

WHEELS INDIA LIMITED



51st ANNUAL REPORT 2009 - 2010



WHEELS INDIA LIMITED

Registered Office : 21, Patullos Road, Chennai - 600 002.

51ST ANNUAL REPORT

FACTORIES

PADI

CHENNAI — 600 050

TAMILNADU

22KM RAMPUR — TANDA ROAD

RAMPUR — 244 925, U.P.

PLOT NO C-1

RANJANGAON GROWTH CENTRE

KAREGAON VILLAGE, SHIRUR TALUK

PUNE DISTRICT — 412 210

MAHARASHTRA

PLOT NO 11-18, SECTOR 7

HSIDC GROWTH CENTER

BAWAL

REWARI DISTRICT - 123 501

HARYANA

SRIPERUMBUDUR

KANCHIPURAM DISTRICT — 602 105

TAMILNADU

PLOT NO.56, SECTOR 11

INTEGRATED INDUSTRIAL ESTATE IIE

PANTNAGAR — UDHAM SINGH NAGAR

UTTARKHAND - 263 153

PLOT NO D-3, DEOLI GROWTH CENTRE

DEOLI MIDC, TALUKA DEOLI

DISTRICT WARDHA - 442 101 MAHARASHTRA

B-54, SIPCOT INDUSTRIAL PARK

IRUNGATTUKOTTAI, SRIPERUMBUDUR

KANCHIPURAM 602 105

TAMILNADU

WEBSITE ADDRESS : www.wheelsindia.com

BANKERS

UNITED BANK OF INDIA

STATE BANK OF INDIA

STANDARD CHARTERED BANK

HDFC BANK LIMITED

AUDITORS

M/S SUNDARAM AND SRINIVASAN

CHARTERED ACCOUNTANTS

CHENNAI

STOCK EXCHANGE LISTING

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

MUMBAI

BOARD OF DIRECTORS

S RAM — Chairman

S VIJI

T T RANGASWAMY

J M AAKERS

SRIVATS RAM — Managing Director

T K SESHADRI

T S VIJAYARAGHAVAN

S PRASAD

AUDIT COMMITTEE

S PRASAD — Chairman

S VIJI

T K SESHADRI

SHARE TRANSFER & INVESTOR RELATIONS COMMITTEE

T T RANGASWAMY — Chairman

S RAM

S VIJI

REMUNERATION COMMITTEE

T T RANGASWAMY — Chairman

T K SESHADRI

S PRASAD

PRESIDENT (FINANCE) & SECRETARY

S SRIVATHSAN

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Notice to the Shareholders

NOTICE is hereby given that the Fifty First Annual General Meeting of the Shareholders of the Company will be held on Friday, **13th day of August, 2010**, at 11.00 a.m. at “**The Music Academy**”, 168 (Old No.306), T T K Road, Chennai 600 014, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March, 2010, and the reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2010.
3. To elect a Director in the place of Mr. T S Vijayaraghavan, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Mr. S Prasad, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration. M/s Sundaram and Srinivasan, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force, the approval of the members be and is hereby accorded to the reappointment of Mr. S Ram, as Whole time director and designated as Executive Chairman, for a period of 5 (Five) years with effect from 01.05.2010, on the terms and conditions including remuneration as set out there under:

Salary: Rs 1, 50,000 per month in the scale of pay Rs 1,50,000 - Rs 25,000 - Rs 2,75,000 effective 1st May, 2010 with annual increment of Rs 25,000 in every April, commencing from April, 2011.

Free furnished accommodation or House Rent Allowance @ 60% of the salary.

Perquisites: As detailed in the Annexure I to the Explanatory Statement.

Minimum Remuneration: Where in any financial year during his tenure, the Company has no profits or its profits are inadequate, Mr. S Ram shall be entitled to the salary and perquisites mentioned above as minimum remuneration, as may be approved by the Remuneration Committee,



however not exceeding the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956.

Regd. Office:
21, Patullos Road,
Chennai - 600 002.

By order of the Board
S Srivathsan
President (Finance) & Secretary

29th May, 2010

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. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 07.08.2010 to 13.08.2010 (both days inclusive) for payment of dividend on equity shares.
3. 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 13th August, 2010. 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.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, first interim dividend for the financial year ended 31st March, 2004 and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2004, or any subsequent financial year are requested to make their claim to the Share Department of the company at Padi, Chennai - 600 050. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.

Encl.: Proxy Form, Explanatory Statement.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

SPECIAL BUSINESS:

Item No.6

The term of office of Mr. S Ram as Chairman and Managing Director of the Company expired on 30.04.2010. The Board of Directors, at their meeting held on 23.04.2010 have thought fit to reappoint Mr. S Ram as Whole time Director and designated as Executive Chairman for a further period of 5 (Five) years with effect from 01.05.2010.

The appointment of Mr. S Ram as Whole time Director of the Company and the payment of remuneration to him as detailed in the resolution as set out under Item No.6 of the notice require the consent of the members.

Mr. S. Ram has attained the age of 70 and hence a special resolution has to be passed in accordance with Part I of Schedule XIII of the Companies Act, 1956.

Abstract of the terms of service of Mr. S Ram and memorandum of interest under section 302 of the Companies Act, 1956 was already circulated to the members of the company.

INTEREST OF DIRECTORS:

Mr. S Ram is interested in this resolution to the extent of the remuneration payable to him.

Mr. S Viji, Director and Mr. Srivats Ram, Managing Director are also deemed to be interested in the said resolution.

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By order of the Board
S Srivathsan
President (Finance) & Secretary

29th May, 2010



ANNEXURE I

Details of perquisites payable to Mr. S Ram, Whole time Director of the Company, referred to in the resolution No 6.

Company's contribution to Provident Fund, Gratuity Fund and encashment of leave as applicable to other Senior Executives of the Company.

Payment or reimbursement of medical expenses (for self and family), provision of telephone at residence, mobile phone, gas, electricity, water, payment of premium for personal accident insurance, Leave Travel Assistance, Club Membership of any 2 clubs (excluding admission and life membership fee) , provision of car with driver and such other allowances/ perquisites/benefits and amenities as may be provided by the company to other senior executives from time to time; the annual value of these will be limited to a ceiling of 100% of annual salary.

Provision of chauffer driven Company car for official purposes shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Payment of Company's contributions to Provident Fund/Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

Directors' Report to the Shareholders

Your Directors present their Fifty First Annual Report and the Audited Accounts of your Company for the year ended 31st March 2010.

Financial Results

Sales for the year under review were Rs. 1,241 crores compared to Rs. 1,128 crores in the last year. The financial results of your Company for the year under review are as below:

	<u>2009-2010</u>	<u>2008-2009</u>
	(Rs in Lakhs)	
Gross profit before interest and depreciation	9,116	10,997
Interest	3,777	4,676
Depreciation	3,316	3,379
Profit before tax for the year	2,023	2,942
Profit after tax for the year	1,295	2,115

Dividend

Your Directors are pleased to recommend, out of the profits of the current year, a dividend of Rs. 4.50 per share on the paid up capital of the Company as at 31st March, 2010. The dividend will be paid to all the shareholders whose names appear in the Register of Members as on the Book closure date. If the dividend recommended is approved at the Fifty First Annual General Meeting, a sum of Rs. 4,44,12,498/- will become payable. A dividend tax of 16.60875% (including surcharge) will be paid on the dividend declared.

Management Discussion and Analysis

The last year started with a recession in international markets and a slowing down of the domestic market in India. The Government of India came out with a stimulus package which included cuts in excise duty for vehicles and the inclusion of city buses in the JNNURM scheme. The Indian economy recovered quiet strongly especially in the latter part of the year. The GDP growth rate last year was 7.1% as against 6.7% the previous year. It was also significant that the industrial production index grew by nearly 10% to fuel growth in the country in spite of a marginally negative growth in agriculture. The quick recovery resulted in higher levels of inflation with the consumer price index for the year at 12%.

The passenger car market grew significantly throughout the year recording a 29% growth, initially fuelled by export of cars to Europe feeding into the "scrappage" scheme there, and later fed by the resurgence of the Indian economy. The truck market started the year sluggishly, but recovered very strongly in the second half thanks to the stimulus package to record a 32% growth. The tractor market grew by 30%, in spite of a -1% growth in agriculture production, fuelled by high food grain prices, the NREG scheme



and credit availability in the rural sector. The export markets for your Company plummeted with international markets in recession.

