

Axles India Limited



THIRTY THIRD ANNUAL REPORT
31ST MARCH 2015

Registered Office

21, Patullos Road, Chennai 600 002
Phone: 2852 2745
CIN : U27209TN1981PLC008630
Website Address : www.axlesindia.com

Factories

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

Cheyyar Taluk, Tiruvannamalai Dist.
Tamil Nadu 604 410
Phone No. 09789845439

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

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Board of Directors

S Ram (*Chairman*)
M K Surendran (*Managing Director*)
Srivats Ram
Rafael Aquique
Saket Sapra
Sowmya Vencatesan (*From 26.03.2015*)
Rakesh Chopra (*From 26.03.2015*)

Audit Committee

Sowmya Vencatesan (*Chairman*)
Rakesh Chopra
M K Surendran

Stakeholders Relationship Committee

S Ram (*Chairman*)
M K Surendran
Srivats Ram

Nomination and Remuneration Committee

Rakesh Chopra (*Chairman*)
S Ram
Saket Sapra
Sowmya Vencatesan

Corporate Social Responsibility Committee

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

Auditors

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

Chief Financial Officer

Y Krishnamoorthy

Secretary

T V Venkata Subramanyam

Thirty Third Annual Report

Notice to Shareholders

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Company will be held on Friday the 18th September 2015 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 2015 and the Report of the Directors and the Auditors thereon.
2. To record and confirm the interim dividend paid for the year ended 31st March 2015 as final dividend.
3. To elect a Director in the place of Mr Srivats Ram (DIN 00063415) who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in the place of Mr Rafael Aquique (DIN 05204786) 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 ₹12.50 Lakhs (excluding service tax and reimbursement of out of pocket expenses).

Regd. Office:
21, Patullos Road
Chennai 600 002
29th June 2015

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 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 8th September 2015 to 18th September 2015 (both days inclusive).
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 bank particulars 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 205C 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 final dividend warrants for the year 2012-13, 2013-14 and interim dividend warrants for the year 2014-15 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.
8. 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.
9. 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.
10. The Board of Directors have appointed Mr S Dhanapal, 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 during the following voting period: The e-voting period would commence on 15th September 2015 (9.00 am) and end on 17th September 2015 (5.00 pm).
11. 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 11th September 2015 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.
12. The procedure and instructions for e-voting is furnished in this notice as a separate annexure. 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 within two days of the Annual General Meeting.

Thirty Third Annual Report

Report of the Directors to the Shareholders

Your Directors present the Thirty Third Annual Report of the Company along with the audited accounts for the year ended 31st March 2015.

Performance

The turnover during the year 2014-15 was ₹430 crores against ₹330 crores in 2013-14.

	(₹ in lakhs)	
	2014-15	2013-14
Profit before depreciation	2073.08	1367.75
Depreciation	(1084.83)	(1059.84)
Profit before tax for the year	988.25	307.91
Profit after tax for the year	594.49	197.37

Prospects

Growth in Indian economy during 2014-15 on the new index basis was 7.6%. This level of growth is expected to be maintained in the current year 2015-16. Medium and Heavy Commercial vehicle production in 2014 -15 went up 15% compared to 2013-14. We expect this growth to continue above 10% rate in 2015-16. Your Company's sale of Axle Housing in the domestic market went from 122,000 numbers in 2013-14 to 163,000 numbers in 2014-15. We expect your Company will maintain growth at 10% in the domestic market.

Our export of Housings went up to 98,000 numbers from 84,000 numbers. We expect to maintain the growth in export in 2015-16. These exports go to USA.

Dividend

Your Board of Directors had declared an Interim Dividend of ₹1.00 per share on the paid up capital of the Company at the meeting held on 26th March 2015. The Interim Dividend is confirmed as the final dividend.

Deposits

Your Company has not accepted deposits with effect from 1st April 2014. Pursuant to and in accordance with the relevant provisions of the Companies Act, 2013 and the rules framed there under, the deposits that matured during the course of 2014-15 were repaid fully. Also, the deposits which did not mature before 31st March 2015 were repaid to the deposit holders along with proportionate interest.

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.

Associate Companies

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

Directors

Mr. Srivats Ram (DIN 00063415) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Mr. Rafael Aquique (DIN 05204786) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Ms. Sowmya Vencatesan (DIN 07108505) and Mr. Rakesh Chopra (DIN 00032818) were appointed as Independent Directors of the Company for a period of three years at the Extraordinary General Meeting held on 26th March 2015.

The Independent Directors have given declaration that they meet the Criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel

During the year under review, the Board took on record Mr. M K Surendran – Managing Director, Mr. Y Krishnamoorthy – Chief Financial Officer and Mr. T V Venkata Subramanyam – Company Secretary as the Whole-time Key Managerial Personnel of the Company under Section 203 of the Companies Act, 2013.

Board Evaluation

In order to improve the effectiveness of the Board and its Committees, as well as the effectiveness of each individual Director, the Board carried out an annual performance evaluation of its own performance and that of its Committees and the directors individually. The Criteria and manner in which the evaluation has been carried out are provided in Annexure 1 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.

Corporate Social Responsibility

The Board of Directors of your Company has constituted the Corporate Social Responsibility Committee (CSR) to help the Company to frame, monitor and execute the CSR activities. The Board of your Company has further approved the CSR Policy of the Company to provide a guideline for CSR activities of the Company. The Committee defines the parameters and observes them for effective discharge of the social responsibility of your Company. 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

Your Company recognizes that Risk Management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. Accordingly, the Board, have approved and adopted Risk Management Policy and implemented the above policy including identification of elements of risk. The Committee has constituted a Risk Management Committee with functional heads as members.

The purpose of the policy is to achieve the Company's objectives in a dynamic environment as well as to effectively manage the risks arising and associated with its business, to establish a structured Risk Management framework, covering various risks involved, and to ensure that the risks attributed to the Company are identified, analysed and managed.

Internal Control Systems and Audit

Your Company has adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuring compliances.

Thirty Third Annual Report

Internal Audit plays a key role by providing an assurance to the Board of Directors and to the business operations. The Internal Auditors monitors the effectiveness of Controls and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of risk management. Further, the Audit Committee reviews adherence to internal control systems and internal audit reports.

