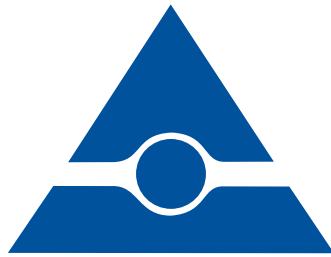


Axles India Limited



**THIRTY FIFTH ANNUAL REPORT
2016-17**



Thirty Fifth Annual Report

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. 9600931735

Cheyyar Taluk, Tiruvannamalai Dist.
Tamil Nadu 604 410
Phone No. 9789845439

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

CONTENTS	Page
Notice to Shareholders	2
Report of the Directors	4
Board Evaluation, Nomination and Remuneration Policy	10
Annual Report on CSR Activities	11
AOC 2 & Secretarial Audit Report	12
Extract of Annual Return	15
Conservation of Energy, Tech. Absorption	22
Report of the Auditors	23
Balance Sheet	28
Profit and Loss Statement	29
Notes on Accounts	30
Cash Flow Statement	45
Financial Summary	46
Procedure and Instruction for E-Voting	47
Route Map	48

Board of Directors

S Ram (*Chairman*)
M K Surendran (*Managing Director*) upto 05-07-2016
V Madhavan (*Managing Director*) from 06-07-2016
Srivats Ram
Rafael Aquique
Saket Sapra
Sowmya Vencatesan
Rakesh Chopra
Jamie Martel

Audit Committee

Sowmya Vencatesan (*Chairperson*)
Rakesh Chopra
V Madhavan (*from 06-07-2016*)

Stakeholders Relationship Committee

S Ram (*Chairman*)
V Madhavan (*from 06-07-2016*)
Srivats Ram

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

S Ram (*Chairman*)
V Madhavan (*from 06-07-2016*)
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

Notice to Shareholders

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Company will be held on Friday, the 22nd September 2017 at “Kasturi Srinivasan Building” (Mini Hall, The Music Academy), New No. 168 (old No. 306), T.T.K Road, Royapettah, Chennai 600 014 at 10.25 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 2017 and the Report of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend for the financial year 2016-17 and to declare a Final Dividend for the financial year 2016-17.
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. Price Waterhouse & Co Chartered Accountants LLP (ICAI Registration No. FRN 304026E / E-300009) be and are hereby 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 ₹15.00 lakhs (excluding applicable tax and reimbursement of out of pocket expenses).

By order of the Board

Regd. Office:
21, Patullos Road
Chennai 600 002
28th June 2017

S Ram
Chairman

DIN No.00018309

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself and such a proxy need not be a member of the company.
2. Proxies must be lodged with the Company not less than 48 hours before the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.



-
5. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2017 to 22nd September 2017 (both days inclusive).
 6. Final Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 22.09.2017. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
 7. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Company.
 8. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, as amended, dividend declared which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant (s) so far for the above financial year or any subsequent financial year are requested to make their claim to the Secretarial Department of the Company at Singaperumal Koil Road, Sriperumbudur 602105. Hence shareholders are requested to claim the dividend.
 9. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, remote e-voting facility have been provided to the members. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members intending to vote at the venue are requested to bring their photo identity card.
 10. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time schedule including the time period during which the votes may be cast by remote e-voting, the details of the login id, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders.
 11. The Board of Directors have appointed Mr N Ramanathan, Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link www.evotingindia.com during the following voting period: The e-voting period would commence on 19th September 2017 (9.00 am) and end on 21st September 2017 (5.00 pm).
 12. During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.
 13. The route map for the venue of the Annual General Meeting, procedure and instructions for e-voting is furnished in 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.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the Thirty Fifth Annual Report of the Company along with the audited accounts for the year ended 31st March 2017.

Performance

The turnover during the year 2016-17 was ₹414 crores against ₹486 crores in 2015-16.

Particulars	(₹ in lakhs)	
	2016-17	2015-16
Profit before depreciation	3293.39	2821.36
Depreciation	(1001.24)	(898.25)
Profit before tax for the year	2292.15	1923.11
Profit after tax for the year	1500.99	1250.53

Prospects

Indian economy registered GDP growth at 7.1%, in 2016-17 helped by good agricultural growth and services sector growth. Major changes in indirect tax regime is being introduced from July 2017. This will reduce the cascading effect of indirect taxes and the interstate sales tax. In 2017-18 economic growth is expected to be maintained near 7% level.

In the Commercial vehicle segment, new emission norms were mandated from April 2017. In expectation of vehicle price increase, there was pre-buy in 2016-17. The heavy CV market is expected to be lower than last year in the first half and sales going up in the second half. There is good demand for Tipper Trucks 4 x 2 and 6 x 4 driven by Highway projects and port projects. The lighter end of the CV market is expected to grow, in the heavy haulage segment there could be a flattering out of demand with higher GVW 8 x 2 and 10 x 2 rigid replacing medium 4 x 2.

Your Company's sale of Housings to domestic market increased marginally in 2016-17 compared to previous year, but export sales to Dana USA dropped to 42,500 numbers from 100,000 numbers in 2015-16. Your Company has started some exports of Axle Housing to Thailand and to Japan.

Dividend

Your Board of Directors had declared an Interim Dividend of ₹1/- per share (10%) on 13th September 2016 and Interim Dividend of ₹0.50 per share (5%) on 15th December 2016 on the paid up capital of the Company which was paid to the shareholders. Your Directors recommend a final dividend of ₹1.80 per equity share (18%) for the year ended 31st March, 2017. The final dividend recommended, if approved at the Thirty Fifth Annual General Meeting, will be paid to all the shareholders whose name appears in the Register of members as on the book closure date.

Particulars of Loans, Guarantees or Investments

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



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.

The Independent Directors, Ms. Sowmya Vencatesan (DIN 07108505) and Mr Rakesh Chopra (DIN 00032818), have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Board Evaluation

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

Remuneration Policy

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

Corporate Social Responsibility

As an initiatives under Corporate Social Responsibility (CSR), in accordance with Schedule VII of the 2013 Act, your Company constituted the CSR Committee under the Board. This Committee is to frame, monitor and execute the CSR activities. The Board has approved the CSR policy and guidelines for implementation. The Committee effectively supervises the programmes. The Company has spent ₹5.80 lakhs during the year. The Constitution of the CSR Committee and the report as required under the 2013 Act, are provided as Annexure III forming part of this Report.

Risk Management, Internal Financial Control Systems and Audit

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

Your Company maintains an adequate and effective Internal Control System commensurate with its size. The Internal Control system provides a reasonable assurance to the effect that the transactions are executed with

the authorisations and are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets are secured and safeguarded against any misuse or loss. The internal control system is supplemented through an extensive internal audit programme and periodic review by the Management and Audit Committee. The Company has in place adequate internal financial Controls and no reportable material weakness was observed.

Vigil Mechanism

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

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, 2017 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 2016-17, were in compliance of Section 188 of the 2013 Act and rules framed there under. Related party transactions were at an arm's length basis and were in the ordinary course of business. Material contracts or arrangement or transactions are at arm's length basis and disclosed in Form AOC-2 which is provided in Annexure IV forming part of this Report. All Related Party Transactions were placed before the Audit Committee. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.