Your Company faced a very difficult first half of the year with truck volumes at a low level and export activity at 30% of the same period the previous year. The low level of activity in the first half was barely adequate to cover our fixed costs and the company just about broke even for the half year. The strong recovery of the economy in the second half resulted in increase in steel prices and major power availability issues. The inflationary pressures affected all elements of cost across the board in spite of your Company's best efforts to control cost. The export markets remained at a low level throughout the year. The drop in exports was partly made up by increase in the demand for air suspension for buses. Your company was able to ramp up both manufacturing and its supply chain adequately to meet this demand.

Your Company started operations at its Pantnagar facility which services customers in the region. During the first half, we moved a truck wheel line to Rampur in an effort to reduce costs and get closer to the customer plants. In the wheel business, we will be de-bottlenecking our major lines to meet the increased demand in the coming year.

Your Company was able to commence operations at its Deoli plant in Wardha District, Maharashtra in the month of March, within a year of ground breaking. This plant will be making components for the power equipment sector, which is likely to continue to grow at a substantial rate in the coming years.

In the coming year, the Indian economy is expected to grow at 9%. While the current demand in all vehicle segments remains strong, it is expected that with the high levels of inflation credit availability will be tightened in the latter part of the year. In spite of this, we expect a double digit growth in all sectors. The central government has scaled down the stimulus package in light of the high growth of the economy. While this is likely to affect the bus air suspension business, your Company is looking at widening the product range to other suspension applications. The export markets are showing signs of recovery although it will take some time till we reach our previous export peak levels.

The effects of inflation are the main challenges your Company will face in the coming year, with increase in the cost of steel, power and fuel and manpower. The effective management of operations are critical to containing costs in the coming year. In light of this, your Company is practicing Total Productive Maintenance at its Padi plant and intends to take this practice across its major plants.

The Company remains committed to ensure an effective internal control environment that provides assurance on the efficiency of operations, statutory compliance and security of assets of the Company. The Internal Audit team of the Company along with a team of outside internal audit firms appointed to carry out the internal audit function at various units of the Company reviews the adequacy of internal control systems and suggests necessary checks and balances to increase the effectiveness of the system. The Company has an Enterprise Resource Planning system that helps in monitoring the adequacy and effectiveness of the internal controls across the various units of the Company and the status of compliance with internal policies and regulatory requirements.

Your company would like to place on record its appreciation for the efforts of its employees in controlling the costs of the company, in the current environment.

Directors

Under Article 94(3) of the Company, Mr. T S Vijayaraghavan and Mr. S Prasad retire from office by rotation, and being eligible, offer themselves for re-appointment.

Corporate Governance

In pursuance to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report is given elsewhere and forms part of this Report.

Directors Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 and Corporate Governance Voluntary Guidelines, 2009 your Directors confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. Such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis and
- v. Proper systems are in place to ensure compliance with all laws applicable to the Company

Auditors

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Fifty First Annual General Meeting and are eligible for re-appointment. The Directors recommend their re-appointment.

Particulars of Employees

In accordance with provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Director's Report is being sent to all the shareholders of the Company excluding the annexure prescribed under Section 217(2A) of the Companies Act, 1956. The said annexure, setting out the names and other particulars of employees, is available for inspection by the Members at the Registered Office of the Company during office hours till date of the Annual General Meeting viz. 13.08.2010.

General

Particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are enclosed in the annexure and form part of this report.



The Directors wish to thank United Bank of India, State Bank of India, Standard Chartered Bank and HDFC Bank Limited for their continued support.

Your Company continues to enjoy the full cooperation of all its employees. The Directors wish to place on record their appreciation of the good work done by them.

Chennai
29th May, 2010

On behalf of the Board of Directors
S. Ram
Chairman

Report of the Auditors' to the Shareholders

We have audited the attached Balance Sheet of Wheels India Limited as at 31 st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we enclose in the annexure a statement on the matters specified in the said order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. As per information furnished to us, no Director of the Company is disqualified as on 31st March, 2010 from being appointed as Director under Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For SUNDARAM AND SRINIVASAN

Chartered Accountants
(Registration No.: 004207S)

K. Srinivasan
Partner

Membership No. 5809

Chennai
29th May, 2010



Annexure to the Report of Auditors

- I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
(c) The company has not disposed of substantial part of fixed assets during the year.
- II. (a) Physical verification of inventory has been conducted at reasonable intervals by the Management
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- III. The company has neither granted nor taken any loans secured or unsecured to /from companies, firms or other parties covered in the register maintained under Section 301 of the Act: Hence, the clauses (iii) (b) to (g) of the order are not applicable.
- IV. There is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. There is no continuous failure to correct major weaknesses in internal control system.
- V. (a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the section.
(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The company has complied with the provisions of Section 58 A and 58 AA or any other relevant provisions of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- VII. The company has an adequate internal audit system commensurate with its size and nature of its business
- VIII. The company has made and maintained the accounts and records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and we have broadly reviewed the same.
- IX. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
(b) There were no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Customs Duty, Value Added Tax and Cess. However disputed Service Tax and Property Tax aggregating to Rs 75.86 lakhs has not been deposited on account of disputes which are contested in appeals and are pending before Central Excise and Service Tax Appellate Tribunal and Madras High Court.

- X. The company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI. The company has not defaulted in repayment of dues to a financial institution or bank.
- XII. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the order is not applicable to the company.
- XIV. The company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. Based on the balance sheet and fund flow statement of the company in our opinion the funds raised on short term basis have not been used for long term investments.
- XVIII. The company has not made any preferential allotment of shares during the year.
- XIX. The company has not issued any debentures during the year.
- XX. The company has not raised any money by way of public issues during the year.
- XXI. No fraud on or by the company has been noticed or reported during the year.

Chennai
29th May, 2010

For SUNDARAM AND SRINIVASAN
Chartered Accountants
(Registration No.: 004207S)
K. Srinivasan
Partner
Membership No. 5809

ACCOUNTS 2009 - 2010

		Schedule		<i>Rs. in Lakhs</i>	
				As at 31.03.2009	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	I	986.94		986.94	
b) Reserves and Surplus	II	<u>19,049.60</u>		18,272.18	
			20,036.54		19,259.12
2. Loan Funds					
a) Secured Loans	III	26,584.08		28,376.92	
b) Unsecured loans	IV	<u>10,817.49</u>		9,818.19	
			37,401.57		38,195.11
3. Foreign Currency Monetary Items Translation Difference					
			36.19		-
4. Deferred Tax Liabilities (Net)					
	V		<u>3,872.47</u>		3,144.47
			61,346.77		<u>60,598.70</u>
II APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	VI	68,873.57		57,772.82	
b) Less: Depreciation		<u>28,440.53</u>		25,302.66	
c) Net Block		40,433.04		32,470.16	
d) Add: Capital Work-in-Progress	VII	<u>2,190.25</u>		7,767.02	
			42,623.29		40,237.18
2. Investments					
	VIII		1,107.36		1,527.36
3. Foreign Currency Monetary Items Translation Difference					
			-		461.22
4. Current Assets, Loans and Advances					
a) Inventories	IX	17,141.73		13,981.01	
b) Sundry Debtors	X	19,645.78		16,283.72	
c) Cash and Bank Balances	XI	264.19		94.11	
d) Other Current Assets	XII	4.61		0.47	
e) Loans and Advances	XIII	<u>5,483.08</u>		7,242.26	
			42,539.39		37,601.57
Less: Current Liabilities and Provisions					
a) Liabilities	XIV	24,405.39		18,593.56	
b) Provisions	XV	<u>517.88</u>		635.07	
			24,923.27		19,228.63
Net Current Assets					
			17,616.12		18,372.94
			61,346.77		<u>60,598.70</u>
Notes on Accounts		XIX			

S RAM
Chairman

S VIJI
Director

T T RANGASWAMY
Director

SRIVATS RAM
Managing Director

As per our report attached
For SUNDARAM AND SRINIVASAN
Chartered Accountants

T K SESHADRI
Director

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner
Membership No.5809

Chennai
29th May, 2010

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2010**



		<i>Rs. in Lakhs</i>	
		2008-09	
	Schedule		
Sales - Gross		1,33,320.18	1,24,441.74
Less: Excise Duty		9,182.63	11,639.83
Sales - Net		1,24,137.55	1,12,801.91
Other Income	XVI	1,162.61	3,799.31
		1,25,300.16	1,16,601.22
Raw Materials, Work-in-Process and Finished Goods	XVII	88,357.46	82,009.65
Salaries and Wages, Stores consumed and Other expenses	XVIII	27,826.45	23,593.70
Interest on			
Fixed Loans		2,269.43	1,105.27
Others		1,507.25	3,571.18
		3,776.68	4,676.45
Depreciation		3,316.27	3,378.94
		1,23,276.86	1,13,658.74
Net Profit for the year		2,023.30	2,942.48
Less:			
Provision for tax:			
Current tax		344.00	515.00
Minimum Alternate Tax Credit entitlement		(344.00)	-
Deferred Tax (Net)		728.00	256.00
Fringe Benefit Tax		-	56.00
Profit after tax for the year		1,295.30	2,115.48
Add: Balance transferred from previous year		1,851.07	582.66
Less:			
Dividend - Payable		444.12	542.82
Dividend Tax - Payable		73.76	92.25
Transfer to General Reserve		2,100.00	212.00
		2,617.88	847.07
Balance Transferred to Balance Sheet		528.49	1,851.07
Earnings per share	Refer Schedule XIX Notes 29	13.12	21.43