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.

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, 2015 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 2014-15, 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 and Committee meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board had met 5 times during the year under review i.e. on 30th June 2014, 16th September 2014, 17th December 2014, 25th February 2015 and 26th March 2015.

Audit Committee

The Audit Committee has been constituted in accordance with the provisions of Companies Act, 2013 comprising of Ms. Sowmya Vencatesan - Chairman, Mr. Rakesh Chopra and Mr. M K Surendran as members.

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 thereunder. The net worth for the financial year 2013-14 is ₹6729.65 Lakhs and for 2014 -15 is ₹6969.11 Lakhs.

Auditors

The Auditors of the Company, M/s. Sundaram and Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Thirty Third Annual General Meeting and are eligible for re-appointment. The Company has received necessary certificate from the Auditors under Sections 139 and 141 of the 2013 Act, to the effect that they satisfy the conditions under the 2013 Act and the rules made there under for the above re-appointment. The Directors recommend their re-appointment.

Secretarial Audit

Pursuant to the provisions of Section 204 of the 2013 Act and the rules framed thereunder, the Company appointed M/s. S Dhanapal & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given as an Annexure V and forms part of this Report.

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
29th June 2015

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.

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.

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

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 www.axlesindia.com
2.	The Composition of the CSR Committee	The Committee has Mr S Ram, as Chairman, Mr M K Surendran, Mr Saket Sapra and Mr Rakesh Chopra as other members
3.	Average net profits of the Company for last three financial years	₹592.52 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹11.85 Lakhs
5.	Details of CSR spent during the financial year	a. Total amount to be spent for the financial year: ₹11.85 Lakhs b. Amount Unspent : ₹11.85 Lakhs
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 there of, the Company shall provide reasons for not spending the amount in its Board report:	The Board has sanctioned ₹11.60 Lakhs and the projects are being identified. The same will be spent during July 2015. This being the first year of CSR requirement, we have, during the year, put in place the necessary processes to identify the worthy causes, as well as to monitor the progress, with a view to ensuring that they are consistent with the policy, serve a larger public good, and are sustainable over an extended period.
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
29th June 2015

M K Surendran
Managing Director

S RAM
Chairman - CSR Committee

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 arrangements 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 - 01.07.2011 to 30.06.2016. 2. Dana Commercial Vehicle Mfg. LLC – 01.03.2015 to 28.02.2017
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	30.06.2014
f.	Amount paid as advances, if any:	NIL

For and on behalf of the Board of Directors

Chennai
29th June 2015

S RAM
Chairman
DIN 00018309

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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,
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 has, during the audit period covering the financial year ended on March 31, 2015, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us as given in Annexure I, for the financial year ended on March 31, 2015 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) 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, as applicable;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable)
- ii) Listing agreement entered into by the company with Stock Exchanges. (Not applicable)

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

We further report that the related documents that we have come across depict, that the Board of Directors of the Company is duly 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

and

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

and

majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that, there appear adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has sought the approval of its members for:

- Creating / modifying any mortgage, hypothecation or other charge or encumbrance over the whole or substantially the whole of the Company's undertaking and properties and assets of the Company which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of ₹ 100 crores under Section 180(1)(a) of the Companies Act, 2013.
- Appointment of Independent Directors
- Alteration of clauses in Articles of Association

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

29th June 2015

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.

Thirty Third Annual Report

Annexure A

TO

THE MEMBERS, AXLES INDIA LIMITED, CHENNAI

Our report of even date is to be read along with this supplementary testimony.

- 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.
- b. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. 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)

Chennai
29th June 2015

FCS 6881, CP No. 7028

Annexure I

List of Documents Reviewed

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2014.
3. Minutes of the meetings held during the financial year under report and attendance registers of i. Board of Directors, ii. Audit Committee, iii. Nomination & Remuneration Committee, iv. Share Transfer Committee, v. Stakeholders' Relationship Committee vi. CSR Committee vii. Risk Management Committee
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
 - i. Register of Members, ii. Register of Transfers, iii. Register of Contracts or arrangements in which directors are interested iv. Registers of Companies and firms in which directors are interested, v. Register of Charges, vi. Register of Directors, KMP and their shareholding, vii. Register of Loans and Investments made by the Company.
6. Notices and Agenda papers for the Board Meetings and Committee Meetings.
7. Notices and explanatory statements for General Body Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Sections 149, 164 and 184 of the Companies Act, 2013.
9. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Documents related to payments of dividend made to its shareholders during the financial year under report.
11. Documents relating to Labour Laws and Environmental Laws.
12. Internal Audit reports of the Company.
13. Financial Statements for the year ended 31st March 2015.

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2015

[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 th 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 Factory: Singaperumal Koil Road, Sriperumbudur, Tamil Nadu – 602 105 Phone: 37101773, 37101775 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	Axle Housings	2930	95%

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		

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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	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	11402081	914334	12316415	48.33	11402081	914334	12316415	48.33	0.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	12316415	12316415	48.33	-	12316415	12316415	48.33	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	12316415	12316415	48.33	-	12316415	12316415	48.33	0.00
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	11402081	13230749	24632830	96.66	11402081	13230749	24632830	96.66	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	213	213	0.00	-	213	213	0.00	0.00
(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)	0	213	213	0.00	0	213	213	0.00	0.00
(1) Non-Institutions									
(a) Bodies Corporate									
i. Indian	6286	4567	10853	0.04	6286	4567	10853	0.04	0.00
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lakh	412150	302946	715096	2.81	414936	299060	713996	2.81	0.00
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	23822	94500	118322	0.46	23822	94500	118322	0.46	0.00
(C) Others (Specify)									
Clearing member	-	-	-	-	-	-	-	-	-
Directors and their relatives	-	200	200	0.00	-	200	200	-	-
Escrow Account – Clause 5A of the Listing Agreement	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	6521	0.00	6521	0.03	7621	0.00	7621	0.03	0.00
Non-resident Indians	300	75	375	0.00	300	75	375	0.00	0.00
Sub-Total (B)(2)	449079	402288	851367	3.34	452965	398402	851367	3.34	0.00
Total Public Shareholding = (B) (1) + (B) (2)	449079	402501	851580	3.34	452965	398615	851580	3.34	0.00
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11851160	13633250	25484410	100.00	11855046	13629364	25484410	100	0.00

(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	9891754	38.82	Nil	Nil
2	Wheels India Ltd	2424661	9.51	Nil	2424661	9.51	Nil	Nil
3	Dana Global Products Inc	12316415	48.33	Nil	12316415	48.33	Nil	Nil
	Total	24632830	96.66	Nil	24632830	96.66	Nil	Nil

There is no change in Shareholding of Promoters.