Meeting of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings are circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board had met 4 times during the year under review on 29th June 2016, 13th September 2016, 15th December 2016 and 22nd March 2017.

Directors	Attendance at Board Meetings		Attendance at AGM held on 14.09.2016
	Held	Attended	
Mr S Ram	4	4	Yes
Mr M K Surendran (<i>Upto 05.07.2016</i>)	1	1	Not Applicable
Mr V Madhavan (<i>From 06.07.2016</i>)	3	3	Yes
Mr Srivats Ram	4	4	Yes
Mr Saket Sapra*	4	3	No
Mr Rafael Aquique*	4	2	No
Mr Sowmya Vencatesan	4	4	Yes
Mr Rakesh Chopra	4	4	Yes
Mr Jamie Martel*	4	2	No

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

Audit Committee

The Audit Committee comprises of Ms Sowmya Vencatesan, Chairperson, Mr Rakesh Chopra and Mr M K Surendran (upto 05.07.2016) / Mr V Madhavan (from 06.07.2016) as members. The Committee had met on 29th June 2016, which was attended by all the members of the committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr Rakesh Chopra, Chairman, Mr S Ram, Mr Saket Sapra and Ms Sowmya Vencatesan as members. The Committee had met on 29th June 2016, which was attended by all the members of the committee except Mr Saket Sapra.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr S Ram, Chairman, Mr M K Surendran (upto 05.07.2016) / Mr V Madhavan (from 06.07.2016) and Mr Srivats Ram as members. The Committee had met 5 times during the year under review on 29th June 2016, 13th September 2016, 12th November 2016, 15th December 2016 and 9th February 2017.

All the Directors except Mr Srivats Ram attended the Stakeholders Relationship Committee meetings.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises of Mr S Ram, Chairman, Mr M K Surendran (upto 05.07.2016) / Mr V Madhavan (from 06.07.2016), Mr Saket Sapra and Mr Rakesh Chopra as members. The Committee had met on 29th June 2016, which was attended by all the members of the committee except Mr Saket Sapra.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 15th December 2016 inter alia, to evaluate the performance of Non-Independent Directors, Chairman and the Board of Directors as a whole. Evaluation was done on the basis of attendance, quality of discussion in the meetings, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

Significant and Material Orders Passed by the Regulators or Courts

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

Employees and details of remuneration:

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

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

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

Auditors

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 28.06.2017, on the recommendation of Audit Committee, have made its recommendation for appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (ICAI registration number FRN 304026E / E-300009) as the Statutory Auditors of the Company subject to the approval of the Members at the 35th Annual General Meeting of the Company.



Accordingly, a resolution, proposing appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP as the Statutory Auditors of the Company forms part of the Notice of the 35th Annual General Meeting of the Company.

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

The Board place on record its appreciation for the services rendered by M/s. Sundaram & Srinivasan, Chartered Accountants, as the Statutory Auditors of the Company.

Secretarial Audit

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

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

Chennai
28th June 2017

S RAM
Chairman
DIN 00018309

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 2016-17

1	A brief outline of the Company's CSR Policy, including overview of project or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The CSR activities carried out by the Company are in accordance with the Policy, as laid down and approved by the Committee, duly approved by the Board. The CSR Policy is available in the Company's website and Web-link is http://axlesindia.com/pdf/CSR-Policy
2	The Composition of the CSR Committee	The Committee has Mr S Ram, as Chairman, Mr V Madhavan, Mr Saket Sapra, and Mr Rakesh Chopra as other members
3	Average net profits of the Company for last three financial years	₹1079.72 lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹22.00 lakhs
5	Details of CSR spent during the financial year	a. Total amount to be spent for the financial year: ₹22.00 lakhs b. Amount Unspent : ₹16.20 lakhs c. Manner in which the amount spent during the financial year is given in Annexure
6	In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part there of, the Company shall provide reasons for not spending the amount in its Board report:	The projects are being identified.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:	We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Chennai
28th June 2017

V Madhavan
Managing Director

S Ram
Chairman - CSR Committee

ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

(₹ in lakhs)

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency.
1	Promoting Education by providing financial assistance by way of donation for awarding scholarship for students	Education	Tamil Nadu	5.80	5.80	5.80	Direct and through Implementing Agency: 1. Laxmi charities 2. Government High School, Sriperumbudur
Total				5.80	5.80		

Chennai
28th June 2017

V Madhavan
Managing Director

S Ram
Chairman - CSR Committee

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 2. Dana Commercial Vehicle Mfg. LLC. – 01.03.2017 to 28.02.2019
d.	Salient features of the contracts or arrangements or transactions including the value, if any:	Supply of axle housings as per agreement.
e.	Date(s) of approval by the Board, if any :	29.06.2016
f.	Amount paid as advances, if any:	NIL

Chennai
28th June 2017

S Ram
Chairman

FORM NO. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017**

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

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

- 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.
- Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2017, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2017 according to the applicable provisions of:

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) made effective 1st July, 2015.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015) - (NOT APPLICABLE AS THE COMPANY IS UNLISTED PUBLIC COMPANY)

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the required extent applicable during the year.

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

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

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

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

We further report that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for following major events

- Appointment of Mr Jamie Martel (DIN 07260954) as Director
- Appoint of Mr V. Madhavan(DIN 07548156) as Director
- Appointment of Mr V Madhavan (DIN 07548156) as Managing Director for a term of 5 years w.e.f. 06.07.2016

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)

Chennai

28th June 2017

FCS 6881, CP No. 7028

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

Annexure A

TO

THE MEMBERS, AXLES INDIA LIMITED, CHENNAI

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For **S Dhanapal & Associates**

S. Dhanapal

(Partner)

Chennai

28th June 2017

FCS 6881, CP No. 7028

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

as on the financial year ended on 31.3.2017

[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 Office: Singaperumal Koil Road, Sriperumbudur, Tamil Nadu - 602 105 Phone: 9600931735 E- Mail: axles@axlesindia.com
(vi)	Whether listed company :	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Cameo Corporate Services Limited "Subramanian Building", No. 1, Club House Road, Chennai 600 002, Phone : 044 - 28460390 Fax : 044 - 28460129 E - Mail : investor@cameoindia.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	11402081	914334	12316415	48.33	11402081	914334	12316415	48.33	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	11402081	914334	12316415	48.33	11402081	914334	12316415	48.33	-
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	12316415	12316415	48.33	-	12316415	12316415	48.33	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	12316415	12316415	48.33	-	12316415	12316415	48.33	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	11402081	13230749	24632830	96.66	11402081	13230749	24632830	96.66	-
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	213	213	-	-	213	213	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	213	213	-	-	213	213	-	-
(2) Non-Institutions									
(a) Bodies Corporate									
i. Indian	11181	4567	15748	0.06	24466	5038	29504	0.12	0.54
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	431319	274334	705653	2.78	461018	271754	732772	2.88	0.10
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	105212	15000	120212	0.47	13212	15000	28212	0.11	0.36
(C) Others (Specify)									
Clearing member	-	-	-	-	-	-	-	-	-
Directors and their relatives	-	200	200	-	-	-	-	-	-
Escrow Account - Clause 5A of the Listing Agreement	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	8719	-	8719	0.03	9044	-	9044	0.03	-
Non-resident Indians	485	75	560	-	51485	75	51560	0.20	0.20
Trust	275	-	275	-	275	-	275	-	-
Sub-Total (B)(2)	557191	294176	851367	3.34	559500	291867	851367	3.34	-
Total Public Shareholding = (B) (1) + (B) (2)	557191	294389	851580	3.34	559500	292080	851580	3.34	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11959272	13525138	25484410	100.00	11961581	13522829	25484410	100	-