S RAM S VIJI T T RANGASWAMY SRIVATS RAM As per our report attached
Chairman Director Director Managing Director For SUNDARAM AND SRINIVASAN
Chartered Accountants

T K SESHADRI T S VIJAYARAGHAVAN S PRASAD S SRIVATHSAN K SRINIVASAN
Director Director Director Secretary Partner
Membership No.5809

Chennai
29th May, 2010

		<i>Rs. in Lakhs</i>	
		As at 31.03.2010	As at 31.03.2009
I	CAPITAL		
	Authorised		
	2,00,00,000 Equity Shares of Rs.10/- each	<u>2,000.00</u>	<u>2,000.00</u>
	Issued, Subscribed and Paid-up		
	98,69,444 Equity Shares of Rs.10/- each	<u>986.94</u>	<u>986.94</u>
	Includes		
a)	3,02,250 Equity Shares of Rs.10/-each issued and allotted for consideration other than cash.		
b)	80,99,444 Bonus Equity Shares of Rs.10/- each allotted by capitalisation of General Reserve to the extent of Rs.8,07,39,028/- and Share Premium Account of Rs.2,55,412/-		
II	RESERVES AND SURPLUS		
a)	Capital Reserve		
	As per last Balance Sheet	0.02	0.02
b)	General Reserve		
	As per last Balance Sheet	16,421.09	16,198.44
	Transferred from Profit & Loss account	2,100.00	212.00
	Exchange difference on Long Term Foreign Currency Monetary Items relating to previous year	<u>-</u>	<u>10.65</u>
		18,521.09	16,421.09
c)	Surplus		
	Balance in Profit & Loss account	<u>528.49</u>	<u>1,851.07</u>
		<u>19,049.60</u>	<u>18,272.18</u>



		<i>Rs. in Lakhs</i>	
		As at 31.03.2010	As at 31.03.2009
III	SECURED LOANS		
a)	Term Loans from Banks (Note 1 (a) of Schedule XIX)	17,833.54	19,208.23
b)	Cash Credit from Banks (Note 1 (b) of Schedule XIX)	8,750.54	9,168.69
		<u>26,584.08</u>	<u>28,376.92</u>
IV	UNSECURED LOANS		
a)	Fixed Deposits	6,942.69	5,162.13
b)	From State Government under Interest free Salestax Deferral Scheme	976.20	976.20
c)	Term Loan from banks	2,898.60	3,013.90
d)	Packing Credit	-	665.96
		<u>10,817.49</u>	<u>9,818.19</u>
V	DEFERRED TAX LIABILITIES (NET)		
a)	DEFERRED TAX LIABILITY		
(i)	Depreciation	4,747.22	3,992.00
(ii)	Exchange difference on Long Term Foreign Currency Monetary Items relating to previous year	5.47	5.47
		<u>4,752.69</u>	<u>3,997.47</u>
b)	DEFERRED TAX ASSET		
(i)	Expenses allowable for tax purposes on payment basis	169.21	95.50
(ii)	Unabsorbed depreciation	711.01	853.00
		<u>880.22</u>	<u>948.50</u>
		<u>3,872.47</u>	<u>3,144.47</u>

VI FIXED ASSETS*Rs. in Lakhs*

Description	Land		Build-ings	Plant and Machinery	Furni-ture & Fixtures	Vehi-cles	Total	
	(Free hold)	(Lease-hold)					As at 31.03.2010	As at 31.03.2009
COST OF ASSETS								
At the beginning of the year	174.27	195.28	5,797.07	49,136.27	2,420.60	49.33	57,772.82	50,149.30
Additions	93.15	326.80	1,767.04*	9,302.09*	272.60	1.34	11,763.02	7,785.95
Sales / Transfers	-	-	2.44	604.96	42.80	12.07	662.27	162.43
Total	267.42	522.08	7,561.67	57,833.40	2,650.40	38.60	68,873.57	57,772.82
DEPRECIATION								
At the beginning of the year	-	21.31	1,331.16	22,600.56	1,305.54	44.09	25,302.66	22,072.26
For the year	-	7.63	196.70	2,766.91	343.46	1.57	3,316.27	3,378.94
Deduction on Sales/Transfers	-	-1.42	1.18	128.84	38.73	11.07	178.40	148.54
Total	-	30.36	1,526.68	25,238.63	1,610.27	34.59	28,440.53	25,302.66
Written down value								
As at 31.03.2010	267.42	491.72	6,034.99	32,594.77	1,040.13	4.01	40,433.04	
As at 31.03.2009	174.27	173.97	4,465.91	26,535.71	1,115.06	5.24		32,470.16

* includes expenditure during construction period relating to new projects capitalised during the year - Rs.247.83 lakhs and Rs.1671.56 lakhs respectively

VII CAPITAL WORK IN PROGRESS - At cost

a) Buildings*	197.89	359.82
b) Plant and Machinery*	1,992.36	7,407.20
	2,190.25	7,767.02

* includes expenditure during construction period relating to new projects capitalised during the year amounting to Rs.0.22 Lakhs and Rs.86.49 Lakhs respectively.



		<i>Rs. in Lakhs</i>	
		As at 31.03.2010	As at 31.03.2009
VIII INVESTMENTS			
Trade - Long term Un-Quoted	Face Value		
Shares of Companies			
Axles India Limited			
24,24,661 Equity Shares of Rs.10/- each fully paid - up	242.47	272.36	272.36
Arkey Energy (Rameswaram) Ltd			
7,00,000 Equity Shares of Rs.10/- each fully paid-up (sold during the year 7,00,000 equity shares of Rs.10 each)	-	-	70.00
Sundaram Hydraulics Limited			
73,50,000 Equity Shares of Rs.10/ each fully paid up	735.00	735.00	735.00
Bonds			
Rural Electrification Corporation Ltd			
Capital Gains Tax Exemption Bonds 1000 Numbers (previous year 4500 numbers) of Non Convertible Redeemable taxable Bonds in the nature of debentures of Rs.10,000/ each (Redeemed during the year 4000 numbers, acquired during the year 500 numbers)			
		100.00	450.00
		1,107.36	1,527.36
IX INVENTORIES - As certified by Managing Director			
a) Stores and Spares		1,775.18	1,463.99
b) Loose Tools		977.57	707.95
c) Raw Materials		8,640.90	8,009.75
d) Work-in-process		4,408.53	3,184.38
e) Stock-in-Trade (Finished Goods)		1,337.23	614.94
f) Goods-in-Transit		2.32	-
		17,141.73	13,981.01
X SUNDRY DEBTORS - Unsecured - Considered Good			
a) Outstanding for a period exceeding six months		9,36.91	1,805.47
b) Others		18,708.87	14,478.25
		19,645.78	16,283.72

		<i>Rs. in Lakhs</i>	
		As at 31.03.2010	As at 31.03.2009
XI	CASH AND BANK BALANCES		
a)	Cash and Cheques on hand	7.25	43.12
b)	With Scheduled Banks in:		
i)	Current Accounts	233.83	29.91
ii)	Fixed Deposits	6.18	4.75
iii)	Unclaimed Dividend Accounts Balance with Banks - In current accounts	16.93	16.33
		<u>264.19</u>	<u>94.11</u>
XII	OTHER CURRENT ASSETS		
	Interest accrued on deposits and investments	4.61	0.47
XIII	LOANS AND ADVANCES - Unsecured - Considered good		
a)	Advances recoverable in cash or in kind or for value to be received * @ includes Advance for purchase of capital goods Rs.147.96 Lakhs (Last year Rs.460.51 Lakhs)	2,999.77[@]	3,526.03 [@]
b)	Advance tax and Tax deducted at source less provision for taxation	117.44	75.85
c)	Minimum Alternate Tax Credit Entitlement	344.00	-
d)	Balance with Central Excise Authorities	2,021.87	3,640.38
		<u>5,483.08</u>	<u>7,242.26</u>
* Includes Rs.1.02 Lakhs due from an officer of the Company (Last year Rs.1.05 lakhs) (Maximum balance due at any time during the year Rs.1.05 Lakhs - Last year Rs.1.07 lakhs)			
XIV	CURRENT LIABILITIES		
a)	Sundry Creditors	23,729.26	18,155.86
b)	Due to Directors	65.86	-
c)	Interest accrued but not due on loans	610.27	437.70
		<u>24,405.39</u>	<u>18,593.56</u>
XV	PROVISIONS		
a)	Proposed Dividend	444.12	542.82
b)	Dividend Tax	73.76	92.25
		<u>517.88</u>	<u>635.07</u>