(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 shareholding 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

There is no change in Promoter's Shareholding.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr Yogesh R Doshi	79500	0.31	79500	0.31
2	Mr Raajamani K H	15000	0.06	15000	0.06
3	Mr Rangavittal T L	13212	0.05	13212	0.05
4	Mr K S Mallaya	10610	0.04	10610	0.04
5	Mr V Ravichandran	10000	0.04	1000	0.04
6	Mr Devendra Mehta	9901	0.04	9901	0.04
7	Ms Shantheri Mallaya	9150	0.04	9150	0.04
8	Ms Mallikunnisa Begum	9000	0.04	9000	0.04
9	Mr PL Chockalingam	8150	0.03	8150	0.03
10.	Ms Darshanya Doshi	8000	0.03	8000	0.03

There is no change in Shareholding pattern of top ten Shareholders.

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(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 M K Surendran	200	Nil	200	Nil
4	Mr Rafael Aquique	Nil	Nil	Nil	Nil
5	Mr Saket Sapra	Nil	Nil	Nil	Nil
6	Ms Sowmya Vencatesan (from 26.03.2015)	Nil	Nil	Nil	Nil
7	Mr Rakesh Chopra (from 26.03.2015)	Nil	Nil	Nil	Nil
8	Mr Y Krishnamoorthy (CFO)	Nil	Nil	Nil	Nil
9	Mr T V Venkata Subramanyam (Secretary)	Nil	Nil	Nil	Nil
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1753.08	-	765.54	2518.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	76.73	76.73
Total (i+ii+iii)	1753.08	-	842.27	2595.35
Change in Indebtedness during the financial year				
Addition	429.44	-	-	429.44
Reduction	399.33	-	842.27	1241.60
Net Change	30.11	-	(842.27)	(812.16)
Indebtedness at the end of the financial year				
i) Principal Amount	1783.19	-	-	1783.19
ii) Interest due but not paid	NIL	-	-	-
iii) Interest accrued but not due	NIL	-	-	-
Total (i+ii+iii)	1783.19	-	-	1783.19

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	Total Amount
		Mr M K Surendran, Managing Director	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.94	49.94
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.27	1.27
(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)		51.21	51.21
Ceiling as per the Act (5% of Net Profits)			52.03

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	0.25	-	-	0.25
2	Mr.Rakesh Chopra	0.25	-	-	0.25
	Total (1)	0.50			0.50
	Other Non-Executive Directors				
1	Mr. S Ram	0.25	-	-	0.25
2	Mr. Srivats Ram	0.29	-	-	0.25
	Total (2)	0.54	-	-	0.54
Total (B) = (1)+(2)		1.04	-	-	1.04
Total Managerial Remuneration (A+B)					52.25
Overall Ceiling as per the Act (11% of Net Profits)					114.46

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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 Venkata Subramanyam Secretary	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.36	5.45	31.81
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.73	0.18	0.91
(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)	27.09	5.63	32.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(A) Company; (B) Directors; (C) Other Officers in Default	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
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. Your Company is also using wind energy generated from wind mills. 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.

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 ₹ 3,003.54 Lakhs

Foreign Exchange earned ₹15,260.97 Lakhs

For and on behalf of the Board of Directors

S RAM

Chairman

DIN 00018309

Chennai

29th June 2015

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 ("the Company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 have taken into account, the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the risks of material misstatement of the 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 that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

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, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraph 3 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2015, taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.27 to the financial statements.
 - ii) In respect of long terms contracts including derivative contracts entered into by the Company, there were no material foreseeable losses.
 - iii) There was no amount which was required to be transferred to the Investor Education and Protection Fund.

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

Chennai
29th June 2015

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.
- 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 covered in the register maintained under section 189 of the Companies Act, 2013.
- 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 and fixed assets and for the sale of goods and services. There is no continuous failure to correct the major weaknesses in internal control system.
- V. The Company has complied with the provisions of Section 73 to 76 or any other provisions of the Act, and the Rules framed thereunder with regard to deposits accepted from the public
- VI. The maintenance of Cost records has not been specified by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013.
- VII. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities.
(b) The disputed Sales Tax, and Income Tax aggregating to ₹89.16 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 / Deputy Commissioner (Commercial Tax), Commissioner of Income Tax (Appeals) and Deputy Commissioner of Income Tax respectively.
(c) There was no amount which was required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there-under.
- VIII. The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- IX. The Company has not defaulted in repayment of dues to banks.
- X. The Company has not given any guarantee for loans taken by others from banks.
- XI. The terms loans were applied for the purpose for which the loans were obtained.
- XII. 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

Membership No.5809

Chennai
29th June 2015

Thirty Third Annual Report

Balance Sheet as at 31st March 2015

		(₹ in lakhs)	
	Note No.	31.03.2015	31.03.2014
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2548.88	2548.88
(b) Reserves and Surplus	2	4420.23	4180.77
		6969.11	6729.65
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	275.60	533.59
(b) Deferred Tax Liabilities (Net)	4	488.67	610.97
(c) Other Long Term Liabilities	5	25.35	2.75
(d) Long Term Provisions	6	132.32	127.63
		921.94	1274.94
(3) Current Liabilities			
(a) Short-Term Borrowings	7	1221.96	1244.68
(b) Trade Payables	8	6567.44	5422.71
(c) Other Current Liabilities	9	1497.81	1379.42
(d) Short-Term Provisions	10	496.17	591.14
		9783.38	8637.95
TOTAL		17674.43	16642.54
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	5704.42	6220.35
(ii) Intangible assets	12	17.36	24.38
(iii) Capital Work in Progress	13	162.09	1.58
(b) Non-current investments	14	0.36	0.36
(c) Long term loans and advances	15	233.48	161.54
		6117.71	6408.21
(2) Current Assets			
(a) Inventories	16	6331.59	5732.05
(b) Trade receivables	17	4217.57	3602.86
(c) Cash and cash equivalents	18	54.19	28.28
(d) Short-term loans and advances	19	950.32	869.04
(e) Other current assets	20	3.05	2.10
		11556.72	10234.33
TOTAL		17674.43	16642.54
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
29th June 2015

