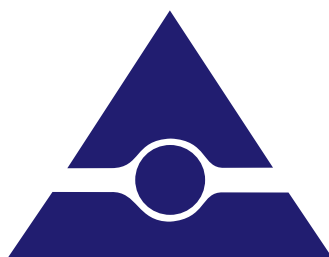


Axles India Limited



**FORTIETH ANNUAL REPORT
2021-22**



Axles India Limited

FORTIETH ANNUAL REPORT

Registered Office

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

Factories

Singaperumal Koil Road
Sriperumbudur, Tamil Nadu 602 105

Cheyyar Taluk, Tiruvannamalai District
Tamil Nadu 604 410

Banker

HDFC Bank Limited

Registrars & Share Transfer Agents

Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road, Chennai 600 002
Phone: 2846 0395, 2846 0390 Fax: 2846 0129
E-mail : investor@cameoindia.com

Board of Directors

S Ram (Chairman)
V Madhavan (Managing Director)
Srivats Ram
Rafael Aquique
Gajanan Gandhe
Saket Sapra
Radha Unni

Audit Committee

S Ram (Chairman)
V Madhavan
Saket Sapra

Stakeholders Relationship Committee

S Ram (Chairman)
V Madhavan
Srivats Ram

Corporate Social Responsibility Committee

S Ram (Chairman)
V Madhavan
Saket Sapra

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
8th Floor, Prestige Palladium Bayan
Greams Road, Chennai 600 006

Chief Financial Officer

Y Krishnamoorthy

Company Secretary

C Bharathi

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Notice to Shareholders

NOTICE is hereby given that the Fortieth (40th) Annual General Meeting of the Company will be held on Friday, August 26, 2022 at 10.25 A.M through Video Conference, to transact the following items of business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2022 and the Report of the Directors and the Auditors thereon.
2. To declare Dividend for the financial year 2021-22
3. To elect a Director in the place of Mr. Srivats Ram (DIN 00063415) who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in the place of Mr. Gajanan Vithal Gandhe (DIN 02023395) who retires by rotation and being eligible offers himself for re-election.
5. To appoint M/s. Price Waterhouse & Co. Chartered Accountants, LLP, (Firm Registration No. 304026E/E-300009) as Statutory Auditors of the Company and to fix their remuneration.

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

“**RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Board of Directors of the Company, M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 304026E/E-300009), be and are hereby reappointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

By order of the Board

Regd. Office:
21, Patullos Road
Chennai 600 002
May 17, 2022

S Ram
Chairman
DIN: 00018309



Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), has vide their circulars dated, April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 read with May 05, 2022 (collectively referred to as “MCA Circulars”) permitted to holding the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), and the MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the shareholders will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the shareholders is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the shareholders such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC / OAVM and cast their votes through e-voting. Corporate shareholders intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company.
4. The shareholders can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 shareholders on first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Shareholders and Share Transfer Books of the Company will remain closed from August 19, 2022 to August 26, 2022 (both days inclusive) for payment of dividend on equity shares.
7. The 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 August 18, 2022. 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.
8. Members holding shares in demat form are hereby informed that bank particulars registered against their accounts will be used by the Company for payment of Dividend. Changes in bank details are only to be advised to the Depository Participants by the Members. Members who are holding shares in physical form and desirous of registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Company or Registrar & Transfer Agents, M/s. Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai – 600 002.
9. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, as amended, dividends declared for the financial year ended 2015-16 from the date of declaration of dividend 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 (IEPF). Shareholders 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. All shareholders are requested to claim their dividend on or before October 16, 2023, being the due date for transfer of unpaid / unclaimed dividend to IEPF.