(ii) Shareholding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	
1	Sundaram Finance Ltd	9891754	38.82	Nil	9891754	38.82	Nil	Nil
2	Wheels India Ltd	2424661	9.51	Nil	2424661	9.51	Nil	Nil
3	Dana Gobal 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 Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	24632830	96.66	24632830	96.66

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.	Name of the Shareholder	No. of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
1	Mr.Yogesh R Doshi*				
	At the beginning of the year 01-Apr-2016	79500	0.31	79500	0.31
	Purchase 29-Jul-2016	4900	0.19	84400	0.33
	Sale 21-Oct-2016	-8000	0.03	76400	0.30
	Sale 28-Oct- 2016	-11500	0.05	64900	0.25
	Sale 04-Nov-2016	-14900	0.06	50000	0.20
	Sale 11-Nov-2016	-25000	0.10	25000	0.10
	Purchase 18-Nov-2016	2000	0.01	27000	0.11
	Sale 13-Jan-2017	-15500	0.06	11500	0.05

Sl. No.	Name of the Shareholder	No. of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
	Sale 20-Jan-2017	-7000	0.03	4500	0.01
	Sale 10-Feb-2017	-500	0	4000	0.01
	Sale 17-Feb-2017	-500	0	3500	0.01
	Sale 03-Mar-2017	-3000	0.01	500	0
	Sale 24-Mar-2017	-400	0	100	0
	At the end of the year 31-Mar-2017	100	0	100	0
2	Mr Raajamani K H				
	At the beginning of the year 01-Apr-2016	15000	0.06	15000	0.06
	At the end of the year 31-Mar-2017	15000	0.06	15000	0.06
3	Mr Rangavittal T L				
	At the beginning of the year 01-Apr-2016	13212	0.05	13212	0.05
	At the end of the year 31-Mar-2017	13212	0.05	13212	0.05
4	Ms. Darshana Doshi*				
	At the beginning of the year 01-Apr-2016	12500	0.04	12500	0.04
	Sale 14-Oct -2016	-1000	0	11500	0.05
	Sale 21-Oct-2016	-5000	0.02	6500	0.03
	Sale 28-Oct-2016	-6500	0.03	0	0
	At the end of the year 31-Mar-2017	0	0	0	0
5	Mr V Ravichandran				
	At the beginning of the year 01-Apr-2016	10000	0.04	10000	0.04
	At the end of the year 31-Mar-2017	10000	0.04	10000	0.04
6	Mr Devendra Mehta				
	At the beginning of the year 01-Apr-2016	9901	0.04	9901	0.04
	At the end of the year 31-Mar-2017	9901	0.04	9901	0.04
7	Ms. Shantheri Mallaya*				
	At the beginning of the year 01-Apr-2016	9150	0.04	9150	0.04
	At the end of the year 31-Mar-2017	9150	0.04	9150	0.04
8	Ms. Mallikunnisa Begum*				
	At the beginning of the year 01-Apr-2016	9000	0.04	9000	0.04
	Sale 24-Mar-2017	-3000	0.01	6000	0.02
	At the end of the year 31-Mar-2017	6000	0.02	6000	0.02
9	Mr PL Chockalingam				
	At the beginning of the year 01-Apr-2016	8150	0.03	8150	0.03
	At the end of the year 31-Mar-2017	8150	0.03	8150	0.03



Sl. No.	Name of the Shareholder	No. of shares	% of total shares of the company	Cumulative No. of shares	% of total shares of the company
10	Mr K S Mallaya				
	At the beginning of the year 01-Apr-2016	8110	0.03	8110	0.03
	At the end of the year 31-Mar-2017	8110	0.03	8110	0.03
11	Ms. Masiha Tahseen**				
	At the beginning of the year 01-Apr-2016	8000	0.03	8000	0.03
	Sale 23-Dec-2016	-500	0.00	7500	0.02
	At the end of the year 31-Mar-2017	7500	0.02	7500	0.02
12	Mr O.S. Krishnamoorthy**				
	At the beginning of the year 01-Apr-2016	7500	0.02	7500	0.02
	Purchase 23-Dec-2016	500	0	8000	0.03
	At the end of the year 31-Mar-2017	8000	0.03	8000	0.03
13	Mr Mahendra Kumar Khetshi Shah**				
	At the beginning of the year 01-Apr-2016	0	0	0	0
	Purchase 24-Feb-2017	36000	0.14	36000	0.14
	At the end of the year 31-Mar-2017	36000	0.14	36000	0.14
14	Mr Palkash Jayantilal Shamji Shah** Jt:1 Bhupendra Shamji Shah				
	At the beginning of the year 01-Apr-2016	0	0	0	0
	Purchase 03-Feb-2017	15000	0.05	15000	0.05
	At the end of the year 31-Mar-2017	15000	0.05	15000	0.05
15	The Property Company Pvt Ltd**				
	At the beginning of the year 01-Apr-2016	0	0	0	0
	Purchase 11-Nov-2016	10000	0.03	10000	0.03
	At the end of the year 31-Mar-2017	10000	0.03	10000	0.03
16	Plutus Capital Management LLP**				
	At the beginning of the year 01-Apr-2016	0	0	0	0
	Purchase 21-Oct 2016	2200	0	2200	0
	Purchase 10-Feb 2017	4695	0.01	6895	0.02
	At the end of the year 31-Mar-2017	6895	0.02	6895	0.02

* Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

** Not in the list of Top 10 shareholders as on 01.04.2016. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 31.03.2017.