Profit & Loss Statement for the year ended 31st March 2015

		(₹ in lakhs)	
	Note No.	31.03.2015	31.03.2014
I Revenue from Operations			
(a) sale of products		43513.68	33201.86
(b) sale of services		8.70	-
(c) other operating revenues		2884.70	2283.41
Revenue from Operations - Gross		46407.08	35485.27
Less: Excise Duty {On sale of products			
₹3112.82 lakhs (previous year ₹2217.60 lakhs);			
Others ₹311.04 lakhs (previous year ₹247.48 lakhs)}		3423.86	2465.08
Revenue from Operations - Net		42983.22	33020.19
II Other Income	21	96.42	180.23
III Total Revenue (I + II)		43079.64	33200.42
IV Expenses			
a) Cost of materials consumed	22	28361.64	20742.66
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(667.84)	(122.64)
c) Employee benefits expense	24	5306.24	4380.59
d) Other expenses	25	7603.72	6057.17
e) Finance costs	26	402.80	774.89
f) Depreciation and Amortisation Expenses	11 & 12	1084.83	1059.84
Total expenses		42091.39	32892.51
V Profit before exceptional and extraordinary items and tax (III - IV)		988.25	307.91
VI Exceptional and Extraordinary Items		-	-
VII Profit before Tax (V + VI)		988.25	307.91
VIII Tax expense			
(1) Current Tax		490.00	253.34
(2) Deferred Tax		(96.24)	(142.80)
		393.76	110.54
Profit for the period (VII - VIII)		594.49	197.37
Earnings per equity share			
Basic & Diluted		2.33	0.77
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
29th June 2015

Membership No. 5809

Thirty Third Annual Report

Notes to Financial Statements

(₹ in lakhs)

31.03.2015 31.03.2014

1 SHARE CAPITAL

(a) Authorised

2 60 00 000 Equity Shares of ₹10/- each	2600.00	2600.00
600,000 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	0.44	0.44
[6236 Equity Shares @ ₹7 per share]		
	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 2014 - 15

(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)	
		31.03.2015	31.03.2014
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	4102.34	4054.05
	Less: Carrying Cost of Fixed Assets as of 1-4-2014 where remaining useful life was nil (net of Deferred Tax Asset amounting to ₹26.06 Lakhs)	49.24	–
		<u>4053.10</u>	<u>4054.05</u>
	Add : Profit for the year	594.49	197.37
		<u>4647.59</u>	<u>4251.42</u>
	Less : Interim Dividend ₹1.00 per share (previous year Nil)	254.84	–
	Dividend Tax on equity dividend	50.95	–
	Proposed Final equity dividend (previous year ₹0.50 per share)	–	127.42
	Dividend Tax on proposed equity dividend	–	21.66
		<u>4341.80</u>	<u>4102.34</u>
		<u>4420.23</u>	<u>4180.77</u>
	NON - CURRENT LIABILITIES		
3	Long Term Borrowings		
	SECURED BORROWINGS		
	Term Loans		
	From Banks	275.60	61.00
	From Financial Institution	–	70.79
	<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>	<u>275.60</u>	131.79
	UNSECURED BORROWINGS		
	Fixed Deposits	–	401.80
		<u>275.60</u>	<u>533.59</u>
	Terms of Repayment: Refer Note No. 28		
4	Deferred Tax Liabilities (Net)		
	a. Deferred Tax Liabilities		
	Depreciation	659.85	788.97
	Others	31.05	26.04
		<u>690.90</u>	<u>815.01</u>
	b. Deferred Tax Assets		
	Expenses to be allowed at the time of payment	202.23	204.04
		<u>488.67</u>	<u>610.97</u>
5	OTHER LONG TERM LIABILITIES		
	Finance Lease Obligations	25.35	2.75
6	LONG TERM PROVISIONS		
	Provision for employee benefits	132.32	127.63

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Notes to Financial Statements

(₹ in lakhs)

31.03.2015 31.03.2014

CURRENT LIABILITIES	31.03.2015	31.03.2014
7 Short-Term Borrowings		
A. Secured Borrowings		
Loan repayable on demand from Banks	1221.96	1235.72
<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	<u>—</u>	<u>8.96</u>
	1221.96	1244.68
8 TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises	190.86	141.34
Due to Others	6376.58	5281.37
	<u>6567.44</u>	<u>5422.71</u>
9 OTHER CURRENT LIABILITIES		
(i) Current Maturities of Long Term Debt Refer Note No. 28	285.63	385.57
(ii) Current Maturities of Fixed Deposits	—	350.96
(iii) Current Maturities of finance lease obligations	9.62	10.94
(iv) Interest accrued but not due on borrowings	—	76.73
(v) Interest accrued and due on borrowings	1.44	3.98
(vi) Unclaimed Matured Deposits	—	3.82
(vii) Unclaimed Dividend	2.19	2.34
(viii) Other Payables		
Statutory Dues	150.51	65.94
Trade Deposits	30.79	28.69
Creditors for Capital Goods	104.69	34.13
Provision for Expenses	865.51	368.77
Provision for Excise Duty on Finished Goods	42.43	47.55
Due to Director	5.00	—
	<u>1497.81</u>	<u>1379.42</u>
10 SHORT TERM PROVISIONS		
(i) Provision for employees benefits	460.70	442.06
(ii) Provision for Income Tax less Advance Tax paid and Tax deducted at source	35.47	—
(iii) Provision for Dividend	—	127.42
(iv) Provision for Dividend Tax	—	21.66
	<u>496.17</u>	<u>591.14</u>

Notes to Financial Statements

NON CURRENT ASSETS - FIXED ASSETS

(₹ in lakhs)