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10. Pursuant to the applicable provisions of the Companies Act, 2013 and IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years are required to be transferred to the Demat account of the IEPF authority.
 11. Pursuant to the aforesaid provisions, during the year, the Company has transferred 5662 shares pertaining to the financial year 2013-14 to the Demat Account of the IEPF Authority maintained with CDSL, in respect of which dividend had remained unpaid / unclaimed for a consecutive period of seven years.
 12. In compliance with the aforesaid provisions of the IEPF Rules, the Company had submitted the corporate action information form of CDSL to its Registrar and Transfer Agents (RTA) for transfer / transmission of the aforesaid shares of the Company to the Demat Account of the IEPF Authority, which were subsequently transferred to the Demat Account of the IEPF Authority on execution of the corporate action by the RTA.
 13. The shareholders, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF- 5 (as prescribed by MCA) available on the website of IEPF at www.iepf.gov.in and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Company for verification of the claim.
 14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 15. The shareholders who have cast their vote by remote e-voting prior to the meeting may also attend the meeting by way of VC / OAVM but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by remote e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the shareholders. The procedures and instructions for 'remote e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice. (Please refer page nos 6 to 10 of the Annual Report).
 16. The Board of Directors have appointed M/s. S Dhanapal & Associates, Practicing Company Secretaries, Chennai, as the Scrutinizer for conducting the remote e-voting process and voting at the AGM, in a fair and transparent manner. The Company has engaged the services of CDSL to provide e-voting facilities enabling the shareholders to cast their vote in a secure manner. The e-voting facility will be available at the link www.evotingindia.com during the e-voting period which would commence on August 23, 2022 (Tuesday) at 9:00 A.M. (IST) and conclude on August 25, 2022 (Thursday) at 5:00 P.M. (IST).
 17. The Scrutinizer shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting. Thereafter, the Results of remote e-voting and e-voting during the 40th AGM shall be declared by the Chairman or a person authorized by him in writing. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website at www.axlesindia.com.
 18. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 18, 2022 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.



19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. Other documents referred to in the notice, if any, will be available for electronic inspection. The members seeking to inspect such documents can send mail to bharathi.c@axlesindia.com.
22. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.axlesindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) at www.evotingindia.com.
23. Pursuant to the Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 01, 2020. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

The Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the dividend amount exceeds Rs.5,000/- . However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2022-23 does not exceed Rs.5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Form 15G / 15H can be downloaded from the weblink <https://investors.cameoindia.com> to avail the benefit and e-mail to investors@cameoindia.com by 11:59 P.M. IST on August 18, 2022. There is also provision to upload the 15G / 15H in the weblink viz., <https://investors.cameoindia.com> provided by the Company's Registrar and Share transfer agent.

For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% plus applicable surcharge and cess or as notified by the Government of India on the amount of dividend payable.

Non-resident shareholders can avail beneficial rates under the Tax Treaty between India and their country of residence, subject to providing necessary documents, i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the Tax Treaty benefits, by sending an email to investors@cameoindia.com. The aforesaid declarations and documents should be submitted by the shareholders by 11:59 P.M. IST on August 18, 2022. For any additional information, Members may refer to the “Communication on TDS on Dividend Distribution” available at the web link of the company www.axlesindia.com.

Any clarification required in this regard, you may contact Ms. Komalavalli .R, Senior Manager, Cameo Corporate Services Limited (Ph. No. 044-28460395). No communication would be accepted from Members after August 18, 2022 regarding the tax withholding matters.

24. In compliance with the MCA Circulars, the Annual Report 2021-22 including, the Notice of the 40th AGM and instructions to shareholders for e-voting / attending meeting through VC / OAVM are being sent only through electronic mode to those shareholders whose email addresses are registered with the Company / depositories.
25. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, e-mail ID, mobile number to bharathi.c@axlesindia.com from August 10, 2022, 9:00 A.M. (IST) to August 14, 2022, 05:00 P.M. (IST) only. The shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS TO SHAREHOLDERS

A. FOR REMOTE E-VOTING:

- i. The voting period begins on August 23, 2022 (Tuesday) 9:00 A.M. (IST) and ends on August 25, 2022 (Thursday) 5:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 18, 2022 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars, the Company is required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

- iv. In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforementioned SEBI Circular, login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. |



| | |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders holding securities in demat mode with NSDL | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select Register Online for IDeAS Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p> |

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free No. 1800 1020 990 and 1800 22 44 30 |

v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-Voting website www.evotingindia.com.
2. Click on shareholders module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. | |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA. |
| Dividend Bank Details | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. |
| OR Date of Birth (DOB) | If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field. |

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.



- ix. Click on the EVSN for the relevant Axles India Limited on which you choose to vote.
- x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xvi. There is also an optional provision to upload Board Resolution / Power of Attorney (POA). If it is uploaded, which will be available to scrutinizer for verification.
- xvii. Note for Non-Individual shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cDSLindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are mandatorily required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bharathi.c@axlesindia.com, if they have voted from individual tab and not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.