(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 (Upto 05.07.2016)	200	-	200	-
4	Mr V Madhavan (From 06.07.2016)	Nil	Nil	Nil	Nil
5	Mr Rafael Aquique	Nil	Nil	Nil	Nil
6	Mr Saket Sapra	Nil	Nil	Nil	Nil
7	Ms Sowmya Vencatesan	Nil	Nil	Nil	Nil
8	Mr Rakesh Chopra	Nil	Nil	Nil	Nil
9	Mr Jamie Martel	Nil	Nil	Nil	Nil
10	Mr Y Krishnamoorthy (CFO)	Nil	Nil	Nil	Nil
11	Mr T V Venkata Subramanyam (Secretary)	Nil	Nil	Nil	Nil
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):		There is no Increase / Decrease in Shareholding during the year for the above Directors and KMP mentioned.			
At the End of the year		As there is no Increase / Decrease in Shareholding during the year, the shareholding of the above Directors and KMP which stood during the beginning of the year remains same as at the end of the year also			

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Unsecured	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1376.11	-	-	1376.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1376.11	-	-	1376.11
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	836.85	-	-	836.85
Net Change	(836.85)	-	-	(836.85)
Indebtedness at the end of the financial year				
i) Principal Amount	539.26	-	-	539.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	539.26	-	-	539.26



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 (Upto 05.07.2016)	Mr V Madhavan, Managing Director (From 06.07.2016)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.52	40.70	56.22
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6.17	0.38	6.55
(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	3.12 0.5%	8.75 0.5%	11.87
5	Others, please specify	-	-	-
Total (A)		24.81	49.83	74.64
Ceiling as per the Act (5% of Net Profits)				121.82

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

S. No	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / committee meetings	Commission	Others, please specify	
	Independent Directors				
1	Ms Sowmya Vencatesan	1.50	-	-	1.50
2	Mr Rakesh Chopra	1.75	-	-	1.75
Total (1)		3.25			3.25
	Other Non-Executive Directors				
1	Mr S Ram	2.75	-	-	2.75
2	Mr Srivats Ram	1.00	-	-	1.00
Total (2)		3.75	-	-	3.75
Total (B) = (1)+(2)		7.00	-	-	7.00
Total Managerial Remuneration (A+B)					81.64
Overall Ceiling as per the Act (11% of Net Profits)					268.01

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

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr Y Kishnamoorthy CFO	Mr TV VenkataSubramanyam Secretary	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.53	6.64	38.17
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.81	0.19	1.00
(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)		32.34	6.83	39.17

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
(A) Company; (B) Directors; (C) Other Officers in Default;					
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 line is metered for power consumption and improvements are being made through energy audits. Poly carbonate sheets are used instead of Fibre Reinforced Plastic (FRP) sheets to improve lighting during the day time in the factory.

Technology absorption

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

Foreign Exchange earnings and outgo

Foreign Exchange used	₹1233.70 lakhs
Foreign Exchange earned	₹6893.66 lakhs

For and on behalf of the Board of Directors

Chennai
28th June 2017

S Ram
Chairman
DIN 00018309



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 2017, 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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 2017, 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, 2016 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the Annexure "A" to this report, a statement on the matters specified in paragraph 3 and 4 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 2017, taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate report in Annexure "B" to this report and
 - (g) 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. 26(i)(b) and (d) 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 has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. - Refer Note No. 41 to the financial statements.

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

K Srinivasan
Partner

(Membership No. 5809)

Chennai

28th June 2017



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

- I (a) The Company is maintaining proper records showing full particulars, including quantitative details and the situation of fixed assets.
(b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
(c) The title deeds of immoveable properties are held in the name of the Company.
- II The physical verification of inventory has been conducted at reasonable intervals by the Management and discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- III The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence, the clauses (iii) (a), (b) and (c) of this paragraph of the Order are not applicable.
- IV The Company has not granted any loans, made any investment and provided any guarantee or security. Hence the provisions of Section 185 and 186 of the Act are not applicable.
- V The Company has not accepted any deposit from the public and hence this paragraph of the Order is not applicable.
- 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. Hence this paragraph of this order is not applicable.
- VII (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales 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 ₹48.85 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), and Commissioner of Income Tax (Appeals).
- VIII The Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not borrowed from any financial institutions.
- IX The Company has not raised any moneys by way of Initial Public Offer or further public offer (including Debt instruments). The moneys raised by way of term loans were applied for the purpose for which the term loans were raised.
- X No fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII The Company is not a Nidhi Company, hence this paragraph of the order is not applicable.
- XIII The transactions with the related parties are in compliance with Section 177 and Section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.

-
- XIV The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence this paragraph of the order is not applicable.
- XV The Company has not entered into any non-cash transaction with directors or persons connected with them. Hence this paragraph of the order is not applicable.
- XVI The Company is not required to be registered under Section 45-IA of the RBI Act, 1934.

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

K Srinivasan
Partner

Chennai
28th June 2017

Membership No. 5809

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act"))

We have audited the Internal Financial Controls over financial reporting of Axles India Limited ("the Company") as at 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing ("the Standards"), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent possible to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

K Srinivasan
Partner

Membership No. 5809

Chennai

28th June 2017

Balance Sheet as at 31st March 2017

		(₹ in lakhs)	
	Note No	31.03.2017	31.03.2016
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a)	Share Capital	1	2548.88
(b)	Reserves and Surplus	2	6711.67
		9260.55	2548.88
			5670.76
			8219.64
(2) Non-Current Liabilities			
(a)	Long-Term Borrowings	3	231.20
(b)	Deferred Tax Liabilities (Net)	4	389.51
(c)	Other Long Term Liabilities	5	11.63
(d)	Long Term Provisions	6	130.04
		762.38	539.60
			351.25
			18.49
			107.24
			1016.58
(3) Current Liabilities			
(a)	Short-Term Borrowings	7	-
(b)	Trade Payables		528.45
	(i) total outstanding dues of micro enterprises and small enterprises; and	254.37	325.95
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4503.90	6467.98
(c)	Other Current Liabilities	8	1344.75
(d)	Short-term Provisions	9	706.43
		6809.45	1171.27
			546.86
			9040.51
TOTAL		16832.38	18276.73
II ASSETS			
(1) Non-Current Assets			
(a)	Fixed Assets		
	(i) Tangible assets	10	5407.64
	(ii) Intangible assets	11	69.64
	(iii) Capital Work-in-progress	12	105.04
(b)	Non-current investments	13	0.36
(c)	Long-term loans and advances	14	336.52
		5919.20	5609.79
			17.30
			96.78
			0.36
			205.10
			5929.33
(2) Current Assets			
(a)	Inventories	15	5773.76
(b)	Trade receivables	16	4078.47
(c)	Cash and cash equivalents	17	128.37
(d)	Short-term loans and advances	18	932.52
(e)	Other current assets	19	0.06
		10913.18	7214.99
			4203.64
			4.20
			924.51
			0.06
			12347.40
TOTAL		16832.38	18276.73
Significant Accounting Policies		A	

S Ram
Chairman

V Madhavan
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
28th June 2017

Membership No. 5809



Profit and Loss Statement for the year ended 31st March 2017

(₹ in lakhs)

