

WHEELS INDIA LIMITED



55th ANNUAL REPORT 2013-2014



WHEELS INDIA LIMITED

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

Website Address : www.wheelsindia.com

CORPORATE IDENTITY NUMBER : L35921TN1960PLC004175

55TH ANNUAL REPORT

FACTORIES

- PADI, CHENNAI - 600 050
TAMIL NADU
- 22KM RAMPUR, TANDA ROAD
RAMPUR-244 925, UTTAR PRADESH
- PLOT NO. C - 1
RANJANGAON GROWTH CENTRE
KAREGAON VILLAGE, SHIRUR TALUK
PUNE DISTRICT - 412 220, MAHARASHTRA
- PLOT NO. 11-18, SECTOR 7
HSIDC GROWTH CENTER, BAWAL
REWARI DISTRICT - 123501, HARYANA
- SRIPERUMBUDUR,
KANCHIPURAM DISTRICT - 602 105
TAMIL NADU
- PLOT NO. 56, SECTOR 11
INTEGRATED INDUSTRIAL ESTATE
PANTNAGAR, UDHAM SINGH NAGAR - 263 153
UTTARAKHAND
- PLOT NO. D - 3, DEOLI GROWTH CENTRE
DEOLI MIDC, TALUKA DEOLI
WARDHA DISTRICT - 442 101, MAHARASHTRA
- DP NO 70 (P), SURVEY NO 214 (P),
SIDCO INDUSTRIAL ESTATE, THIRUMUDIVAKKAM,
SRIPERUMBUDUR TALUK,
KANCHIPURAM DISTRICT, CHENNAI 600 044

BANKERS

- UNITED BANK OF INDIA
- STATE BANK OF INDIA
- STANDARD CHARTERED BANK
- HDFC BANK LIMITED

AUDITORS

- M/S SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
CHENNAI

STOCK EXCHANGE LISTING

- NATIONAL STOCK EXCHANGE OF INDIA LIMITED
MUMBAI

BOARD OF DIRECTORS

S RAM	Chairman
S VIJI	
J M A AKERS	
SRIVATS RAM	Managing Director
T K SESHADRI	
T S VIJAYARAGHAVAN	
S PRASAD	
AROON RAMAN	

AUDIT COMMITTEE

S PRASAD	Chairman
S VIJI	
T K SESHADRI	
AROON RAMAN	

STAKEHOLDERS RELATIONSHIP COMMITTEE

S VIJI	Chairman
S RAM	
S PRASAD	

NOMINATION & REMUNERATION COMMITTEE

S PRASAD	Chairman
T K SESHADRI	
T S VIJAYARAGHAVAN	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

SRIVATS RAM	Chairman
S VIJI	
S PRASAD	
AROON RAMAN	

CHIEF FINANCIAL OFFICER & SECRETARY

S. SRIVATHSAN

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Financial Summary - Last Ten Years

Rs. in Lakhs

	31.3.14	31.3.13	31.3.12	31.3.11	31.3.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
Operating Results										
Operating revenue (including other income)	1,82,516	1,92,734	2,07,983	1,70,336	1,25,300	1,16,601	1,14,781	1,01,562	86,708	79,088
Earnings Profit before Interest Depreciation and Tax	14,955	15,364	17,493	13,228	9,116	10,997	10,170	8,593	7,826	7,378
Depreciation	5,534	5,359	5,047	4,608	3,316	3,379	3,127	2,672	2,316	2,085
Earnings before Finance costs and Tax	9,421	10,005	12,446	8,620	5,800	7,618	7,043	5,921	5,510	5,293
Finance costs*	5,535	5,550	7,030	5,362	3,777	4,676	3,069	2,052	1,743	1,014
Profit before tax	3,886	4,455	5,416	3,258	2,023	2,942	3,974	3,869	3,767	4,279
Financial Position										
Equity Share capital	1,203	987	987	987	987	987	987	987	987	987
Reserves and Surplus	35,155	24,898	23,056	20,768	19,050	18,272	16,781	15,003	13,132	11,226
Shareholders' equity	36,358	25,885	24,043	21,755	20,037	19,259	17,768	15,990	14,119	12,213
Borrowings	33,166	41,957	38,768	32,975	37,402	38,195	28,736	23,993	20,971	24,076
Gross block**	98,908	92,293	81,668	75,947	71,064	65,540	55,185	44,644	38,878	32,575
Net block**	51,290	49,330	44,001	42,951	42,623	40,237	33,113	25,444	22,260	18,102
Dividend - Amount	900.14	799.43	986.95	641.51	444.12	542.82	690.86	641.51	641.51	740.21
Per equity Share (Rs.)										
Dividend	8.20	8.10	10.00	6.50	4.50	5.50	7.00	6.50	6.50	7.50
Book Value Per Share	302.17	262.27	243.61	220.43	203.02	195.14	180.03	162.02	143.05	123.75
Earning Per Share	27.06	30.61	34.80	24.96	13.12	21.43	26.20	26.37	26.72	29.03

* As per revised Schedule VI from 31.3.11

** Includes Capital Work-in-Progress

Dividend for year ended 31.3.14 includes interim dividend of Rs 4/- per share on existing shares before rights issue and final dividend of Rs 4.20 per share on the enhanced share capital after the Rights Issue

Notice to the Shareholders

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Shareholders of the Company will be held on Monday, 8th September, 2014, 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Statement, Cash Flow Statement for the year ended 31st March, 2014 together with the Reports of the Directors and Auditors thereon, be approved and adopted.