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3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 4. Shareholders are encouraged to join the meeting through Laptop / iPad for better experience.
 5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request from August 10, 2022, 9:00 A.M. (IST) to August 14, 2022, 05:00 P.M. (IST) mentioning their name, demat account number / folio number, email id, mobile number at bharathi.c@axlesindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at bharathi.c@axlesindia.com. These queries will be replied to by the company suitably by email.
 8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
 9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 10. If any votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio Number, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id.
2. For Demat shareholders - Please update your email id and mobile number with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id and mobile number with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free No. 1800 22 55 33.



Report of the Directors to the shareholders

Your Directors present the Fortieth (40th) Annual Report of the Company along with the audited accounts for the financial year ended March 31, 2022.

Performance

| Particulars | ₹ in crores) | |
|--------------------------------|--------------|---------|
| | 2021-22 | 2020-21 |
| Sales | 569.56 | 306.04 |
| Profit before depreciation | 55.83 | 13.07 |
| Depreciation | (10.65) | (9.03) |
| Profit before tax for the year | 45.18 | 4.04 |
| Profit after tax for the year | 33.83 | 2.96 |
| Total Comprehensive Income | 39.88 | 2.50 |

Prospects

Your Company's sale of Axles Housings in the Domestic market in FY'22 was 148,000 Nos. as against 105,000 Nos. in FY'21. Effects of lock down and restriction on movement of people were eased in 2021-22, resulting in improvement in demand for our product. Your Company's export in FY'22 was 92,000 Nos. as compared to 50,300 Nos in FY'21.

Going forward, we expect further improvements for Medium Duty Axle Housings in the coming year in the domestic market and export market. Axle Housings for Heavy duty trucks will depend on further investments in Infrastructure projects in 2022-23. High Diesel costs are affecting heavy duty haulage segment.

Truck manufacturers are introducing upto 50 Ton GVW rigid trucks with lift axles to help truck's operators to contain freight rates per trip. With global instability, high cost diesel is expected to continue.

Dividend

Your Directors recommend a final dividend of Rs.4/- per equity share (40%) for the year ended March 31, 2022. The Final dividend, recommended if approved at the 40th AGM of the Company, will be paid to all shareholders, whose name appears in the Register of members as on the book closure date.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 ("the Act").

Associate Companies

There are no Associate Companies for the Company as per the Act, 2013; therefore relevant Form AOC 1 is not applicable.

Change in Directors during the year

Mr. V Madhavan (DIN 07548156) was reappointed as Managing Director of the Company for a period of 5 (Five) years with effect from July 6, 2021.

Mr. Jason Michael Miller (DIN- 08168554) resigned from the office of Director of the Company with effect from January 21, 2022.

Director retiring by rotation

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

Mr. Gajanan Vithal Gandhe (DIN 02023395) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Board Evaluation

Pursuant to the provisions of Sections 134(3) (p) of the Act, 2013, read with Rule 8 (4) of Companies (Accounts) Rules, 2014, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board have been carried out. The Criteria and manner in which the evaluation has been carried out are provided in Annexure 1 forming part of this Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for determining qualifications, positive attributes and independence of a Director. It has recommended to the Board a policy relating to the remuneration of the Managing Director. The same is hosted in our website and the web address of the same is <http://www.axlesindia.com/pdf/nomination-remuneration-policy.pdf>.

Corporate Social Responsibility

As an initiative under Corporate Social Responsibility (CSR), in accordance with Schedule VII of the Companies Act, 2013, your Company constituted the CSR Committee under the Board. The Committee is to frame, monitor and execute the CSR activities. The Board has approved the CSR Policy and guidelines for implementation. The Committee effectively supervises the CSR projects.

The Company has spent Rs.46.66 Lakhs during the year 2021-22. The Constitution of the CSR Committee and the report as required under the Act, are provided as Annexure 2 forming part of this Report.

Risk Management, Internal Financial Control Systems and Audit

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

Your Company maintains an adequate and effective Internal Control System commensurate with its size. The Internal Control system provides a reasonable assurance to the effect that the transactions are executed with the authorisations and are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets are secured and safeguarded against any misuse or loss. The internal control system is supplemented through an extensive internal audit programme and periodic review by the Management and Audit Committee. The Company has in place adequate internal financial Controls and no reportable material weakness was observed.

Vigil Mechanism

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

Director's Responsibility Statement

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134(3) (c) of the Act. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Act:



- a) that in the preparation of the annual financial statements the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper systems are in place so as to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Related Party Transactions

All Related Party Transactions that were entered into by the Company during the financial year 2021-22, were in compliance of Section 188 of the Act and rules framed there under.