	Note No.	31.03.2017	31.03.2016
I Revenue from Operations			
(a) Sale of products		42107.55	49724.96
(b) Sale of services		3.81	12.59
(c) Other operating revenues		2797.36	3029.58
Revenue from Operations - Gross		44908.72	52767.13
Less: Excise Duty {On sale of products ₹3934.95 lakhs (previous year ₹3976.74 lakhs); Others ₹234.35 lakhs (previous year ₹283.57 lakhs)}		4169.30	4260.32
Revenue from Operations - Net		40739.42	48506.81
II Other Income	20	619.76	81.68
III Total Revenue (I + II)		41359.18	48588.49
IV Expenses			
(a) Cost of materials consumed	21	25295.34	30692.68
(b) Changes in inventories	22		
Finished Goods (Including Goods in Transit)		(566.30)	(544.95)
Work-in-progress		1036.42	461.92
(c) Employee benefits expense	23	5515.55	5962.56
(d) Other expenses	24	6577.72	8764.64
(e) Finance costs	25	207.06	430.28
(f) Depreciation and Amortisation Expenses	10 & 11	1001.24	898.25
Total expenses		39067.03	46665.38
V Profit before exceptional and extraordinary items and tax (III - IV)		2292.15	1923.11
VI Exceptional and Extraordinary Items		-	-
VII Profit before Tax (V + VI)		2292.15	1923.11
VIII Tax expense			
(1) Current Tax (Net of excess provision relating to earlier years-₹41.10 lakhs)		752.90	810.00
(2) Deferred Tax		38.26	(137.42)
		791.16	672.58
Profit for the period (VII - VIII)		1500.99	1250.53
Earnings per equity share			
Basic & Diluted		5.89	4.91
Significant Accounting Policies	A		

S Ram
Chairman

V Madhavan
Managing Director

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
28th June 2017

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

K Srinivasan
Partner
Membership No. 5809

Notes on Accounts

A Significant Accounting Policies:

i) General :

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

ii) 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.

iii) Investments :

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

iv) 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.

v) 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.

vi) Derivative Contracts:

The profit / loss arising on derivative contracts is accounted for as income / expenditure on the date of settlement of the contract.

The outstanding derivative contracts are revalued at the end of the year and the net loss/gain arising there from is recognised in the Profit & Loss account

vii) Revenue recognition :

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership have been transferred. Service revenues are recognised when services are rendered.

Interest / income is recognised on time proportion basis. Dividend income is recognised when rights to receive payment is established.



viii) Staff terminal benefits:

- a Provident Fund:** Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Company make monthly contributions to the regional provident fund authorities equal to specified percentage of eligible covered employees salary. The Company has no other obligations than the monthly contributions.
- b Gratuity:** The gratuity plan provides for a lump sum payment to vested employees eligible for gratuity at the time of retirement, death, incapacity or termination of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as at the Balance Sheet date based upon which the Company contributes all the ascertained liabilities to LIC, who is the administrator of the plan.
- c Superannuation:** Eligible employees receive benefits from Superannuation at the time of retirement, death or leaving the services. The Company makes an annual contribution to LIC of India, equal to a specific percentage of the eligible employee's basic salary. Apart from this, the Company has no other obligation under this head.
- d Unencashed Leave Salary:** Unencashed Leave Salary is accounted on accrual basis based on actuarial values.

ix) Operating Lease:

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the revenue account as per the lease terms.

x) Earnings per share:

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

xi) 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.

xii) Provisions and Contingencies:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligations. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

Notes on Accounts

(₹ in lakhs)

1 CAPITAL

(a) Authorised

2 60 00 000 Equity Shares of ₹10/- each
600 000 Redeemable Preference Shares of ₹100 each

31.03.2017	31.03.2016
2600.00	2600.00
600.00	600.00
3200.00	3200.00

(b) Issued

2 54 90 646 Equity Shares of ₹10/- each

2549.06	2549.06
----------------	----------------

(c) Subscribed and Paid up

2 54 84 410 Equity Shares of ₹10/- each
fully Paid-up

2548.44	2548.44
----------------	----------------

Add: Forfeited Shares

[6236 Equity Shares @ ₹7 per share]

0.44	0.44
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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 2016-17.

(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
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2 RESERVES AND SURPLUS

State Capital Subsidy Reserve

As per last Balance Sheet

-	35.63
---	-------

Less: Transfer to General Reserve

-	(35.63)	-
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General Reserve

As per last Balance Sheet

78.43	42.80
--------------	-------

Add: Transfer from State Capital Subsidy

-	35.63	78.43
---	-------	-------

Surplus

As per Last Balance Sheet

5592.33	4341.80
----------------	---------

Less: 1st Interim Dividend at ₹0.50 per share (Previous year Nil)

127.42	-
---------------	---

Dividend Tax

25.94	-
--------------	---

5438.97	4341.80
----------------	---------

Add : Profit for the year

1500.99	1250.53
----------------	---------

Less: 1st Interim Dividend at ₹0.50 per share (Previous year Nil)

127.42	-
---------------	---

Dividend Tax

25.94	-
--------------	---

Less: 2nd Interim Dividend at ₹0.50 per share (Previous year Nil)

127.42	-
---------------	---

Dividend Tax

25.94	-	5592.33
--------------	---	---------

6711.67	5670.76
----------------	---------



(₹ in lakhs)

	31.03.2017	31.03.2016
NON CURRENT LIABILITIES		
3 LONG TERM BORROWINGS		
SECURED BORROWINGS		
Term Loans From a Bank	<u>231.20</u>	<u>539.60</u>
<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 Terms of Repayment : Refer Note No.27</i>		
4 DEFERRED TAX LIABILITIES(NET)		
a Deferred Tax Liabilities		
Depreciation	507.31	542.19
Others	79.80	33.49
	<u>587.11</u>	<u>575.68</u>
b Deferred Tax Assets		
Expenses to be allowed at the time of payment	197.60	224.43
	<u>389.51</u>	<u>351.25</u>
5 OTHER LONG TERM LIABILITIES		
Finance Lease Obligations	<u>11.63</u>	<u>18.49</u>
6 LONG TERM PROVISIONS		
Provision for employee benefits	<u>130.04</u>	<u>107.24</u>
CURRENT LIABILITIES		
7 SHORT-TERM BORROWINGS		
Secured Borrowings		
Loan repayable on demand from Banks	<u>-</u>	<u>528.45</u>
<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>		
8 OTHER CURRENT LIABILITIES		
(i) Current Maturities of Long Term Debt (Refer Note No. 27)	308.06	308.06
(ii) Current Maturities of finance lease obligations	7.02	7.11
(iii) Interest accrued and due on borrowings	4.12	1.86
(iv) Unclaimed Dividend	4.45	2.42
(v) Other Payables		
Statutory Dues	78.41	90.10
Trade Deposits	42.49	31.19
Creditors for Capital Goods	97.37	42.09
Provision for Expenses	731.85	607.67
Provision for Excise Duty on Finished Goods	62.92	66.95
Due to Director	8.06	13.82
	<u>1344.75</u>	<u>1171.27</u>
9 SHORT TERM PROVISIONS		
Provision for employees benefits	<u>706.43</u>	<u>546.86</u>

Notes on Accounts

NON CURRENT ASSETS - FIXED ASSETS

(₹ in lakhs)