	<i>Rs. in Lakhs</i>	
	As at 31.03.2010	As at 31.03.2009
XVI OTHER INCOME		
Miscellaneous Income**	521.21	321.08
Export Incentives	575.82	998.75
Interest on Deposits and Advances**	60.00	73.09
**Tax deducted at source - Rs.12.75 lakhs (Last year Rs.18.11 lakhs)		
Profit on Sale of Fixed Assets (Net)	5.58	2,406.39
	<u>1,162.61</u>	<u>3,799.31</u>
XVII RAW MATERIALS, WORK - IN - PROCESS AND FINISHED GOODS		
Opening Balances		
Raw Materials	8,009.75	9,373.96
Work-in-Process	3,184.38	4,615.00
Finished Goods	614.94	410.38
	11,809.07	14,399.34
Add: Purchase of Raw Materials	90,935.05	79,419.38
	1,02,744.12	9,3818.72
Less: Closing Balances		
Raw Materials	8,640.90	8,009.75
Work-in-Process	4,408.53	3,184.38
Finished Goods	1,337.23	614.94
	14,386.66	11,809.07
	<u>88,357.46</u>	<u>82,009.65</u>

	<i>Rs. in Lakhs</i>	
	As at 31.03.2010	As at 31.03.2009
XVIII SALARIES & WAGES, STORES CONSUMED AND OTHER EXPENSES		
Salaries, Wages, Bonus and Commission	9,859.30	7,747.33
Contribution to Provident Fund and Other Funds	561.24	426.09
Staff and Workmen Welfare Expenses	928.59	795.86
Cost of Stores and Tools consumed	3,781.19	3,116.54
Power and Fuel	4,962.62	4,087.61
Rent including lease rent	227.09	227.10
Insurance	181.87	171.71
Rates and taxes	110.06	60.46
Repairs*		
Buildings	365.27	317.67
Plant and Machinery	1,940.34	1,388.48
Other Assets	281.62	291.77
*(Includes stores consumed Rs.1,306.75 Lakhs - Last year Rs.908.31 lakhs)		
Auditors' remuneration		
For Audit	12.50	12.50
Certification Fees	2.75	1.90
Taxation Matters	4.00	4.00
(Includes Rs.2.00 Lakhs for Tax Audit - Last year Rs.2.00 lakhs)		
Expenses	3.11	2.47
Directors' Sitting Fees	4.35	4.95
Discounts	154.22	234.57
Commission	111.19	205.28
Freight	1,873.30	1,485.29
Other expenses	2,461.84	3,012.12
	<u>27,826.45</u>	<u>23,593.70</u>



Rs. in Lakhs

As at 31.03.2010 As at 31.03.2009

XIX NOTES ON ACCOUNTS

1 SECURED LOANS

a) **Term Loans from Banks**

Secured by equitable mortgage of land and buildings at Padi	6,000.00	6,000.00
By first Charge by way of hypothecation of specific machinery	11,833.54	13,208.23
	17,833.54	19,208.23

b) **Cash Credit from Banks**

Secured by hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.	8,750.54	9168.69
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2 a) Directors' Remuneration (Chairman & Managing Director and Managing Director)

	2009-10		2008-09	
	(CMD)	(MD)	(CMD)	(MD)
Salaries & allowances	43.20	43.20	26.75	27.00
Commission	32.93	32.93	-	-
Contribution to Provident and Superannuation Funds	3.24	7.29	3.21	7.29
Other benefits	4.58	0.75	1.45	0.25

b) Sitting Fees to other Directors	4.35	4.95
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3 Computation of Net Profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956 and calculation of Commission payable to Chairman & Managing Director and Managing Director

Profit after Taxation	1,295.30
Add: Provision for Taxation	728.00

		<i>Rs. in Lakhs</i>			
		2009 - 10		2008 - 09	
Managerial remuneration within the meaning of Sec 198 of the Companies Act, 1956 (including Commission of Rs. 65.86 lakhs to Chairman & Managing Director and Managing Director)		<u>172.47</u>			
(Last year Rs.Nil)				<u>900.47</u>	
Profit under Section 198 of the Companies Act, 1956				<u>2,195.77</u>	
		CMD	MD		
Commission on net profit at 1.5%		32.93	32.93		
		Quantity	Value	Quantity	Value
		(MT)		(MT)	
4	Raw Materials Consumed				
i)	Basic Raw Materials - Steel Sections, Sheets, Coils and Plates	2,15,394	75,864.96	1,82,645	73,828.64
ii)	Intermediates and Components	<u>14,438.95</u>		<u>6,954.95</u>	
		<u>90,303.91</u>		<u>80,783.59</u>	
5	Consumption of Raw Materials and Components				
		% to total	Value	% to total	Value
		Consumption		Consumption	
a)	Raw Materials				
i)	Imported	14.52	11,014.48	11.01	8,131.46
ii)	Indigenous	85.48	64,850.48	88.99	65,697.18
		<u>100.00</u>	<u>75,864.96</u>	<u>100.00</u>	<u>73,828.64</u>
b)	Components				
i)	Imported	3.64	524.89	5.82	404.76
ii)	Indigenous	96.36	13,914.06	94.18	6,550.19
		<u>100.00</u>	<u>14,438.95</u>	<u>100.00</u>	<u>6,954.95</u>
6	Imports (CIF Value)				
i)	Raw Materials	4,131.55		9,173.06	
ii)	Spare Parts	58.44		159.90	
iii)	Capital Goods	725.98		3,189.02	



		<i>Rs. in Lakhs</i>			
		2009 - 10		2008 - 09	
7	Expenditure in Foreign Currency				
i)	Royalty and Know-how fees (Net of Tax)	21.22		21.85	
ii)	Commission	71.19		183.88	
iii)	Interest	625.47		1,025.92	
iv)	Others	258.11		203.87	
8	Amount remitted in Foreign Currency towards Dividend				
i)	Number of Non-Resident Shareholders	1		1	
ii)	Number of Shares held	35,44,470		35,44,470	
iii)	Dividend and years to which it relates				
	- 2008-09	194.95		-	
	- II Interim (2007-08)	-		141.78	
9	Earnings in Foreign Exchange				
	Exports (on FOB basis)	11,216.40		21,615.86	
	Others	22.10		221.37	
10	Sales by class of goods				
		Quantity	Value	Quantity	Value
		Numbers		Numbers	
i)	Wheels for Commercial Vehicles, Passenger Cars, Jeeps and Tractors	96,52,986	90,349.19	76,62,946	79,371.73
ii)	Air Suspension kits	15,071	14,534.38	5,274	5,260.32
iii)	Others		19,253.98		28,169.86
			1,24,137.55		1,12,801.91
11	Licensed, Installed Capacity (per annum) and actual production				
a)	Wheels (Nos)				
	Wheels for Commercial Vehicles, Passenger Cars, Jeeps, Tractors, Defence requirements, Earthmoving and Construction Equipments				
i.	Licensed / Registered capacity		Delicensed		Delicensed
ii.	Installed capacity as certified by Managing Director		1,21,10,300		87,26,300
iii.	Actual Production		97,27,231		77,77,521