Related party transactions were at an arm's length basis and were in the ordinary course of business. Material contracts or arrangement or transactions are at arm's length basis and disclosed in Form AOC-2 which is provided in Annexure 3 forming part of this Report. All Related Party Transactions were placed before the Audit Committee. There are no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board had met 4 times during the year under review on May 19, 2021, July 28, 2021, October 26, 2021 and January 28, 2022.

| Directors | Attendance at Board Meetings | | Attendance at AGM held on 26.08.2021 |
|--------------------|------------------------------|----------|--------------------------------------|
| | Held | Attended | |
| Mr. S Ram | 4 | 4 | Yes |
| Mr. V Madhavan | 4 | 4 | Yes |
| Mr. Srivats Ram | 4 | 4 | Yes |
| Mr. Saket Sapra | 4 | 4 | No |
| Mr. Rafael Aquique | 4 | 3 | Yes |
| Mrs. Radha Unni | 4 | 3 | No |
| Mr. Jason Miller * | 3 | 0 | No |
| Mr. Gajanan Gandhe | 4 | 4 | Yes |

* Mr. Jason Miller has resigned w.e.f January 21, 2022.

Audit Committee

The Audit Committee comprises of Mr. S Ram, Chairman, Mr. V Madhavan, and Mr. Saket Sapra as members. The Committee had met 4 times during the year under review on May 19, 2021, July 28, 2021, October 26, 2021 and January 28, 2022.

Nomination and Remuneration Committee

As per Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, the companies enlisted under Rule 4(2) are exempted from appointing Independent Directors and are not required to constitute a Nomination and Remuneration Committee.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. S Ram, Chairman, Mr. V Madhavan and Mr. Srivats Ram as members. The Committee had met 5 times during the year under review on July 6, 2021, November 9, 2021, December 1, 2021, December 16, 2021 and February 24, 2022.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. S Ram, Chairman, Mr. V Madhavan, and Mr. Saket Sapra as members. The Committee had met on May 19, 2021, October 26, 2021 and January 28, 2022.

Significant and Material Orders Passed by the Regulators or Courts

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

Employees and details of remuneration

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

Cost Audit

The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company. The Cost audit is not applicable to our company.

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

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



Auditors

The Company had appointed M/s. Price Waterhouse & Co Chartered Accountants LLP (ICAI registration number FRN 304026E / E-300009) as the Statutory Auditors of the Company from the conclusion of 36th Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company.

M/s. Price Waterhouse & Co Chartered Accountants LLP are eligible for the reappointment for further period of 5 years, and have given their consent for their appointment as Statutory Auditors of the Company and have issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder.

It is proposed to reappoint them as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of the ensuing 40th AGM till the conclusion of the 45th AGM of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the rules framed there under, the Company appointed M/s. S Dhanapal & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given as an Annexure 4 and forms part of this Report. The Company has complied with the Secretarial Standards for the Board Meetings (SS-1) and the General Meetings (SS-2) during the year 2021-22.

Comments on Auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Secretarial Auditors in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with rule 8(3) of the Companies (Accounts) rules, 2014 are enclosed as Annexure 5 and forms part of this report.

Annual Return

In compliance with Section 134(3)(a) and 92(3) of the Act, the Annual Return of the Company as on March 31, 2022 is available on the website of the Company, which can be accessed at <http://www.axlesindia.com>.

Acknowledgment

Your Directors wish to thank the Customers and Bankers for their excellent support and we look forward to their continued support.

Your Directors wish to place on record their appreciation of the excellent effort put in by all the employees of the Company.

For and on behalf of the Board of Directors

Chennai
May 17, 2022

S Ram
Chairman
DIN: 00018309

ANNEXURE 1**BOARD EVALUATION**

The criteria for Evaluation were in accordance with the Nomination & Remuneration Policy adopted by the Company. The evaluation was undertaken taking into account the following:-

Composition of the Board and availability of multi-disciplinary skills, Commitment to good corporate governance practices, Adherence to regulatory compliance, Grievance Redressal Mechanism, Track record of financial performance, Existence of integrated Risk Management system, Use of modern technology and Commitment to CSR.