Description	Gross Block			Depreciation/Amortisation			Net Block		
	As at 31.03.2016	Additions	Deductions	As at 31.03.2017	As at 31.03.2016	Additions	Deletions	As at 31.03.2017	As at 31.03.2016
10 Tangible Assets									
Owned Assets									
Land	15.03	-	-	15.03	-	-	-	15.03	15.03
Buildings	2217.33	0.09	-	2217.42	851.72	100.14	-	1265.56	1365.61
Plant & Machinery	12667.34	793.79	163.47	13297.66	8544.14	859.88	141.77	4035.61	4123.20
Furniture & Fixtures	235.89	6.38	-	242.27	184.11	10.92	-	47.24	51.78
Vehicles	12.38	-	-	12.38	6.89	1.15	-	8.04	5.49
Leased Assets									
Vehicle	36.48	-	-	36.48	16.20	2.93	-	17.35	20.28
Machinery	58.29	-	-	58.29	29.89	5.89	-	22.51	28.40
Total	15242.74	800.26	163.47	15879.53	9632.95	980.71	141.77	5407.64	5609.79
11 Intangible Assets									
Computer Software	106.58	72.87	-	179.45	89.28	20.53	-	69.64	17.30
Total	106.58	72.87	-	179.45	89.28	20.53	-	69.64	17.30
Grand Total	15349.32	873.13	163.47	16058.98	9722.23	1001.24	141.77	5477.28	5627.09
Figures for Previous Year	15547.22	1063.70	1261.60	15349.32	9825.44	898.25	1001.46	5627.09	

12 CAPITAL WORK-IN-PROGRESS

a) Buildings	18.55	-
b) Plant and Machinery	86.49	96.78
	<u>105.04</u>	<u>96.78</u>



Notes on Accounts

(₹ in lakhs)

	31.03.2017	31.03.2016
13 NON-CURRENT INVESTMENTS		
Investments in Equity Instruments		
Non Trade - Quoted at Cost		
Indian Overseas Bank		
3600 Equity Shares of ₹10 each fully paid - up		
Face Value ₹0.36 Lakhs, Market Value ₹0.96 Lakhs		
(Previous year ₹1.09 Lakhs)	0.36	0.36
14 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
(i) Advances for Capital goods	23.88	31.01
(ii) Security Deposits	267.97	159.70
(iii) Advances to Employees	-	0.30
(iv) Advance Tax and Tax deducted at Source less	38.78	10.46
Provision for tax		
(v) Prepaid Expenses	5.89	3.63
	336.52	205.10
15 INVENTORIES		
As certified by Managing Director		
Raw materials and Components	2544.53	3394.83
Work in progress	855.62	1892.04
Finished Goods {Includes Goods in Transit ₹1410.60 lakhs	2061.39	1495.09
(Previous year ₹886.79 lakhs)}		
Stores and Spares	150.42	221.88
Loose tools	161.80	211.15
	5773.76	7214.99
16 TRADE RECEIVABLES		
Unsecured Considered Good		
Outstanding for a period exceeding six months	3.13	-
Other debts*	4075.34	4203.64
*Includes amount of ₹1629.46 Lakhs (Previous		
Year ₹1605.97 Lakhs) due by a Private Company		
in which Director of this company is also a Director		
	4078.47	4203.64
17 CASH AND CASH EQUIVALENTS		
Cash on hand	0.80	0.28
With Scheduled Banks in current accounts	123.12	1.50
Unpaid Dividend Accounts	4.45	2.42
	128.37	4.20
18 SHORT TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Advances to Vendors	190.81	186.82
Balance with Central Excise Authorities	98.90	461.56
Others		
VAT Receivable	26.58	116.57
Prepaid Expenses	173.84	65.03
Advances to Employees {Includes due by an officer of the	65.53	59.92
Company ₹0.03 Lakhs(Previous year ₹0.03 Lakhs)}		
Other Advances	376.86	34.61
	932.52	924.51
19 OTHER CURRENT ASSETS		
Interest accrued on deposits	0.06	0.06

Notes on Accounts

(₹ in lakhs)

	31.03.2017	31.03.2016
20 OTHER INCOME		
Income on Advances and deposits	108.92	81.47
Lease Rent	0.21	0.20
Gain on Foreign Exchange Transactions and Translations	492.63	-
Profit on sale of assets	18.00	0.01
	<u>619.76</u>	<u>81.68</u>
21 COST OF MATERIALS CONSUMED		
(a) Raw Material	8784.38	10561.05
(b) Components	16510.96	20131.63
	<u>25295.34</u>	<u>30692.68</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Inventory of Finished Goods	1495.09	950.14
Less: Closing Inventory of Finished Goods	2061.39	1495.09
Net change in stock of Finished Goods	<u>(566.30)</u>	<u>(544.95)</u>
Opening Inventory of Work in Progress	1892.04	2353.96
Less: Closing Inventory of Work in Progress	855.62	1892.04
Net change in stock of Work in Progress	<u>1036.42</u>	<u>461.92</u>
Net Change in Finished Goods and Work in Progress	<u>470.12</u>	<u>(83.03)</u>
23 EMPLOYEE BENEFIT EXPENSES		
(a) Salaries, Wages, Bonus and Commission	4595.92	4875.39
(b) Contribution to Provident Fund and other Funds	326.58	355.42
(c) Staff Welfare expenses	593.05	731.75
	<u>5515.55</u>	<u>5962.56</u>
24 OTHER EXPENSES		
Consumption of Stores, Spares and Tools	1249.32	1761.39
Power and Fuel	1564.81	1847.25
Rent including Lease Rentals	35.21	20.96
Rates and Taxes excluding tax on income	51.67	168.75
Repairs		
Building	288.89	235.41
Plant & Machinery	730.35	1008.98
Others	111.05	139.55
Insurance	58.84	56.70
Auditors Remuneration		
Statutory Audit	12.50	12.50
Tax Audit	4.00	5.02
Income Tax Matters	0.95	0.25
VAT Audit	0.65	0.65
Certification Matters	2.00	2.60
Expenses	3.72	3.70
	<u>23.82</u>	<u>24.72</u>
Expenditure on Corporate Social Responsibilities	5.80	21.56
Packing and Carriage outwards	1533.40	2352.94
Directors' Sitting Fees	7.04	6.01
Net Loss on Foreign Exchange Transactions and Translations (Other than exchange loss considered in Financial cost)	-	123.84
Miscellaneous Expenses	912.34	738.11
Loss on Write-off of Redundant Fixed assets	5.18	258.47
	<u>6577.72</u>	<u>8764.64</u>



Notes on Accounts

(₹ in lak hs)

25 FINANCE COSTS

(a) Interest expense	173.36	231.95
(b) Other Borrowing Costs	33.33	19.17
(c) Applicable net loss on foreign currency transactions and translation	-	173.36
(d) Interest on shortfall and other interest under Income Tax Act	0.37	5.80
	<u>207.06</u>	<u>430.28</u>

26 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

a) Bills discounted with Banks	4349.49	4598.81
b) Disputed Sales Tax and Income Tax not provided for	75.86	116.17
c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	34.91	8.85
d) Claims against the Company not acknowledged as debts	68.05	68.05