Description	Gross Block			Depreciation / Amortisation			Net Block				
	As at 31/03/14	Additions	Adjustments Relating to Foreign Exchange Fluctuations and Borrowing Costs	Deductions	As at 31/03/15	As at 31/03/14	Additions	Adjustment in Retained Earnings	Deletions	As at 31/03/15	As at 31/03/14
11 TANGIBLE ASSETS											
Owned Assets											
Land	15.14	-	-	-	15.14	-	-	-	-	15.14	15.14
Buildings	2074.20	110.77	-	-	2184.97	644.08	89.37	40.13	-	1411.39	1430.12
Plant & Machinery	12407.41	482.25	-	-	12889.66	7775.00	945.33	12.73	-	4156.60	4632.41
Furniture & Fixtures	206.93	19.51	-	-	226.44	120.42	28.97	21.71	-	55.34	86.51
Vehicles	12.38	-	-	-	12.38	4.07	1.49	0.26	-	6.56	8.31
Leased Assets											
Vehicle	38.17	24.65	-	2.99	59.83	31.17	6.41	0.47	2.99	35.06	7.00
Machinery	58.29	-	-	-	58.29	17.43	6.24	-	-	23.67	40.86
Total	14812.52	637.18	-	2.99	15446.71	8592.17	1077.81	75.30	2.99	9742.29	5704.42
12 INTANGIBLE ASSETS											
Computer Software	100.51	-	-	-	100.51	76.13	7.02	-	-	83.15	24.38
Total	100.51	-	-	-	100.51	76.13	7.02	-	-	83.15	24.38
Grand Total	14913.03	637.18	-	2.99	15547.22	8668.30	1084.83	75.30	2.99	9825.44	6244.73
Previous Year	14745.55	228.98	-	61.50	14913.03	7641.48	1059.84	-	33.02	8668.30	6244.73
13 CAPITAL WORK-IN-PROGRESS											
a) Buildings					31.86	-					
b) Plant and Machinery					130.23	1.58					
					162.09	1.58					

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Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2015	31.03.2014
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 ₹1.52 lakhs		
(previous year ₹1.83 lakhs)	<u>0.36</u>	<u>0.36</u>
15 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
(i) Advances for Capital goods	110.22	35.60
(ii) Security Deposits	113.93	60.06
(iii) Advances to Employees	4.18	23.30
(iv) Advance Tax and Tax deducted at Source		
less Provision for tax	-	42.58
(v) Prepaid Expenses	5.15	-
	<u>233.48</u>	<u>161.54</u>
CURRENT ASSETS		
16 INVENTORIES		
As certified by Managing Director		
Raw materials and Components	1768.25	1924.69
Work in progress	3184.88	2997.75
Finished Goods	950.14	469.43
Stores and Spares	232.97	159.73
Loose tools	195.35	180.45
	<u>6331.59</u>	<u>5732.05</u>
17 TRADE RECEIVABLES		
Unsecured Considered Good		
Outstanding for a period exceeding		
Six months	7.69	32.80
Other debts	4209.88	3570.06
	<u>4217.57</u>	<u>3602.86</u>
18 CASH AND CASH EQUIVALENTS		
Cash on hand	1.56	0.35
With Scheduled Banks in current account	3.12	0.46
Unpaid Dividend Accounts	2.19	2.34
Fixed Deposit Account	47.32	25.13
(Represents deposits with less than 12 months maturity)		
	<u>54.19</u>	<u>28.28</u>

Notes to Financial Statements

(₹ in lakhs)
31.03.2015 31.03.2014

19 SHORT TERM LOANS AND ADVANCES

Unsecured - Considered good

Advances to Vendors	133.80	33.55
Balance with Central Excise Authorities	401.72	394.47
Minimum Alternate Tax Credit Entitlement	-	96.25
Others		
VAT Receivable	107.60	160.88
Prepaid Expenses	67.98	70.30
Advances to Employees	57.01	45.36
Other Advances	182.21	68.23
	<u>950.32</u>	<u>869.04</u>

20 OTHER CURRENT ASSETS

Interest accrued on deposits	3.05	2.10
------------------------------	-------------	------

21 OTHER INCOME

Income on Advances and deposits	96.21	83.94
Lease Rent	0.19	0.18
Dividend Income	0.02	0.10
Net Gain on Foreign Exchange Transaction	-	96.01
	<u>96.42</u>	<u>180.23</u>

22 COST OF MATERIALS CONSUMED

(a) Raw Material	11037.12	7868.51
(b) Components	17324.52	12874.15
	<u>28361.64</u>	<u>20742.66</u>

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Opening Inventory of Finished Goods	469.43	173.04
Less: Closing inventory of Finished Goods	950.14	469.43
Net change in stock of Finished Goods	<u>(480.71)</u>	<u>(296.39)</u>
Opening inventory of Work in Progress	2997.75	3171.50
Less: Closing inventory of Work in Progress	3184.88	2997.75
Net change in stock of Work in Progress	<u>(187.13)</u>	<u>173.75</u>
Net change in Finished Goods and Work in Progress	<u>(667.84)</u>	<u>(122.64)</u>

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Notes to Financial Statements

	(₹ in lakhs)	
	31.03.2015	31.03.2014
24 EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages and Bonus	4328.21	3561.91
(b) Contribution to Provident Fund and other Funds	353.61	306.16
(c) Staff Welfare expenses	624.42	512.52
	5306.24	4380.59
25 OTHER EXPENSES		
Consumption of Stores, Spares and Tools	1442.98	1072.67
Power and Fuel	1918.95	1596.19
Rent including Lease Rentals	10.48	8.70
Rates and Taxes excluding tax on income	28.29	93.70
Repairs		
Building	50.30	45.65
Plant & Machinery	763.78	650.25
Others	112.82	143.82
Insurance	56.80	58.89
Auditors' Remuneration		
Statutory Audit	10.00	10.00
Tax Audit	3.00	3.00
Income Tax Matters	0.10	0.10
VAT Audit	0.50	0.50
Certification Matters	2.00	1.00
Expenses	2.70	1.90
	18.30	16.50
Packing and Carriage outwards	2544.60	1765.04
Directors' Sitting Fees	1.04	0.08
Net Loss on Foreign Exchange Transaction (Other than exchange loss considered in Financial cost)	13.04	-
Miscellaneous Expenses	642.34	605.68
	7603.72	6057.17
26 FINANCE COSTS		
(a) Interest expense	373.18	548.52
(b) Other Borrowing Costs	28.14	23.32
(c) Applicable net loss on foreign currency transactions and translation	-	197.99
(d) Interest on shortfall and other interest under Income Tax Act	1.48	5.06
	402.80	774.89

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

Depreciation on fixed assets (including leased assets) is provided on Straight Line Method on the useful life of the assets as provided in Schedule II of the Companies Act, 2013.