In addition to the above the following were also considered:- Qualifications & experience, Leadership qualities, Standard of integrity, Understanding of Macro & micro economic and industry trends, Public relations, Future vision and innovation, Attendance in Board Meetings / Annual General meeting, Understanding of Company's business Value addition in Board Meetings and other parameters mentioned in the Policy.

For and on behalf of the Board of Directors

S Ram

Chairman

DIN: 00018309

Chennai
May 17, 2022

ANNEXURE 2**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

| | | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1 | Brief outline on CSR policy of the company | The policy of the Company extends to all the CSR activities as covered under Schedule VII of the Companies Act, 2013 and also covers additional and allied activities, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time. | | | |
| 2 | Composition of CSR Committee | | | | |
| | Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
| | 1 | Mr. S Ram | Chairman | 3 | 3 |
| | 2 | Mr. V Madhavan | Managing Director | 3 | 3 |
| | 3 | Mr. Saket Sapra | Director | 3 | 3 |
| 3 | Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company | http://axlesindia.com/pdf/CSR-Policy | | | |
| 4 | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules 2014, if applicable | Not Applicable | | | |



| | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| 5 | Details of the amount available for set off in pursuance of sub-rule(3) of Rule 7 of the Companies (Corporate Social responsibility policy) Rules, 2014 and amount required for set off for the financial year, if any | Nil |
| 6 | Average net profit of the company as per section 135 (5) | Rs. 2327.07 Lakhs |
| 7 | (a) Two percent of average net profit of the company as per section 135(5) (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years (c) Amount required to be set off for the financial year, if any (d) Total CSR obligation for the financial year (7a+7b-7c) | Rs.46.55 Lakhs Nil Nil Rs.46.55 Lakhs |

| | | | | | | | | | |
|--------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------|-------------------------|--------------|---------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
| 8. | CSR spent details | | | | | | | | |
| | a. CSR amount spent or unspent for the financial year | | Amount spent- Rs.46.66 lakhs | | | | | | |
| | | | Amount Unspent - Nil | | | | | | |
| | b. Details of CSR amount spent against ongoing projects for the financial year | | Not applicable | | | | | | |
| | c. Details of CSR amount spent against other than ongoing projects for the financial year | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | |
| Sl No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes / No.) | Location of the project | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes / No) | Mode of implementation – Through implementing agency | |
| | | | | State | District | | | Name | CSR Registration number |
| 1 | Purchase of Oxygen Concentrators | Disaster Relief | | Tamil Nadu | - | 24.66 | Yes | - | - |
| 2 | Sundaram Medical Foundation | Health Care | YES | Tamil Nadu | Chennai | 15.00 | Yes | Sundaram Medical Foundation | CSR00018426 |
| 3 | Single Teacher Schools | Swachh Bharat and Education | YES | Tamil Nadu | Kancheepuram | 5.00 | Yes | Single Teacher Schools | CSR00001905 |
| 4 | Government school | Education | YES | Tamil Nadu | Kancheepuram | 2.00 | Yes | - | - |

| | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| | d. Amount spent in Administrative Overheads | Not applicable |
| | e. Amount spent on Impact Assessment, if applicable | Not applicable |
| | f. Total amount spent for the Financial Year (8b+8c+8d+8e) | Rs.46.66 lakhs |
| | g. Excess amount for set off, if any | Not applicable |
| 9. | Unspent and details on ongoing project | |
| | a. Details of Unspent CSR amount for the preceding three financial years | Not applicable |
| | b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) | Not applicable |
| 10. | In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) | Not applicable |
| 11. | Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) | Not applicable |

Chennai
May 17, 2022

V Madhavan
Managing Director
DIN: 07548156

S Ram
Chairman - CSR Committee
DIN: 00018309

ANNEXURE 3

FORM NO. AOC - 2

(Pursuant to clause (h) of Sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

| | | |
|----|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| a. | Name(s) of the related party and nature of relationship | Dana India Private Limited – Sec 2(76)(iv) of the Companies Act, 2013 |
| b. | Nature of Contracts / arrangements / transactions | Sale of axle housings |
| c. | Duration of contracts / arrangements / transactions | Dana India Private Limited |
| d. | Salient features of the Contracts or arrangements or transactions including the value, if any | Supply of axle housings as per agreement |
| e. | Date(s) of approval by the Board, if any | May 19, 2021 |
| f. | Amount paid as advances, if any | NIL |

For and on behalf of the Board of Directors

Chennai
May 17, 2022

S Ram
Chairman
DIN: 00018309



FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To
The Members,
M/S. AXLES INDIA LIMITED,
Chennai.