27 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

28 Imported and Indigenous Materials consumed

- a) Raw Materials
- i) Imported
 - ii) Indigenous

- b) Components
- i) Imported
 - ii) Indigenous

Refer to note no 21

- c) Stores and spares
- i) Imported
 - ii) Indigenous

Refer to note no 24

	% to total Consumption	Value	% to total Consumption	Value
	-	-	-	-
	<u>100.00</u>	<u>8784.38</u>	100.00	10561.05
	<u>100.00</u>	<u>8784.38</u>	100.00	10561.05
	6.58	1087.17	16.19	3212.51
	<u>93.42</u>	<u>15423.79</u>	83.81	16919.12
	<u>100.00</u>	<u>16510.96</u>	100.00	20131.63
	3.09	38.57	3.17	55.84
	<u>96.91</u>	<u>1210.75</u>	96.83	1705.55
	<u>100.00</u>	<u>1249.32</u>	100.00	1761.39

Notes on Accounts

(₹ in lakhs)

31.03.2017

31.03.2016

29 Details of Inventories

Raw Material & Components	Consumption	Closing Stock	Opening Stock	Consumption	Closing Stock	Opening Stock
Steel Plates	8784.38	659.13	664.87	10561.05	664.87	201.22
Forgings	9052.08	278.30	573.62	10627.62	573.62	197.77
Other Raw Materials and Components	7458.88	1607.10	2156.34	9504.01	2156.34	2200.18
	<u>25295.34</u>	<u>2544.53</u>	<u>3394.83</u>	<u>30692.68</u>	<u>3394.83</u>	<u>2599.17</u>

Refer to note no 15 & 21

Class of Goods	Sales	Closing Stock	Opening Stock	Closing Stock Work in Progress	Opening Stock Work in Progress	Sales	Closing Stock	Opening Stock	Closing Stock	Opening Stock
Axle Housings	<u>38172.60</u>	<u>2061.39</u>	<u>1495.09</u>	<u>855.62</u>	<u>1892.04</u>	<u>45748.22</u>	<u>1495.09</u>	<u>950.14</u>	<u>1892.04</u>	<u>2353.96</u>



Notes on Accounts

(₹ in lakhs)

	31.03.2017	31.03.2016
30 Imports (CIF Value)		
i) Raw Materials	1050.74	3296.15
ii) Spare Parts	29.40	98.51
iii) Capital Goods	-	50.39
31 Expenditure in Foreign Currency		
i) Travel	6.97	1.46
ii) Others	271.76	47.27
32 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 Interim Dividend 2016-17	184.75	-
33 Earnings in Foreign Exchange		
Exports (on FOB basis)	6586.73	14874.19
34 Earnings Per Share		
Net profit as per P & L account	1500.99	1250.53
Number of Shares	25484410	25484410
Nominal value per share - Rupees	10.00	10.00
Basic earnings per share - Rupees	5.89	4.91

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

Particulars

- The Principal amount and the interest due there-on (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year
Principal amount due to micro and small enterprises
Interest due on above
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
- The amount of interest accrued and remain unpaid at the end of each accounting year; and
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of the deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

-	-
-	-
-	-
-	-
-	-

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

Notes on Accounts

36 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)	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Change in defined benefit obligation				
Opening defined benefit obligation	666.32	593.98	118.61	145.59
Current service cost	47.48	44.57	36.36	19.13
Interest cost	53.30	47.52	5.59	9.68
Actuarial loss / (gain)	(13.05)	11.25	92.52	(10.74)
Benefits paid	(98.36)	(31.00)	(95.21)	(45.05)
Closing defined benefit obligation	655.69	666.32	157.87	118.61
Change in fair value of assets				
Opening fair value of plan assets	609.81	508.05		
Expected return on plan assets	48.29	49.82		
Actuarial gain / (Loss)	-	-		
Contribution by employer	53.22	82.94		
Benefits paid	(98.36)	(31.00)		
Closing fair value of plan assets	612.96	609.81		
Amount recognised in the Balance Sheet				
Present value of obligations at year end	655.69	666.32	157.87	118.61
Fair value of plan assets at year end	612.96	609.81	-	-
Amount now recognised as liability	(42.73)	(56.51)	(157.87)	(118.61)
Net (liability) / asset recognised as on 31 st March	(42.73)	(56.51)	(157.87)	(118.61)



Notes on Accounts

(₹ in lakhs)

Expenses recognised in the Profit & Loss Statement

	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Current Service cost	47.48	44.57	36.36	19.13
Interest on defined benefit obligation	53.30	47.52	5.59	9.68
Expected return on plan assets	(48.29)	(49.82)	-	-
Net actuarial loss / (gain) recognised in the current year	(13.05)	11.25	92.52	(10.74)
Expenses recognised in the Profit & Loss A/c	39.44	53.52	134.47	18.07

Principal actuarial assumptions used

	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Discount rate (p.a)	8.00%	8.00%	7.30%	7.87%
Expected rate of return on plan assets (p.a)	7.70%	8.00%	-	-
Attrition rate	1-3%	1-3%	5%	5%
Salary escalation	5%	5%	5%	5%

Gratuity (funded)		Leave Salary (unfunded)	
31.03.2017	31.03.2016	31.03.2017	31.03.2016
47.48	44.57	36.36	19.13
53.30	47.52	5.59	9.68
(48.29)	(49.82)	-	-
(13.05)	11.25	92.52	(10.74)
39.44	53.52	134.47	18.07
8.00%	8.00%	7.30%	7.87%
7.70%	8.00%	-	-
1-3%	1-3%	5%	5%
5%	5%	5%	5%

Gratuity details for current year and past fouryears

	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of obligations at year end	655.69	666.32	593.98	511.53	451.40
Fair value of plan assets at year end	612.96	609.81	508.05	391.95	204.31
Net (liability) / asset recognised as on 31 st March	(42.73)	(56.51)	(85.93)	(119.58)	(247.09)
Actuarial loss / (gain) on defined benefit obligations	(13.05)	11.25	34.11	14.14	9.75
Actuarial loss / (gain) on fair value of the assets	-	-	-	-	-

2016-17	2015-16	2014-15	2013-14	2012-13
655.69	666.32	593.98	511.53	451.40
612.96	609.81	508.05	391.95	204.31
(42.73)	(56.51)	(85.93)	(119.58)	(247.09)
(13.05)	11.25	34.11	14.14	9.75
-	-	-	-	-

37 Segment information for the year ended 31st March, 2017 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)

	31.03.2017			31.03.2016		
	India	Outside India	Total	India	Outside India	Total
External	33845.76	6893.66	40739.42	32640.22	15866.59	48506.81
Inter-Segment	-	-	-	-	-	-
Total	33845.76	6893.66	40739.42	32640.22	15866.59	48506.81
Carrying amount of segment assets	16832.38	-	16832.38	18276.73	-	18276.73
Additions to fixed assets	873.13	-	873.13	1063.70	-	1063.70

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.