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 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 on the cancellation or renewal of such forward exchange contracts is recognised 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)
31.03.2015 31.03.2014

27 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

a) Bills discounted with Banks	5643.89	4029.48
b) Disputed Sales Tax and Income Tax not provided for	116.17	44.27
c) Liability to the Bank on guarantees	4.00	–
d) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	474.85	100.01
e) Claims against the Company not acknowledged as 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	11037.12	100.00	7868.51
	100.00	11037.12	100.00	7868.51
b) Components				
i) Imported	17.25	2987.63	18.76	2415.15
ii) Indigenous	82.75	14336.89	81.24	10459.00
	100.00	17324.52	100.00	12874.15
<i>Refer to note no 22</i>				
c) Stores and spares				
i) Imported	3.54	51.12	3.70	39.69
ii) Indigenous	96.46	1391.86	96.30	1032.98
	100.00	1442.98	100.00	1072.67

Refer to note no 25

Notes on Accounts

(₹ in lakhs)

31/03/2015

31/03/2014

30 Details of Inventories

Raw Material & Components	31/03/2015		31/03/2014			
	Consumption	Closing Stock	Opening Stock	Consumption	Closing Stock	Opening Stock
Steel Plates	11037.12	201.22	423.75	7868.51	423.75	253.84
Forgings	9377.90	197.77	214.40	6591.50	214.40	339.82
Other Raw Materials and Components	7946.62	1369.26	1286.54	6282.65	1286.54	966.81
	28361.64	1768.25	1924.69	20742.66	1924.69	1560.47

Refer to note no 16 & 22

Class of Goods	Sales		Opening		Closing		Sales		Opening		Closing	
	40400.86	950.14	469.43	3184.88	2997.75	30984.26	469.43	173.04	2997.75	3171.50	2997.75	3171.50
			Finished Goods	Work in Progress	Opening Stock	Finished Goods	Finished Goods	Work in Progress	Closing Stock	Work in Progress	Closing Stock	Work in Progress

Notes on Accounts

	(₹ in lakhs)	
	31.03.2015	31.03.2014
31 Imports (CIF Value)		
i) Raw Materials	2972.05	2457.56
ii) Spare Parts	76.59	56.39
iii) Capital Goods	9.40	–
32 Expenditure in Foreign Currency		
i) Travel	2.80	2.48
ii) Interest	–	1.93
iii) Others	562.93	46.80
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
Final Dividend - 2013-14	61.58	–
Interim Dividend - 2014-15	123.17	–
34 Earnings in Foreign Exchange		
Exports (on FOB basis)	14441.37	12188.44
35 Earnings Per Share		
Net profit as per P&L account	594.49	197.37
Number of Shares	25484410	25484410
Nominal value per share - Rupees	10.00	10.00
Basic earnings per share - Rupees	2.33	0.77
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)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Change in defined benefit obligation				
Opening defined benefit obligation	511.53	451.40	143.09	134.55
Current service cost	40.09	36.95	18.25	22.92
Interest cost	40.92	36.11	9.86	10.31
Actuarial loss / (gain)	34.11	14.14	8.46	17.74
Benefits paid	(32.67)	(27.07)	(34.07)	(42.43)
Closing defined benefit obligation	593.98	511.53	145.59	143.09
Change in fair value of assets				
Opening fair value of plan assets	391.95	204.31		
Expected return on plan assets	39.82	24.71		
Actuarial gain / (Loss)	-	-		
Contribution by employer	108.95	190.00		
Benefits paid	(32.67)	(27.07)		
Closing fair value of plan assets	508.05	391.95		
Amount recognised in the Balance Sheet				
Present value of obligations at year end	593.98	511.53	145.59	143.09
Fair value of plan assets at year end	508.05	391.95	-	-
Amount now recognised as liability	(85.93)	(119.58)	(145.59)	(143.09)
Net (liability) / asset recognised as on 31 st March	(85.93)	(119.58)	(145.59)	(143.09)

(₹ in lakhs)

	Gratuity (funded)		Leave Salary (unfunded)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014

Expenses recognised in the Profit & Loss Statement

Current Service cost	40.09	36.95	18.25	22.92
Interest on defined benefit obligation	40.92	36.11	9.86	10.31
Expected return on plan assets	(39.82)	(24.71)	-	-
Net actuarial loss / (gain) recognised in the current year	34.11	14.14	8.46	17.74
Expenses recognised in the Profit & Loss A/c	75.30	62.49	36.57	50.97

Principal actuarial assumptions used

Discount rate (p.a)	8.00%	8.00%	7.82%	9.10%
Expected rate of return on plan assets (p.a)	8.75%	8.75%	-	-
Attrition rate	1-3%	1-3%	5%	3%
Salary escalation	5%	5%	5%	5%

Gratuity details for current year and past four years

	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of obligations at year end	593.98	511.53	451.40	404.09	313.12
Fair value of plan assets at year end	508.05	391.95	204.31	89.72	40.68
Net (liability) / asset recognised as on 31 st March	(85.93)	(119.58)	(247.09)	(314.37)	(272.44)
Actuarial loss / (gain) on defined benefit obligations	34.11	14.14	9.75	58.60	17.41
Actuarial loss / (gain) on fair value of the assets	-	-	-	-	-

38 Segment information for the year ended 31st March, 2015 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)

	31.03.2015			31.03.2014		
	India	Outside India	Total	India	Outside India	Total
External	27722.25	15260.97	42983.22	19940.22	13079.97	33020.19
Inter-Segment	-	-	-	-	-	-
Total	27722.25	15260.97	42983.22	19940.22	13079.97	33020.19
Carrying amount of segment assets	17674.43	-	17674.43	16642.54	-	16642.54
Additions to fixed assets	637.18	-	637.18	228.98	-	228.98