		<i>Rs. in Lakhs</i>							
		2009 - 10				2008 - 09			
b)	Air Suspension System (sets)								
	i. Licensed / Registered capacity	Delicensed				Delicensed			
	ii. Installed capacity as certified by Managing Director	23,500				5,000			
	iii. Actual Production	15,052				5,251			
c)	Auto Weld Beams (Tons)								
	i. Licensed / Registered capacity	Delicensed				-			
	ii. Installed capacity as certified by Managing Director	12,000				-			
	iii. Actual Production	101				-			
12	Opening and Closing stock of goods produced								
		2009-2010				2008-2009			
Class of goods		Opening Stock Qty.	Closing Stock Qty.						
		(Nos)	(Nos)	(Nos)	(Nos)	Value	Value	Value	Value
Wheels for Commercial Vehicles, Passenger Cars, Jeeps and Tractors,		75,815	1,10,976	43310	75,815	362.75	590.12	362.75	590.12
Air Suspension kits		21	2	44	21	26.34	2.50	26.34	19.00
Others		<u>5.82</u>	<u>323.12</u>	<u>21.29</u>	<u>5.82</u>	<u>21.29</u>	<u>323.12</u>	<u>21.29</u>	<u>5.82</u>
		<u>614.94</u>	<u>1,337.23</u>	<u>410.38</u>	<u>614.94</u>	<u>410.38</u>	<u>1,337.23</u>	<u>410.38</u>	<u>614.94</u>
13	Liability to Banks on Guarantees					228.83			295.98
14	Contingent Liability towards bills discounted with banks					14,330.33			7,756.81
15	Estimated amount of contracts remaining to be executed on capital accounts and not provided for					1,009.44			562.78
16	i) Disputed amounts in respect of sales tax, service tax, customs duty, Employee State Insurance contribution and Property Tax which are contested in appeal and not provided for (of which a sum of Rs.4.78 Lakhs-previous year Rs.1.64 lakhs paid under protest appears under Advance recoverable in cash or in kind or for value to be received in the balance sheet)					92.69			20.54



Rs. in Lakhs
2009 - 10 2008 - 09

ii) **Contingent Liability towards demand for enhanced compensation for Land along with interest is not provided for since the quantum has not yet been determined. Further the eligible rebate on land cost as per conditions of allotment amounting to Rs.32.40 lacs from the HSIDC has not been taken into consideration and the same will be accounted on cash basis.**

17 Sundry creditors under Current liabilities include:-

(i) Micro, Small and Medium Enterprises

Disclosures required under the “Micro, Small and Medium Enterprises Act, 2006”

Particulars

a. Principal amount due to Suppliers under the Act	3.24	71.86
b. Interest accrued and due to Suppliers under the Act, on the above amount	0.02	-
c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	109.23	-
d. Interest paid to Suppliers under the Act (Other than Section 16)	-	-
e. Interest paid to Suppliers under the Act (Section 16)	-	-
f. Interest due and payable to suppliers under the Act, for payments already made	0.86	-
g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	0.88	0.66

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.

(ii) Unpaid dividend	16.93	16.33
(iii) Unclaimed matured fixed deposits	29.26	25.42
(iv) Cheques issued for interest warrants and matured deposits but not encashed	14.00	9.73

Amount due and outstanding to be credited to Investor Education and Protection Fund - Nil. (Previous year - Nil)

		<i>Rs. in Lakhs</i>		
		2009 - 10	2008 - 09	
18	Expenditure during construction period			
	Raw Material	2.24		-
	Salaries, Wages, bonus and Commission	259.72		166.55
	Contribution to Provident Fund and other funds	17.10		7.87
	Staff and workmen welfare expenses	15.51		5.53
	Cost of Stores & Tools consumed	8.41		3.82
	Power and fuel	48.21		37.29
	Insurance	10.16		8.31
	Rent, Rates and taxes	30.94		11.29
	Repairs & Maintenance	10.99		7.50
	Freight	1.41		-
	Other expenses	79.89		51.20
	Depreciation	2.86		-
	Borrowing costs	1,518.66		1,485.33
		2,006.10		1,784.69
19	Expenditure incurred on Scientific Research and Development	2009-10	2008-09	2007-08
	a) Revenue Expenditure	499.81	470.39	521.50
	b) Capital Expenditure	92.08	571.75	508.49
20	Interest on fixed deposits to:			
	Chairman and Managing Director	9.40	6.25	
	Managing Director	31.21	10.68	
21	The Company has not provided for excise duty on closing stock of finished goods at the factory and customs duty on raw materials in bonded warehouse amounting to Rs.55.31 Lakhs (previous year Rs.44.52 lakhs) and accordingly not included the same in the value of said inventories. However, this has no impact on the net profit for the year.			
22	The Company opted for accounting the exchange differences arising on reporting Foreign Currency Monetary Items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on AS11 notification dated 31st March 2009 issued by the Ministry of Corporate Affairs.			
	Consequently,			
	i. Exchange differences relating to Long Term Foreign Currency Monetary Items, in so far related to acquisition of depreciable capital assets arising during the year amounting to Rs.441.43 lakhs (gain) {net of depreciation Rs. 17.88 lakhs} (Previous year Rs. 971.44 lakhs (loss) {net of depreciation Rs. 40.33 lakhs} are (deducted) / added respectively to the cost of assets and depreciated over the balance life of the assets.			
	ii. Exchange differences relating to Other Long Term Foreign Currency Monetary Items amounting to Rs.36.19 lakhs (gain) {net of amortization Rs. 225.75 lakhs} (Previous year Rs. 461.22 lakhs (loss) {net of amortization Rs. 625.35 lakhs} are adjusted to Foreign Currency Monetary Item Translation Difference Account.			



		<i>Rs. in Lakhs</i>	
		2009 - 10	2008 - 09
23	Disclosure on Foreign currency transactions (other than Long Term Foreign Currency Monetary Items) in accordance with AS11 issued by Institute of Chartered Accountants of India (ICAI) exchange loss / (gain) {net}debited / credited to Profit and Loss account (of which Rs.627.98 lakhs (loss) - (previous year Rs.446.17 lakhs (loss) relating to derivative instruments settled during the year)	957.10	1453.51

24 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 through trustees / Life Insurance Corporation of India. The Company's defined contribution plans are Provident Fund and Employees Pension Scheme (under the provisions of the Employee's Provident Fund and 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 rate payable by the trust to the beneficiaries as notified by the government is met by the trust and hence the Company has no obligations 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 as on 31/03/2010 are as under:

		<i>Rs. in Lakhs</i>			
		Gratuity (funded)		Leave Salary (unfunded)	
		2009-10	2008-09	2009-10	2008-09
Change in defined benefit obligation					
Opening defined benefit obligation	1,001.95	955.20		215.38	275.41
Current service cost	63.93	58.93		85.12	45.06
Interest cost	80.16	72.57		13.76	20.68
Actuarial loss / (gain)	110.30	11.46		31.53	(91.23)
Benefits paid	(99.31)	(96.21)		(88.46)	(34.54)
Closing defined benefit obligation	1,157.03	1,001.95		257.33	215.38

	Rs. in Lakhs			
	Gratuity (funded)		Leave Salary (unfunded)	
	2009-10	2008-09	2009-10	2008-09
Change in fair value of assets				
Opening fair value of plan assets	940.33	821.57	-	-
Expected return on plan assets	87.62	67.22	-	-
Actuarial gain / (Loss)	-	14.11	-	-
Contribution by employer	61.62	133.64	-	-
Benefits paid	(99.31)	(96.21)	-	-
Closing fair value of plan assets	990.26	940.33	-	-
Amount recognised in the Balance Sheet				
Present value of obligations at year end	1,157.03	1,001.95	257.33	215.38
Fair value of plan assets at year end	990.26	940.33	-	-
Amount now recognised as liability	(166.77)	(61.62)	(257.33)	(215.38)
Net (liability) / asset recognised as on 31st March	(166.77)	(61.62)	(257.33)	(215.38)
Expenses recognised in the Profit & Loss A/c				
Current Service cost	63.93	58.93	85.12	45.06
Interest on defined benefit obligation	80.16	72.57	13.76	20.68
Expected return on plan assets	(87.62)	(67.22)	-	-
Net actuarial loss / (gain) recognised in the current year	110.30	(2.65)	31.53	(91.23)
Expenses recognised in the Profit & Loss A/c	166.77	61.62	130.41	(25.49)
Principal actuarial assumptions used				
Discount rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (p.a)	8.00%	8.00%	-	-
Attrition rate	1-3%	1-3%	1-3%	1-3%
Salary escalation	4.50%	4.50%	4.50%	4.50%
25 Borrowing costs in accordance with AS16 issued by ICAI			2009-10	2008-09
Borrowing costs capitalised during the year relating to new projects			406.19	475.58
26 Segment information for the year ended 31st March, 2010 in accordance with AS 17 issued by ICAI:				
(i) Primary segments:				
The Company operates in only one segment viz., automotive components.				