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT an Interim Dividend of Rs 4/- per share paid on the paid-up capital of the Company consisting of 98,69,444 equity shares of Rs 10/- each amounting to Rs.3,94,77,776 be and is hereby confirmed and recorded.

RESOLVED FURTHER THAT, as recommended by the Directors, a Final dividend of Rs 4.20 per share (42%) on the paid-up capital consisting of 1,20,32,279 equity shares, ranking pari passu for dividend absorbing Rs 5,05,35,571.80 (Rupees Five Crores Five Lakhs Thirty Five Thousand Five Hundred and Seventy One and Eighty Paise only), be and the same is hereby declared payable for the year ended 31st March, 2014 as Final Dividend.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr T K Seshadri (DIN 00063592), Director, who retires by rotation at this Annual General Meeting, has not offered himself for re-election, and the vacancy caused by the retirement of Mr T K Seshadri, Director be not filled up.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr S Viji (DIN 00139043), a Director retiring by rotation, being eligible for re-election, be and is hereby re-elected as a Director of the Company liable for retirement by rotation.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Registration Number 004207S), the retiring auditors, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Statutory Auditors be paid an audit fee of Rs 26.00 Lakhs (excluding service tax and reimbursement of out of pocket expenses).

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and any statutory modifications or re-enactment thereof, subject to such approvals

as may be required, the existing Article 84 (1) of the Articles of Association of the Company be substituted with the following new Article:-

“84(1) . Unless otherwise determined, the number of Directors shall not be less than three and not more than ten.”

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, matters, deeds, and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution and to comply with all other requirements in this regard.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, Mr S Ram (DIN 00018309), Executive Chairman be re-appointed as a Whole-Time Director designated as Executive Chairman liable to retire by rotation and be paid remuneration with effect from 1.5.2014 on the terms and conditions including remuneration as set out hereunder and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director.

Salary: Rs 2,50,000 per month in the scale of pay Rs 250,000 – 25,000 – 375,000 effective May 01, 2014 with annual increment of Rs 25,000 in every April, commencing from April 2015.

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 the currency of 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, however not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV to the said Act, Mr T S Vijayaraghavan (DIN 00063728), an Independent Director of the Company, whose term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr S Prasad (DIN 00063667), an Independent Director of the Company, whose

term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr Aroon Raman (DIN 00201205), an Independent Director of the Company, whose term of office was liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, Mr B Santhanam (DIN 00494806), in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed

as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting.

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, 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 400 crores (Rupees four hundred crores only).

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the 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, which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs 400 crores (Rupees four hundred crores only).

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 73, 76 of the Companies Act, 2013 (Act) read with the Companies (Acceptance of Deposit) Rules 2014, and other applicable provisions, if any, of the Companies Act, 2013 and subject to such conditions, approvals, permissions, as may be necessary,

the consent of the members be and is hereby accorded to the Board of Directors of the Company to invite / accept / renew Deposits (secured or unsecured) from its members and/or from public upto the permissible limits prescribed under applicable provisions of the Act and the rules framed thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things that may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto.

Regd. Office:

21, Patullos Road
Chennai 600 002
July 16, 2014

By Order of the Board

S Srivathsan
Chief Financial Officer
& Secretary

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the Proxy need not be a member of the Company. 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1.9.2014 to 8.9.2014 (both days inclusive) for payment of dividend on equity shares.
5. Final Dividend, as recommended by the Board of Directors, if declared at the Meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 8.9.2014. 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.
6. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing banking bank particulars already registered against their respective folios are requested to write to the Company.
7. Pursuant to the provisions of Section 205 A of the Companies Act, 1956, as amended, interim dividend declared on 31.1.2008 for the financial year ended 31.3.2008 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 above financial year 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.
8. The disclosures under clause 49 of the Listing Agreement in respect of the Directors appointed are given in the Report on Corporate Governance forming part of the Annual report.

9. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, postal ballot / e-voting facility have been provided to the members. The Board of Directors has appointed Mr S Dhanapal, Partner, M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The e-voting period would commence on Tuesday, 2nd September, 2014 (9:00 am) and end on Thursday, 4th September, 2014 (5:30 pm).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The procedure and instructions for e-voting is furnished in this notice as a separate Annexure. Pursuant to Clause 35B (ii) of the

Listing Agreement, to enable those shareholders who do not have access to e-voting facility, the Company has enabled a postal ballot facility. A member desiring to exercise vote by postal ballot is requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours (5.30 PM) on Thursday, 4th September, 2014.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the postal ballot / e-voting will be announced by the Company on its website – www.wheelsindia.com within two days of passing of the Resolutions at the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 102 of the Companies Act, 2013

SPECIAL BUSINESS

Item No 6

Article 84(1) of the present Articles of Association restricts the maximum number of Directors on the Board to nine. The Companies Act, 2013 (Act), the rules framed thereunder and the Listing Agreement with Stock Exchange requires the appointment of Independent Director, Women Director on the Board and also several Committees with restriction on the number of Committee membership for the Directors.

In order to comply with the above requirement it is proposed to increase the maximum number of Directors on the Board to ten. None of the Directors is interested or concerned in the above said resolution.