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)	
	31.03.2015			31.03.2014
39 Related Party disclosures in accordance with AS18 issued by ICAI				
Associates				
Dana Commercial Vehicle Mfg. LLC				
Dana Commercial Vehicle Products				
Dana Global Products Inc				
Dana Heavy Vehicle Systems Group LLC				
Dana India Pvt Ltd.				
Dana De Mexico Corporation				
Sundaram Finance Limited				
Wheels India Limited				
Key Managerial Personnel				
Mr M K Surendran				
Nature of Transaction				
Purchase of Goods				
Wheels India Limited	5.72		0.82	
Dana Heavy Vehicle Systems Group LLC	23.95	29.67	16.56	17.38
Sale of Goods				
Wheels India Limited	2.89		2.83	
Dana Commercial Vehicle Mfg. LLC	14976.06		13074.16	
Dana Commercial Vehicle Products	280.67		5.81	
Dana India Pvt Ltd.	4555.58	19815.20	3641.65	16724.45
Receiving of Services				
Wheels India Limited		10.71		7.24
Rendering of Services				
Wheels India Limited		6.53		4.96
Lease Payment				
Sundaram Finance Ltd		12.12		16.48
Tool Cost Paid				
Wheels India Limited		38.60		—
Tooling Advance received				
Dana India Pvt Ltd.		—		5.35
Dividend paid				
Dana Global Products Inc	184.75		55.42	
Sundaram Finance Limited	148.38		44.51	
Wheels India Limited	36.37	369.50	10.91	110.84

Notes on Accounts

(₹ in lakhs)

31.03.2015 31.03.2014

Lease Rental deposit Repaid

Dana India Pvt Limited	-	8.82
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Balance due to us

Dana Commercial Vehicle Mfg. LLC	3232.71	2838.43
Dana India Pvt Ltd.	1679.49	1049.41
Dana De Mexico Corporation	0.01	0.01
Dana Commercial Vehicle Products	70.21	-
	4982.42	3887.85

Balance due from us

Dana Heavy Vehicle System Group LLC	8.19	7.85
Dana India Pvt Ltd.	3.40	4.40
Dana Commercial Vehicle Mfg. LLC	410.65	-
	422.24	12.25

Key Managerial Personnel

	Mr M K Surendran	Mr M K Surendran
Remuneration	51.21	46.15
Interest on fixed deposits	-	0.02
Deposits balance outstanding	-	-
Remuneration outstanding	5.00	-
Dividend paid	₹300	₹90

40 Disclosures relating to leases in accordance with AS19 issued by ICAI

	Total Minimum Lease Payments	Present Value	Total Minimum Lease Payments	Present Value
a. Finance Lease				
As at Balance Sheet date	34.97	25.29	13.70	11.75
Not later than 1 year	9.62	8.48	10.94	9.62
Later than 1 year and not later than 5 years	25.35	16.81	2.75	2.13
Later than 5 years	-	-	-	-
b. Operating Lease				
	Total Minimum Lease Payments		Total Minimum Lease Payments	
As at Balance Sheet date	Not ascertainable		Nil	
Not later than 1 year				
Later than 1 year and not later than 5 years				
Later than 5 years				
Lease rentals recognised in profit and loss account		89.93		112.28

Thirty Third Annual Report

Notes on Accounts

(₹ in lakhs)

31.03.2015

31.03.2014

41 Disclosure on Accounting for intangible assets in accordance with AS26 issued by ICAI

Computer software & Technical knowhow (Refer to note no. 12)

Gross carrying amount at the beginning of the year	100.51	92.91
Acquired during the year	–	7.60
Gross carrying amount at the end of the year	100.51	100.51
Gross amortisation at the beginning of the year	76.13	69.28
Amortised during the year	7.02	6.85
Gross amortisation at the end of the year	83.15	76.13
Net carrying amount at the beginning of the year	24.38	23.63
Net carrying amount at the end of the year	17.36	24.38

42 Depreciation on all fixed assets has been provided in accordance with Schedule II of the Companies Act 2013 against depreciation specified in Scheduled XIV of the Companies Act 1956 followed earlier. Accordingly, an amount of ₹49.24 lakhs (net of deferred tax of ₹26.06 lakhs) in respect of assets where the remaining useful life of the asset is NIL as on 01.04.2014 has been recognised in the opening balance of the retained earnings. In respect of other fixed assets, depreciation for the year ended 31.03.2015 is higher by ₹142.62 lakhs with consequential impact on profit.

43 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.

44 Derivative instruments

Foreign Currency exposures that are not hedged by a derivative instrument or otherwise ₹3367.82 lakhs (Previous year - ₹3702.28 lakhs)

45 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

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

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
29th June 2015

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 2015**

	(₹ in lakhs)	
	31.03.2015	31.03.2014
A. Cash Flow From Operating Activities:		
Net Profit / (Loss) before exceptional, extraordinary items and tax	988.25	307.91
Adjustments for:		
Financial Expenses	402.80	774.89
Foreign Exchange (Gain) / Loss	(93.40)	25.20
Depreciation	1084.83	1059.84
(Profit) / Loss on sale of assets (net)	–	23.79
Interest and dividend received	(96.23)	(84.04)
Operating Profit before Working Capital changes	2286.25	2107.59
Adjustment for:		
Trade and Other Receivables	(995.57)	157.06
Inventories	(599.54)	(454.51)
Trade Payables	1839.98	575.13
Cash generated from operations	2531.12	2385.27
Direct Taxes Paid net of refund received	(315.70)	(60.92)
Net cash from operating activities	2215.42	2324.35
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(797.69)	(230.56)
Sale of Fixed Assets	–	4.69
Interest and dividend received	95.28	83.87
Net Cash used in investing activities	(702.41)	(142.00)
C. Cash Flow From Financing Activities:		
Increase / (Decrease) in long term borrowings	(711.43)	(502.72)
Increase / (Decrease) in short term borrowings	158.73	(786.20)
Decrease in Miscellaneous Expenditure		
Interest paid	(479.53)	(762.42)
Dividend Paid	(382.26)	(114.68)
Dividend Tax paid	(72.61)	(19.49)
Net cash used in financing activities	(1487.10)	(2185.51)
Net increase in cash and cash equivalents	25.91	(3.16)
Cash and cash equivalent as at the beginning of the year	28.28	31.44
Cash and cash equivalent as at the end of the year	54.19	28.28