(ii) Revenue by Geographical Segment:

Rs. in Lakhs

	2009 - 2010			2008 - 2009		
	India	Outside India	Total	India	Outside India	Total
External	1,12,899.05	11,238.50	1,24,137.55	90,964.68	21,837.23	1,12,801.91
Inter-segment	-	-	-	-	-	-
Total	1,12,899.05	11,238.50	1,24,137.55	90,964.68	21,837.23	1,12,801.91
Carrying amount of segment assets	85,843.35	426.69	86,270.04	79,719.38	107.95	79,827.33
Additions to fixed assets	11,763.20	-	11,763.20	7,785.95	-	7,785.95

The geographical segments considered for disclosure are follows:
 Sales within India include sales to customers located within India.
 Sales outside India include sales to customers located outside India.

27 Related Party disclosures in accordance with AS18 issued by ICAI 2009-10 2008-09

Associates:-

T.V.Sundram Iyengar & Sons Ltd.
 Axles India Ltd.
 Titan Europe Plc.
 Sundaram Hydraulics Ltd

Nature of transactions	Total Amount	Total Amount
Purchase of goods	127.97	3.55
Sale of goods	1,549.04	512.00
Rendering of Services	96.65	51.26
Receiving of Services	119.12	73.33
Management contract including deputation of employees	53.80	3.36
Dividend paid during the year	330.00	240.00
Equity Contributions	-	735.00
Total	2,276.58	1,618.50
Balance outstanding	223.59	51.60



	<i>Rs. in Lakhs</i>	
	2009 - 10	2008 - 09
Gross amortisation at the end of the year	397.59	212.93
Net carrying amount at the beginning of the year	612.91	76.66
Net carrying amount at the end of the year	522.35	612.91

31 Derivative instruments:-

- a. Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date

	2009-10	2008-09
Option to sell USD/INR at Rs.42.50 or Rs.42.40 per USD over a period upto July 2012	USD 48.85 Millions	USD 62.45 Millions

The purpose for which such derivative instruments were acquired, was to hedge export receivables and interest cash flows.

- b. Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs.5256.15 Lakhs (Previous year - Rs.13952.71 Lakhs)

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

33 Significant Accounting Policies:

(i) General:

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

(ii) Fixed Assets & Depreciation:

- a) Fixed assets are stated at historical cost net of cenvat credits as reduced by accumulated depreciation
- b) Depreciation on fixed assets has been provided -
 - (i) at the rates specified in Schedule XIV of the Companies Act, 1956
 - on straight line method for plant and machinery and buildings and
 - on written down value method for electronic data processing machines and other fixed assets
 - (ii) on the basis of estimated life of the capital tools
- c) Leasehold land:

Premium paid on leasehold land is amortised over the lease period.
- d) The cost of intangible assets being computer software (other than software relating to ERP) is amortised over the estimated useful life viz. 3 years. The cost of software relating to ERP is amortised over the estimated useful life viz. 5 years

-
- e) (i) The expenditure during construction period relating to the new projects till the commencement of commercial production is capitalised and allocated to fixed assets
- (ii) In accordance with AS 16 - Borrowing costs issued by the ICAI, the borrowing costs attributable to the new projects are capitalised till the commencement of commercial production and included in expenditure during construction period and allocated to fixed assets and other borrowing costs are recognised in the year in which it is incurred.

(iii) Investments:

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

(iv) Inventories:

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

(v) 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 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 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 are the trustees / administrator of the plan.

c) Superannuation:

Eligible employees receive benefit 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, than the annual contribution.

d) Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation.



(vi) Research & Development expenses:

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

(vii) Foreign Currency Transactions:

The exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the financial year, in so far as they relate to depreciable capital assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset and in other cases are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset / liability but not beyond 31st March 2011.

Foreign currency transactions other than the above items outstanding at the year end are accounted for at year end rates and the profit / loss so determined and also the realised exchange gains / 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 expense over the period of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognized as income or expense for the year.

(viii) Export Incentives:

Export incentives are recognised as revenue as and when exports are made.

(ix) 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 while the net loss arising therefrom is debited to profit and loss account, the net unrealised gain is ignored, except in case where they relate to borrowing costs that are attributable to the acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such fixed assets.

S RAM
Chairman

S VIJI
Director

T T RANGASWAMY
Director

SRIVATS RAM
Managing Director

As per our report attached
For SUNDARAM AND SRINIVASAN
Chartered Accountants

T K SESHADRI
Director

T S VIJAYARAGHAVAN
Director

S PRASAD
Director

S SRIVATHSAN
Secretary

K SRINIVASAN
Partner
Membership No.5809

Chennai
29th May, 2010

**CASH FLOW STATEMENT IN ACCORDANCE WITH AS 3 ISSUED BY ICAI
ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010**

	(Rs.in lakhs)	
	2009-10	2008-09
A Cash Flow from Operating Activities		
Net Profit before Tax and extraordinary items	2,023.30	2,942.48
Adjustments for:		
Depreciation	3,316.27	3,378.94
(Profit) / Loss on sale of asstes (net)	(5.58)	(2,406.39)
Effect of Exchange Rate Change	610.45	1,860.17
Interest income	(60.00)	(73.09)
Dividend income	-	-
Lease Liabilities	80.05	94.72
Interest charges	<u>3,776.68</u>	<u>4,676.45</u>
	<u>7,717.87</u>	<u>7,530.80</u>
Operating profit before working capital changes	9,741.17	10,473.28
Adjustments for:		
Receivables and advances	(4,939.30)	(420.27)
Foreign Currency Monetary Items Translation		
Difference account	497.41	(461.22)
Inventories	(3,160.72)	2,172.76
Payables	<u>5,844.10</u>	<u>(4,906.39)</u>
	<u>(1,758.51)</u>	<u>(3,615.12)</u>
Cash generated from operations	7,982.66	6,858.16
Taxes paid	<u>(385.59)</u>	<u>(641.91)</u>
Cash flow before extraordinary items	7,597.07	6,216.25
Net Cash from operating activities (A)	<u>7,597.07</u>	<u>6,216.25</u>
B Cash Flow from Investing Activities:		
Purchase of fixed assets	(6,186.25)	(10,517.04)
Purchase of Investments	(50.00)	(785.00)
Sale of Investments	470.00	-
Sale of fixed assets	489.45	2,436.40
Interest received	55.86	95.22
Dividend received	-	-
Net cash used in investing activities (B)	<u>(5,220.94)</u>	<u>(8,770.42)</u>
C Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	5,373.42	11,703.48
Repayment of Long Term Borrowings	(6,074.69)	(4,182.43)
Repayment of Lease liabilities	(80.05)	(94.72)
Proceeds from Short Term Borrowings	1,560.13	902.93
Repayment of Short Term Borrowings	(1,088.10)	(1,192.39)
Increase in working capital	2,480.80	497.28
Interest paid	(3,742.49)	(4,604.51)
Dividend paid	(542.82)	(394.78)
Dividend tax paid	<u>(92.25)</u>	<u>(67.09)</u>
Net cash used in Financing activities (C)	<u>(2,206.05)</u>	<u>2,567.77</u>
Net increase in cash and cash equivalents (A+B+C)	170.08	13.60
Cash and cash equivalents at the beginning of the year	94.11	80.51
Cash and cash equivalents at the end of the year	264.19	94.11

As per our report attached
For SUNDARAM AND SRINIVASAN
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.5809

S SRIVATHSAN
Secretary

SRIVATS RAM
Managing Director

S RAM
Chairman

Chennai
29th May, 2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION AS REQUIRED UNDER PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No. State Code

Balance Sheet

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text" value="-"/>	<input type="text" value="-"/>
Bonus Issue	Private Placement
<input type="text" value="-"/>	<input type="text" value="-"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/>	<input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/>

SOURCES OF FUNDS

Paid up Capital	Reserves & Surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="4"/>	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="0"/>
Deferred Tax Liabilities (Net)	Foreign Currency Monetary Items
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="7"/>	Transation Difference
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="9"/>
<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="8"/>	Unsecured Loans
	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="9"/>

APPLICATION OF FUNDS

Net Fixed Assets	Investments
<input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="6"/>
Net Current Assets	Misc. Expenditure
<input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="2"/>	<input type="text" value="-"/>
Accumulated Losses	
<input type="text" value="-"/>	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)	Total Expenditure
<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/>	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="6"/>
+ - Profit before tax	+ - Profit after tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="0"/>

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share in Rs.

Rs. P.

.

