

WHEELS INDIA LIMITED



46th ANNUAL REPORT 2004-2005

WHEELS INDIA LIMITED

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

46TH ANNUAL REPORT

FACTORIES

PADI,

CHENNAI – 600 050.

TAMILNADU

22KM RAMPUR – TANDA ROAD,

RAMPUR – 244 925, U.P.

RANJANGAON GROWTH CENTRE,

KAREGAON VILLAGE,

SHIRUR TALUK,

PUNE DISTRICT – 412 220

MAHARASHTRA

SRIPERUMBUDUR,

KANCHIPURAM DISTRICT – 602 105

TAMILNADU

WEBSITE ADDRESS : www.wheelsindia.com

BANKERS

UNITED BANK OF INDIA

STATE BANK OF INDIA

STANDARD CHARTERED BANK

HDFC BANK LIMITED

AUDITORS

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

CHENNAI

STOCK EXCHANGE LISTING

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

"EXCHANGE PLAZA" 5TH FLOOR,

PLOT NO.C/1, G BLOCK,

BANDRA KURLA COMPLEX,

BANDRA (EAST),

MUMBAI – 400 051

BOARD OF DIRECTORS

S RAM – Chairman & Managing Director

S VIJI

T T RANGASWAMY

J M A AKERS

SRIVATS RAM – Joint Managing Director

T K SESHADRI

T S VIJAYARAGHAVAN

S PRASAD

AUDIT COMMITTEE

S PRASAD – Chairman

T T RANGASWAMY

S VIJI

T K SESHADRI

SHAREHOLDERS / INVESTORS

GRIEVANCES COMMITTEE

T T RANGASWAMY – Chairman

S RAM

S VIJI

REMUNERATION COMMITTEE

T T RANGASWAMY – Chairman

T K SESHADRI

VICE PRESIDENT (FINANCE) & SECRETARY

S SRIVATHSAN

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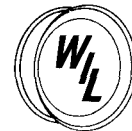
Founder Director and Chairman Emeritus Mr T S Santhanam passed away on the 15th of April, 2005. Mr T S Santhanam's inspirational leadership with genuine concern for shareholders, employees and customers and the high standards set by him will be a guiding force for your Company in the years to come.





Sri T.S. Santhanam
08.11.1912 – 15.04.2005





Notice to the Shareholders

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Shareholders of the Company will be held on Thursday, **11th August, 2005** at 11.00 a.m. at **"The Music Academy"**, Old No. 306. New No. 168. 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, 2005, and the reports of the Directors and Auditors thereon.
2. To record and confirm the interim dividends for the year ended 31st March, 2005 as final dividend.
3. To elect a Director in the place of Mr. J.M.A Akers, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Mr.T.K.Seshadri, 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 an **ORDINARY 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 consent of the Company be and is hereby accorded to the appointment of Mr.Srivats Ram, as Joint Managing Director of the Company, for a period of 5 (five) years with effect from 01.05.2005, on the terms and conditions including remuneration as set out hereunder:

Salary: Rs 1,25,000/- (Rupees one lakh and twenty five thousand only) per month in the scale of Rs 1,25,000 – Rs 2,50,000. Annual increase will be effective 1st April every year and the quantum will be decided by the Remuneration Committee.

Commission: Not exceeding 2% of the Net Profits of the Company for each financial year computed in the manner specified under Sections 198 and 309 of the Companies Act, 1956, the quantum thereof will be decided by the Remuneration Committee.

Perquisites : As detailed in the annexure to the explanatory statement.

Minimum Remuneration :

In the event of loss or inadequacy of profits, the remuneration payable to Mr Srivats Ram, Joint Managing Director shall be as approved by the Remuneration Committee within the limits laid down in Schedule XIII and subject to compliance of other provisions / procedures prescribed in this regard in the Companies Act, 1956".

7. To consider and if thought fit to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED that pursuant to section 293 (1) (d) of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the Board of Directors of the Company, for borrowing monies for the purpose of business of the Company, from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up Capital of the Company and its Free Reserves that is to say, reserves not set apart for any specific purpose, provided however that the aggregate of amounts so borrowed and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs 250 crores (Rupees two hundred and fifty crores only)".

8. To consider and if thought fit to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED that in accordance with the provisions of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the Board of Directors of the Company to create / modify any mortgage, hypothecation or other charge or encumbrance from time to time on such terms as it may think fit, over the whole or substantially the whole of the Company's undertaking, including all present and future immovable and movable properties and assets of the Company wherever situate, in favour of the banks, financial institutions and other persons for securing loans, credit, guarantees or other facilities provided or to be provided by them to the Company and or to secure debentures issued / to be issued by the company, which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs 250 crores (Rupees two hundred and fifty crores only)".

Regd. Office:
21, Patullos Road

Chennai - 600 002.
22nd June 2005

By order of the Board
S. SRIVATHSAN
Vice President (Finance) & Secretary

**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 04.08.2005 to 11.08.2005 (both days inclusive).
3. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1998 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, 1998, or any subsequent financial year(s) 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 Statements.

Annexure to the Notice

Explanatory Statements under Section 173 of the Companies Act, 1956.

SPECIAL BUSINESS

Item No.6

The term of office of Mr.Srivats Ram, as Executive Director expires on 30.09.2005. The Board of Directors, at their meeting held on 25.04.2005 have thought fit to appoint Mr.Srivats Ram, as Joint Managing Director for a further period of five years with effect from 01.05.2005.

The appointment of Mr.Srivats Ram, as Joint Managing 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.

Interest of Directors:

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

Mr S Ram, Chairman & Managing Director, is also deemed to be interested in the said resolution.

This explanation, together with the accompanying Notice, is and should be treated as an abstract of the terms of service of Mr Srivats Ram and Memorandum of interest under Section 302 of the Companies Act, 1956.

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Item Nos 7 & 8

At present the Board of Directors are empowered to borrow (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs.200 crores vide resolution passed by the members u/s 293 (1)(d) and 293 (1)(a) of the Companies Act, 1956 in the annual general meeting held on 18th August, 2004. Your company is in the process of setting up of a wheel factory in Bawal (Haryana State) and is also investing in equipments for meeting the increased requirements for the export markets. To meet the fund requirements for the above, your company is planning to avail loans to the extent of Rs.250 crores.

The resolutions as set out under item No.7 & 8 of the notice require the consent of the Members.

Regd. Office:

21, Patullos Road

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22nd June 2005

By order of the Board

S. SRIVATHSAN

Vice President (Finance) & Secretary



Annexure to the Notice

Details of perquisites referred to in the explanatory statement:

Housing, Utilities and Furnishings: Provision of unfurnished residential accommodation, owned or leased by the Company, expenditure on which will be limited to 60% of the salary, or house rent allowance not exceeding 60% of salary. Expenditure incurred by the Company on gas, electricity, water and furnishings shall be evaluated as per the Incometax Rules.

Other Perquisites: Provision of chauffeur driven Company cars, payment / reimbursement of medical expenses (for self and family), telephones, payment of medical and personal accident premium, leave travel assistance, club fees (Excluding admission and life membership fee) and such other allowances/ perquisites/benefits and amenities.

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.

Payment of Company's contributions to Provident Fund / Pension Fund / Superannuation Fund / Gratuity Fund and encashment of leave (at the end of the tenure). These payments and contributions shall not be included in the computation of remuneration. Where payment of Spécial Allowance in lieu of contribution to Superannuation Fund is made, as per the rules applicable to other senior executives of the Company, the same will be treated as perquisite.