Notes on Accounts

(₹ in lakhs)

	31.03.2017	31.03.2016
38 Related Party disclosures in accordance with AS18 issued by ICAI		
Associates		
Dana Global Products In		
Sundaram Finance Limited		
Wheels India Limited		
Key Managerial Personnel		
Mr. M K Surendran (upto 5 th July 2016)		
Mr. V Madhavan (from 6 th July 2016)		
Nature of Transaction		
Sale of Goods		
Wheels India Limited	6.15	3.98
Receiving of Services		
Wheels India Limited	10.41	10.38
Receiving of Services		
Wheels India Limited	3.81	17.70
Lease Payment		
Sundaram Finance Ltd	20.19	15.85
Tooling Advance received		
Wheels India Limited	-	10.53
Dividend paid		
Dana Global Products Inc	184.75	-
Sundaram Finance Limited	148.38	-
Wheels India Limited	36.37	-
	369.50	-
Balance due to us	-	-
Balance due from us	-	-

(₹ in lakhs)

	31.03.2017	31.03.2016
Key Managerial Personnel	Mr M K Surendran	Mr M K Surendran
Remuneration, Perquisites and Commission	24.81	49.83
Commission outstanding	2.01	6.05
		70.03
		13.82



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

	31.03.2017		31.03.2016	
	Total Minimum Lease Payments	Present Value	Total Minimum Lease Payments	Present Value
a Finance Lease				
As at Balance Sheet date	18.65	14.69	25.60	19.03
Not later than 1 year	7.02	6.05	7.11	6.06
Later than 1 year and not later than 5 years	11.63	8.63	18.49	12.97
Later than 5 years	-	-	-	-
	Total Minimum Lease Payments		Total Minimum Lease Payments	
b Operating Lease				
As at Balance Sheet date	29.15		31.81	
Not later than 1 year	7.92		7.66	
Later than 1 year and not later than 5 years	21.23		24.15	
Later than 5 years	-		-	
Lease rentals paid during the year	12.87		6.48	
Lease rentals recognised in profit and loss account	125.92		63.45	
40 Disclosure on Accounting for intangible assets in accordance with AS26 issued by ICAI				
Computer software & Technical knowhow (Refer to note no. 11)				
Gross carrying amount at the beginning of the year		106.58		100.51
Acquired during the year		72.87		6.07
Gross carrying amount at the end of the year		179.45		106.58
Gross amortisation at the beginning of the year		89.28		83.15
Amortised during the year		20.53		6.13
Gross amortisation at the end of the year		109.81		89.28
Net carrying amount at the beginning of the year		17.30		17.36
Net carrying amount at the end of the year		69.64		17.30

Notes on Accounts

41 Disclosure on Specified Bank Notes (SBNs)

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

(in ₹)

Particulars	SBNs	other denomination notes	Total
Closing Cash in hand as on 08/11/2016	169500	44978	214478
Add : Permitted receipts	-	564088	564088
Less : Permitted payments	-	525631	525631
Less : Amount deposited in banks	169500	-	169500
Closing Cash in hand as on 30/12/2016	-	83435	83435

42 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.

43 Derivative instruments

Foreign Currency exposures that are not hedged by a derivative instrument or otherwise ₹213.65 lakhs (Previous year - ₹659.30 lakhs).

44 Final dividend of ₹458.72 lakhs (₹1.80 per share) has been recommended by the Board for the year ended 31st March 2017. The Central Government vide notification dated 30.03.2016 has amended the Companies (Accounting Standards) Rules 2006. According to the amended Rule, the dividend declared after the Balance Sheet date shall not be recorded as a liability in the previous year. Therefore, the Company has not recorded ₹552.10 lakhs as a liability for proposed dividend including dividend distribution tax as at 31st March 2017. However, the same will be recognised as liability on approval of the shareholders in the Annual General Meeting.

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

Y Krishnamoorthy
Chief Financial Officer

Chennai
28th June 2017

V Madhavan
Managing Director

T V Venkata Subramanyam
Secretary

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

K Srinivasan
Partner
Membership No. 5809

**Cash Flow Statement in Accordance with AS-3 issued by ICAI
Annexed to the Balance Sheet as on 31st March 2017**



(₹ in lakhs)

	31.03.2017	31.03.2016
A Cash Flow From Operating Activities:		
Net Profit/(Loss) before Exceptional, Extraordinary items and Tax	2292.15	1923.11
Adjustments for		
Financial Expenses	207.06	430.28
Foreign Exchange (Gain) / Loss	(366.14)	105.73
Depreciation	1006.42	1134.84
(Profit) / Loss on sale of assets (net)	(18.00)	(0.01)
Interest and dividend received	(108.92)	(81.47)
Operating Profit before Working Capital changes	3012.57	3512.48
Adjustment for:		
Trade and Other Receivables	299.52	42.25
Inventories	1441.23	(883.40)
Trade Payables	(1682.54)	(174.02)
Cash generated from operations	3070.78	2497.31
Direct Taxes Paid net of refund received	(781.22)	(855.93)
Net cash from operating activities	2289.56	1641.38
B Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(881.39)	(975.04)
Sale of Fixed Assets	34.52	0.10
Interest and dividend received	108.92	84.46
Net Cash used in investing activities	(737.95)	(890.48)
C Cash Flow From Financing Activities:		
Increase / (Decrease) in long term borrowings	(306.14)	286.85
Increase / (Decrease) in short term borrowings	(454.16)	(657.46)
Decrease in Miscellaneous Expenditure		
Interest paid	(207.06)	(430.28)
Dividend Paid	(382.26)	-
Dividend Tax paid	(77.82)	-
Net cash used in financing activities	(1427.44)	(800.89)
Net increase in cash and cash equivalents	124.17	(49.99)
Cash and cash equivalent as at the beginning of the year	4.20	54.19
Cash and cash equivalent as at the end of the year	128.37	4.20

S Ram
Chairman

V Madhavan
Managing Director

Y Krishnamoorthy
Chief Financial Officer

T V Venkata Subramanyam
Secretary

Chennai
28th June 2017

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

K Srinivasan
Partner
Membership No. 5809

Financial Summary - Last Ten Years

Particulars	(₹ in lakhs)									
	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.3.09	31.3.08
Sales Turnover (including other income)	41359.18	48588.49	43079.64	33200.42	41076.78	51650.37	48727.05	39318.17	31809.43	35887.85
Paid-up Capital	2548.88	2548.88	2548.88	2548.88	2548.88	2548.88	3148.88	3148.88	3148.88**	1619.82
Reserves & Surplus	6711.67	5670.76	4420.23	4180.77	4132.48	4075.67	449.44	35.63	35.63	1279.48
Profit Before Tax	2292.15	1923.11	988.25	307.91	335.29	5223.75	629.16	149.51	(2026.09)	502.20
Profit After Tax	1500.99	1250.53	594.49	197.37	190.98	3968.52	420.16	85.95	(1336.15)	313.79
Dividend - Amount	382.26@	-	254.84	127.42	114.68	294.51#	-	-	-	101.93
- Rate	33.00%	-	10.00%	5.00%	4.50%	12.00%	-	-	-	10.00%

@ Refer Notes on Accounts SI No. 44.

Dividend on cumulative preference shares

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



PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- i) The voting period begins on 19.9.2017 at 9.00 A.M. and ends on 21.9.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.9.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iv) Click on Shareholders.
- v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

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

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

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

Route Map

35th Annual General Meeting

Date : September 22, 2017

Day : Friday

Time : 10:25 a.m.

Venue : 'Kasturi Srinivasan Building'
(Mini Hall, The Music Academy)
New No. 168 (Old No. 306)
T.T.K. Road, Royapettah, Chennai 600 014