Dividend Rate %

V. Generic Name of Principal Products / Services of Company (as per Monetary terms)

Item Code No.	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Product Description	<input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="A"/> <input type="text" value="D"/> <input type="text" value="W"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="S"/>
Item Code No.	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/>	Product Description	<input type="text" value="A"/> <input type="text" value="I"/> <input type="text" value="R"/> <input type="text" value="S"/> <input type="text" value="U"/> <input type="text" value="S"/> <input type="text" value="P"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="S"/> <input type="text" value="I"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="S"/> <input type="text" value="Y"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="M"/>
Item Code No.	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>	Product Description	<input type="text" value="E"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="T"/> <input type="text" value="H"/> <input type="text" value="M"/> <input type="text" value="O"/> <input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="W"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="S"/>

Annexure to the Director's Report

Conservation of Energy:

Your Company has taken up measures to reduce specific energy consumption by 6% by various efforts besides going in for more energy efficient equipment (high efficiency chillers) and zero-energy products. We are increasing the supply from wind generators from 20% (of total energy consumption) to 50% from next year.

Technology Absorption:

During the year under review, your Company has successfully developed **297** new wheels to meet customer requirements using in-house design facilities. Your Company has also developed air suspension systems for ambulance applications, in addition to 9 new air suspension systems for city buses in the year under review.

Expenditure on R & D:

	(Rs in Lakhs)
Capital	92.08
Revenue	499.81
	<hr/>
	591.89
	<hr/>
Total as a percentage of turnover	0.48 %

Foreign Exchange Earnings and Outgo:

The Foreign exchange outgo to the Company during the year under review was Rs 6,087 lakhs and the foreign exchange earned was Rs 11,239 lakhs.

Chennai
29th May, 2010

S Ram
Chairman



Report on Corporate Governance

Your Company believes that Corporate Governance is a blend of law, ethics, regulation and voluntary practices that would help in maximizing the stakeholders' value.

The Ministry of Corporate Affairs has recently come out with Voluntary Guidelines for Corporate Governance and Corporate Social Responsibility. While some of the provisions therein are being already followed, the Board is in the process of framing suitable policies to give effect to the other provisions of these guidelines.

Board of Directors

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

The Board of Directors consists of 8 Directors, headed by the Chairman.

Name	Category	No. of Directorship in other public limited companies in India	No. of Memberships in Committees of Boards of other Companies
Mr. S Ram	Executive Chairman	8	3
Mr. S Viji	Non Executive	7	2
Mr. T T Rangaswamy *	Non Executive	Nil	Nil
Mr. J M A Akers	Non Executive	Nil	Nil
Mr. Srivats Ram	Managing Director	3	1
Mr. T K Seshadri *	Non Executive	Nil	Nil
Mr. T S Vijayaraghavan*	Non Executive	1	1
Mr. S Prasad *	Non Executive	4	3

Mr. S Ram is father of Mr. Srivats Ram and brother of Mr. S Viji.

* Independent Directors

Attendance at Board Meetings and last Annual General Meeting:

During the year 2009-10 **five** Board Meetings of the Company were held on 17.04.2009, 25.06.2009, 25.07.2009, 29.10.2009 & 30.01.2010 and the last Annual General Meeting was held on 14th August, 2009.

Directors	Attendance at Board Meetings	Attendance at Last AGM
Mr S Ram	4	Yes
Mr S Viji	4	No
Mr T T Rangaswamy	4	Yes
Mr J M A Akers	-	No
Mr Srivats Ram	5	Yes
Mr T K Seshadri	5	Yes
Mr T S Vijayaraghavan	5	Yes
Mr S Prasad	5	Yes

Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

Name of the Director	Nature of Transactions	No. of Shares held	Amount	Interest
Mr S Viji	Fixed Deposits	-	162.64	14.86
Mr T T Rangaswamy	Dividend	1596	0.09	-
Mr S Prasad	Dividend	450	0.02	-

Audit Committee

The terms of reference of the Audit Committee pertains to the areas referred to in Sec 292 A of the Companies Act and Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee comprises of four Non-Executive Directors, Viz. Mr. S.Prasad (Chairman), Mr. S Viji, Mr. T T Rangaswamy, and Mr. T K Seshadri. The Committee met 5 times during the year on 06.04.2009, 24.06.2009, 25.07.2009, 28.10.2009 & 30.01.2010:

The Board accepted the resignation of Mr. T T Rangaswamy from the Audit Committee at the Board meeting held on 23rd April, 2010. In the same meeting, the Audit Committee was reconstituted with Mr. S Prasad, Mr. S Viji, Mr. T K Seshadri. Mr. S Prasad continues to be the Chairman of the Audit Committee.

Members	No. of Committee Meetings held	No. of Committee Meetings Attended
Mr. S Prasad	5	5
Mr. S Viji	5	4
Mr. T T Rangaswamy	5	4
Mr. T K Seshadri	5	5

Remuneration Committee

The Remuneration Committee consists of three independent Directors, Mr. T T Rangaswamy, Mr. T K Seshadri and Mr. S Prasad, with Mr. T T Rangaswamy as the Chairman. The Committee has been constituted to review / approve remuneration payable to the Managing Directors depending upon their performance and the performance of the Company, within the overall limits approved by the Members of the Company.

As the business of the Company improved during the year under review, the Committee restored the House Rent Allowance to Mr S Ram and Mr Srivats Ram with effect from 1.4.2009.

The Committee met on 29.03.2010 wherein all the members were present. The Committee approved a salary of Rs 2,75,000/- per month to Mr. Srivats Ram, Managing Director with effect from 01.04.2010.

The Committee also approved payment of commission of 1.50% of the Net Profit to Mr. S Ram, Chairman & Managing Director and 1.50% of Net Profit to Mr. Srivats Ram, Managing Director for the year 2009-2010.



Details of the remuneration paid to the Directors during the year 2009-10 are given below.

(Rs. in lakhs)

Name of Directors	Salary	Perquisites / Benefits	Commission	Contribution to Provident and Super-annuation Funds	Sitting fees
Mr. S Ram	43.20	4.58	32.93	3.24	-
Mr. S Viji	-	-	-	-	0.85
Mr. T T Rangaswamy	-	-	-	-	0.90
Mr. J M A Akers	-	-	-	-	-
Mr. Srivats Ram	43.20	0.75	32.93	7.29	-
Mr. T K Seshadri	-	-	-	-	1.05
Mr. T S Vijayaraghavan	-	-	-	-	0.50
Mr. S Prasad	-	-	-	-	1.05

SHARE TRANSFER AND INVESTOR RELATIONS COMMITTEE

This Committee consists of three Directors with Mr. T T Rangaswamy, a non-executive Director, as the Chairman, Mr. S Ram and Mr. S Viji being the other members. The Committee met on 12.10.2009 wherein all the Directors were present. The Board has authorized Mr. S Srivathsan, the Secretary of the Company to approve the share transfers.

Mr. S Srivathsan, President (Finance) & Secretary is the Compliance Officer.

Number of Shareholders complaints received during the year - 04

Number not solved to the satisfaction of shareholders - NIL

Number of pending share transfer - NIL

SHAREHOLDER INFORMATION

ANNUAL GENERALBODY MEETINGS

YEAR	DATE	LOCATION	TIME
2008-09	14.08.2009	The Music Academy No.168, (Old No.306) TTK Road, Chennai 600 014	10.25 A.M
2007-08	14.08.2008	The Music Academy No.168, (Old No.306) TTK Road, Chennai 600 014	11.00 A.M
2006-07	14.08.2007	The Music Academy No.168, (Old No.306) TTK Road, Chennai 600 014	11.00 A.M

Special Resolutions passed in the above meetings - NIL

Special Resolutions conducted through postal ballot in the above meetings - NIL

DISCLOSURES:

Details of transactions entered into with related parties during the year under review have been given in the notes forming part of Accounts.

The Company has been complying with the SEBI Regulations and the Listing Agreement with the Stock Exchanges on issues related to capital market.

DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS

Given below are the brief resumes of the Directors proposed to be re-appointed in this Annual General Meeting:-

Mr. T S Vijayaraghavan

Age : 70 years

Qualification : BE (Electrical and Mechanical), Graduate in Metallurgy, Doctor of Science (Honoris Causa)

Expertise in specific functional areas: After working at a private sector steel company for a short period, he joined the Indian Administrative Service and worked in State and Central Governments. In Central Government, he worked at different levels in the Heavy Industry ministry and retired as Secretary to Government of India in the Industries Department. He was closely associated with the development of automotive industry in India and has good knowledge of the industry

Directorship in other Companies:

Director : SPEL Semi Conductors Limited

Chairman / Member in other companies Committee :

Audit Committee : SPEL Semi Conductors Limited

Remuneration & Compensation Committee : SPEL Semi Conductors Limited

Share Transfer & Investor Relations Committee : SPEL Semi Conductors Limited

Mr. S Prasad

Age : 61 years

Qualification : FCA,

Expertise in specific functional areas: Started his career in the year 1971 and served in various capacities in finance and general management in various companies. In 1981 started practicing as a Chartered Accountant and is now the Senior Partner of Prasad & Srinath, a firm of Chartered Accountants.

