhs)			
	31.03.2014		31.03.2013	
Lease Payment				
Sundaram Finance Limited	16.48			17.84
Tooling Advance received				
Dana India Pvt Limited	5.35			11.40
Dividend paid				
Dana Global Products Inc	55.42		-	
Sundaram Finance Limited	44.51		-	
Wheels India Limited	10.91	110.84	-	-
Lease Rental deposit Repaid				
Dana India Pvt Limited		-		8.82
Balance due to us				
Dana Commercial Vehicle Mfg. LLC	2838.43		3210.69	
Dana De Mexico Corporation	0.01		0.03	
Dana India Pvt Limited	1049.41	3887.85	1623.59	4834.31
Balance due from us				
Dana Heavy Vehicle System Group LLC	7.85		5.06	
Dana India Pvt Limited	4.40	12.25	5.02	10.08
Key Managerial Personnel				
	Mr M K Surendran		Mr M K Surendran	
Remuneration	46.15			46.17
Interest on fixed deposits	0.02			0.40
Deposits balance outstanding	-			3.86
Remuneration outstanding	-			-
Dividend paid	₹ 90			-

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Notes on Accounts

		(₹ in lakhs)			
		31.03.2014		31.03.2013	
40	Disclosures relating to leases in accordance with AS19 issued by ICAI				
		Total Minimum Lease Payments	Present Value	Total Minimum Lease Payments	Present Value
	Finance Lease				
	As at Balance Sheet date	13.70	11.75	30.17	24.81
	Not later than 1 year	10.94	9.62	16.47	14.48
	Later than 1 year and not later than 5 years	2.75	2.13	13.69	10.32
	Later than 5 years	-	-	-	-
41	Disclosure on Accounting for intangible assets in accordance with AS26 issued by ICAI				
	Computer software & Technical knowhow (<i>Refer to note no. 12</i>)				
	Gross carrying amount at the beginning of the year		92.91		70.65
	Acquired during the year		7.60		22.26
	Gross carrying amount at the end of the year		100.51		92.91
	Gross amortisation at the beginning of the year		69.28		63.71
	Amortised during the year		6.85		5.57
	Gross amortisation at the end of the year		76.13		69.28
	Net carrying amount at the beginning of the year		23.63		6.94
	Net carrying amount at the end of the year		24.38		23.63
42	Derivative instruments				
	Foreign Currency exposures that are not hedged by a derivative instrument or otherwise ₹ 3702.28 lakhs (Previous year ₹ 4258.50 lakhs)				
43	Previous year's figures have been regrouped wherever necessary to conform to this year's classification.				

Signatories to Notes to Financial Statements

S Ram
Chairman

M K Surendran
Managing Director

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
30th June 2014

As per our Report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.004207S)

K SRINIVASAN
Partner
Membership No. 5809

**Cash Flow Statement in Accordance with AS-3 issued by ICAI
Annexed to the Balance Sheet as on 31st March 2014**

	(₹ in lakhs)	
	31.03.2014	31.03.2013
A. Cash Flow From Operating Activities:		
Net Profit / (Loss) before Tax and Extraordinary items	307.91	335.29
Adjustments for:		
Financial Expenses	774.89	926.33
Foreign Exchange (Gain) / Loss	25.20	151.88
Depreciation	1059.84	1098.11
(Profit) / Loss on sale of assets (net)	23.79	(3.20)
Interest and dividend received	(84.04)	(87.48)
Operating Profit before Working Capital changes	2107.59	2420.93
Adjustment for:		
Trade and Other Receivables	157.06	1001.60
Inventories	(454.51)	1125.34
Trade Payables	575.13	(1562.19)
Cash generated from operations	2385.27	2985.68
Direct Taxes Paid net of refund received	(60.92)	(152.07)
Net cash from operating activities	2324.35	2833.61
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(230.56)	(430.04)
Sale of Fixed Assets	4.69	4.84
Interest and dividend received	83.87	88.23
Net Cash used in investing activities	(142.00)	(336.97)
C. Cash Flow From Financing Activities:		
Increase / (Decrease) in long term borrowings	(502.72)	(1824.03)
Increase / (Decrease) in short term borrowings	(786.20)	260.88
Decrease in Miscellaneous Expenditure		
Interest paid	(762.42)	(948.19)
Dividend Paid	(114.68)	
Dividend Tax paid	(19.49)	
Net cash used in financing activities	(2185.51)	(2511.34)
Net increase in cash and cash equivalents	(3.16)	(14.70)
Cash and cash equivalent as at the beginning of the year	31.44	46.14
Cash and cash equivalent as at the end of the year	28.28	31.44

S Ram
Chairman

M K Surendran
Managing Director

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
30th June 2014

As per our Report attached
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Registration No.004207S)

K SRINIVASAN
Partner
Membership No. 5809

Axles India Limited
Financial Summary – Last Ten Years

	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09	31.3.08	31.3.07	31.3.06	31.3.05
Particulars										(₹ in lakhs)
Sales Turnover (including other income)	33200.42	41076.78	51650.37	48727.05	39318.17	31809.43	35887.85	29710.49	21773.18	18028.88
Paid-up Capital	2548.88	2548.88	2548.88	3148.88	3148.88	3148.88**	1619.82	1619.82@	1019.82	1019.82
Reserves & Surplus	4180.77	4132.48	4075.67	449.44	35.63	35.63	1279.48	1143.45	827.79	418.10
Profit Before Tax	307.91	335.29	5223.75	629.16	149.51	(2026.09)	502.20	816.71	906.36	856.15
Profit After Tax	197.37	190.98	3968.52	420.16	85.95	(1336.15)	313.79	510.81	584.05	512.14
Dividend - Amount	127.42*	114.68	294.51#	-	-	-	101.93	101.93	152.91	127.42
- Rate	5.00%	4.50%	12.00%	-	-	-	10.00%	10.00%	15.00%	12.50%

* Dividend on equity shares subject to conformation by the members at the Annual General Meeting

Dividend on cumulative preference shares

** Includes `1529.06 lakhs of Right issue of equity share

@ Includes Preference Share Application money `600 lakhs