S Ram
Chairman

M K Surendran
Managing Director

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
29th June 2015

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

Particulars	(₹ in lakhs)									
	31.3.15	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
Sales Turnover (including other income)	43079.64	33200.42	41076.78	51650.37	48727.05	39318.17	31809.43	35887.85	29710.49	21773.18
Paid-up Capital	2548.88	2548.88	2548.88	2548.88	3148.88	3148.88	3148.88**	1619.82	1619.82@	1019.82
Reserves & Surplus	4420.23	4180.77	4132.48	4075.67	449.44	35.63	35.63	1279.48	1143.45	827.79
Profit Before Tax	988.25	307.91	335.29	5223.75	629.16	149.51	(2026.09)	502.20	816.71	906.36
Profit After Tax	594.49	197.37	190.98	3968.52	420.16	85.95	(1336.15)	313.79	510.81	584.05
Dividend - Amount	254.84*	127.42	114.68	294.51#	-	-	-	101.93	101.93	152.91
- Rate	10.00%	5.00%	4.50%	12.00%	-	-	-	10.00%	10.00%	15.00%

* Interim Dividend on equity shares paid 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

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on “Shareholders” tab.
- iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vi) Now, fill up the following details in the appropriate boxes:

PAN *	Enter your 10 digit alpha-numeric * PAN issued by Income Tax Department
DOB #	Enter the Date of Birth as recorded in your demat account / folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account / folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by last 8 digits of Folio No / Client ID in the PAN field. In case the Folio No is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with Folio number 838 then enter RA00000838 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) 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.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) Click on the EVSN 150727005 for the relevant <Company Name> on which you choose to vote.
- xii) 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.
- xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xiv) 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.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xviii) 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 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.

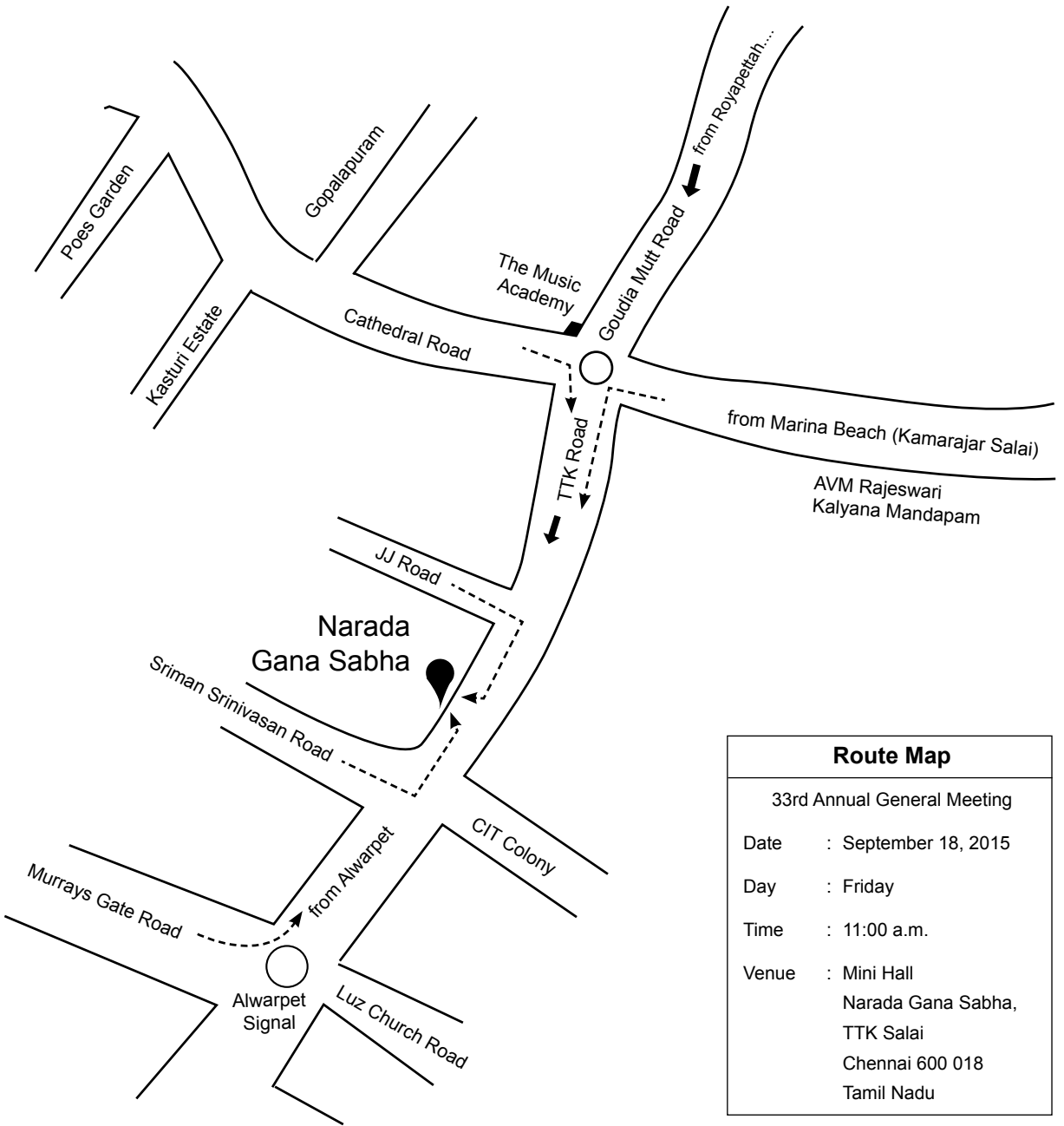
After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A) Please follow all steps referred above to cast vote.
- B) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com



Route Map	
33rd Annual General Meeting	
Date	: September 18, 2015
Day	: Friday
Time	: 11:00 a.m.
Venue	: Mini Hall Narada Gana Sabha, TTK Salai Chennai 600 018 Tamil Nadu