Directorship in other Companies:

Director: Sundaram Finance Limited, India Motor Parts & Accessories Limited, Sakti Auto Motors Limited, Royal Sundaram Alliance Insurance Company Limited,

Chairman / Member in other companies Committee:

Audit Committee : India Motors Parts & Accessories Ltd,
Sundaram Finance Ltd.

Royal Sundaram Alliance Insurance Company Ltd.

Share Transfer & Investor

Relations Committee : Sundaram Finance Ltd.



MEANS OF COMMUNICATIONS

Quarterly results are published in Business Line (English) & Dinamani (Tamil - vernacular). The Company published the audited results for the year 2009-10 within the stipulated time.

The Unaudited quarterly results and the audited results for the full year are displayed in the Company's website www.wheelsindia.com. The above information and other communication sent to Stock Exchanges have also been filed under Corporate Filing Dissemination System (CFDS) and are available at website: www.corpfiling.co.in.

GENERAL SHAREHOLDER INFORMATION

Date of AGM : 13th August, 2010
Time : 11.00 AM
Venue : The Music Academy
No 168, (Old No.306) TTK Road, TTK Road, Chennai 600 014.

Financial Calendar for the year ending 31st March, 2011:

Unaudited results for the first quarter	Last week of July, 2010
Unaudited results for the second quarter	Last week of October, 2010
Unaudited results for the third quarter	Last week of January, 2011
Audited results for the full year	Last week of May, 2011

Dividend Payment : For the year ended 31st March, 2009 - 27th August 2009

Date of Book Closure : 7th August, 2010 to 13th August 2010 (both days inclusive)

Listing on Stock Exchanges: The equity shares of the Company are listed on the National Stock Exchange Ltd. Further, the Company has been permitted for dealings on Bombay Stock Exchange under "Permitted Securities" Category.

ISIN Code in NSDL and CDSL	-	INE 715A01015
STOCK Code	-	WHEELS

Registrar and Share Transfer Agent:

Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road, Chennai - 600 002.
Phone: 044 - 28460390 ; Fax: 044 28460129,
E - Mail: investor@cameoindia.com

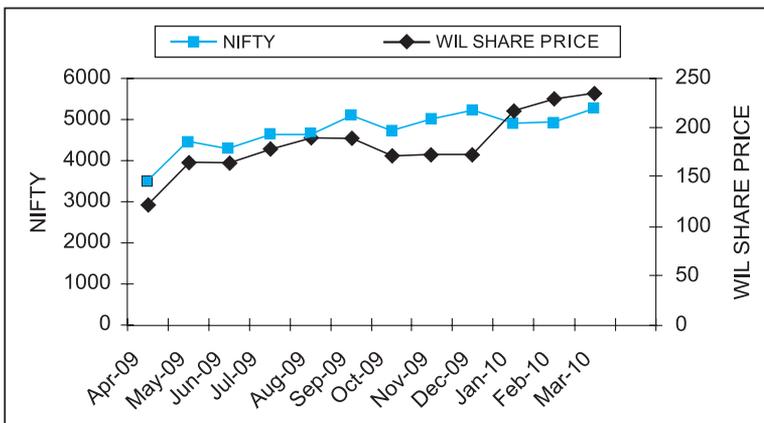
Share Transfer System:

Share Transfers which are received in physical form are processed and the share certificate returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Cameo Corporate Services Ltd, Chennai is the Company's Registrar and Share Transfer Agent and are entrusted with the work relating to share registry in terms of both physical and electronic mode.

Market Price Data:

Month	Quotation at NSE	
	HIGH	LOW
Apr-09	142.00	104.00
May-09	170.00	119.40
Jun-09	190.10	155.00
Jul-09	181.05	142.75
Aug-09	215.00	168.40
Sep-09	208.00	177.55
Oct-09	193.00	164.00
Nov-09	187.60	156.50
Dec-09	188.00	165.25
Jan-10	269.95	174.50
Feb-10	264.90	211.20
Mar-10	249.90	225.00

Performance in Comparison to broad based indices:



Distribution Pattern :

No. of Shares Held	Shareholders		No. of shares	
	Number	%	Held	%
Up to — 500	5,014	91.50	5,55,500	5.63
501 — 1000	235	4.29	1,83,374	1.86
1001 — 2000	134	2.45	1,90,392	1.93
2001 — 3000	45	0.82	1,05,583	1.07
3001 — 4000	14	0.26	48,040	0.49
4001 — 5000	9	0.16	41,553	0.42
5001 — 10000	17	0.31	1,17,361	1.18
10001 and above	12	0.21	86,27,641	87.42
Total	5,480	100.00	98,69,444	100.00

Categories of Shareholders	No. of shares Held	Percentage
Promoters*	84,58,248	85.70%
Directors/ Relatives	7,519	0.08%
Insurance Companies	55,039	0.56%
Corporate Bodies	2,53,323	2.57%
Non-Resident Indians	18,451	0.19%
Resident Individuals	10,76,864	10.90%
TOTAL	98,69,444	100.00%

* - includes persons acting in concert



Dematerialisation of shares and liquidity :

According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 26.03.2001. Out of 14,11,196 shares held by shareholders other than the promoters, 10,86,641 shares (forming 77.00% of the non promoters' shareholding) have been dematerialised upto 31st March, 2010.

Plant Locations:

1. Padi
Chennai — 600 050.
Tamil Nadu
2. 22KM Rampur - Tanda Road
Rampur — 244 925
Uttar Pradesh
3. Plot No.11-18, Sector 7,
HSIDC Growth Center,
Bawal — 123501, Haryana
4. Plot No. C - 1,
Ranjangaon Growth Centre
Karegaon Village, Shirur Taluka
Pune District — 412 210.
Maharashtra
5. Sriperumbudur
Kancheepuram District — 602 105
Tamil Nadu
6. Plot No.56, Sector 11
Integrated Industrial Estate IIE
Pantnagar-Udham Singh Nagar
Uttarkand-263 153
7. Plot No D-3, Deoli Growth Centre,
Deoli MIDC, Taluka Deoli,
Dist. Wardha - 442 101
Maharashtra
8. B-54, SIPCOT Industrial Park.
Irungattukottai, Sriperumbudur,
Kanchipuram - 602 105
Tamilnadu

Address for Investors' correspondence:

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"Subramaniam Building"
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Chennai - 600 002
Phone : 044 - 28460390
Fax : 044 — 28460129
E - Mail : investor@cameoindia.com

Mr. S Srivathsan
President (Finance) & Secretary
Wheels India Limited
Padi Chennai - 600 050
Phone: 044 - 26258511 Extn: 2003,
Fax : 044 - 26257121
E- Mail: srivathsan@wheelsindia.com

CERTIFICATE

To the Members of **WHEELS INDIA LIMITED**

We have examined the compliance of conditions of corporate governance by Wheels India Limited, for the year ended on 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per the records maintained by the Share Transfer & Investor Relations Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Chennai
29th May, 2010

For and on behalf of
SUNDARAM AND SRINIVASAN
Chartered Accountants
(Registration No.: 004207S)
K. Srinivasan
Partner
Membership No.5809



FINANCIAL SUMMARY - LAST TEN YEARS

	31.3.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02	31.03.01
	<i>Rs. in Lakhs</i>									
Sales Turnover (Including other income)	125300	116601	114781	101562	86708	79088	53082	37268	32087	33627
Paid-up Capital	987	987	987	987	987	987	987	987	987	987
Reserves	19050	18272	16781	15003	13132	11226	9198	7657	6798	8107
Profit Before Tax	2023	2942	3974	3869	3767	4279	3328	1756	1030	1102
Profit After Tax	1295	2115	2586	2603	2637	2865	2154	1170	829	1007
Dividend - Amount	444.12	542.82	690.86	641.51	641.51	740.21	542.82	276.34	246.74	246.74
- Per Share (Face Value Rs. 10/-)	4.50	5.50	7.00	6.50	6.50	7.50	5.50	2.80	2.50	2.50
Book Value Per Share	203.02	195.14	180.03	162.02	143.05	123.75	103.20	87.58	78.88	92.14
Earning Per Share	13.12	21.43	26.20	26.37	26.72	29.03	21.82	11.86	8.40	10.20