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S.AXLES INDIA LIMITED, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion/ understanding thereon.
2. Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2022, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have not carried out audit to make sure and validate the correctness and appropriateness of Financial Records and Books of Accounts of the Company and compliance with respect to the applicable Financial Laws such as Direct and Indirect Tax Laws etc. Based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

We have examined the Books, Papers, Minutes' Book, Forms and Returns filed and Other Records maintained by the Company and made available to us, for the financial year ended on March 31, 2022 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') – (NOT APPLICABLE TO THE COMPANY AS THE COMPANY IS UNLISTED PUBLIC COMPANY)
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

-
-
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is replaced by Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. 09.08.2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is replaced by Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f. 10.06.2021; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) made effective 1st July, 2015 and revised with effect from 1st October, 2017.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015) - (NOT APPLICABLE AS THE COMPANY IS UNLISTED PUBLIC COMPANY)

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

It is represented to us that the Company has initiated measures, wherever required, to address issues raised by the Statutory Authorities and Letters / Notices received by the Company during the financial year under various enactments as applicable to the company.

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

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

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

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

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



We further report that, during the audit period the company has sought the approval of its members for the following special business

a) Reappointment of Mr. V Madhavan (DIN 07548156) as Managing Director of the Company.

We further report that, we have conducted secretarial audit also through online verification and examination of records, as necessitated and facilitated by the company, due to prevailing Covid situation for the purpose of issuing this Report

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **S Dhanapal & Associates**
(A firm of Practicing Company Secretaries)
Peer Review Certificate No. 1107/2021

N Ramanathan
(Partner)

FCS: 11084

CP No. 6665

UDIN: F006665D000352780

Place: Chennai

Date : May 17, 2022

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

ANNEXURE A

To
The Members,
M/s. AXLES INDIA LIMITED,
Chennai.

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

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S Dhanapal & Associates**
(A firm of Practicing Company Secretaries)
Peer Review Certificate No. 1107/2021

N Ramanathan
(Partner)

FCS: 11084

CP No. 6665

UDIN: F006665D000352780

Place: Chennai

Date : May 17, 2022

CONSERVATION OF ENERGY

Your Company is implementing Energy conservation activities in all its plant locations. Energy saving projects have been successfully implemented on following themes: Use of Variable Speed Drive for motor, Replacement of inefficient motor with Energy Efficient motor, Optimization of motor Capacity, Use of energy efficient lamp like induction lamp, LED lamp, Replacement of inefficient water pump with energy efficient pump and Power factor improvement to reduce energy billing in our plants. Instead of generating units, we are also using third party supplies. Each of the production lines is metered for power consumption and improvements are being made through energy audits. Poly carbonate sheets are used instead of Fibre Reinforced Plastic (FRP) sheets to improve lighting during the day time in the factory.

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange used Rs. 628.73 lakhs
Foreign Exchange earned Rs. 19,476.74 lakhs

For and on behalf of the Board of Directors

Chennai
May 17, 2022

S Ram
Chairman
DIN: 00018309



Independent Auditor's Report

TO THE MEMBERS OF AXLES INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Axles India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25(D) to the financial statements;

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- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 34 to the financial statements), and
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 34 to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
13. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co. Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Arun Kumar R

Partner

Membership Number: 211867

UDIN: 22211867AJCVAK4642

Chennai
May 17, 2022



Annexure A to the Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Axles India Limited on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Axles India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co. Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Arun Kumar R

Partner

Membership Number: 211867

UDIN: 22211867AJCVAK4642

Chennai
May 17, 2022



Annexure B to the Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Axles India Limited on the financial statements as of and for the year ended March 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed statements and revised statements with such banks, which are in agreement with the unaudited books of account (also refer Note 34 to the financial statements).
- iii. (a) The Company has granted unsecured advances in nature of loans, to employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to parties other than subsidiaries, joint ventures and associates are as per the table given below:

| Name of the statute | Advances in nature of loans (Rs. In Lakhs) |
|-----------------------------------------------------------------------------------|--------------------------------------------|
| Aggregate amount granted/ provided during the year - Others | 72.07 |
| Balance outstanding as a balance sheet date in respect of the above case - Others | 56.77 |

(Also refer Note 5(c) to the financial statements)

- (b) In respect of the aforesaid advances in nature of the loan, the terms and conditions under which such loans were granted not prejudicial to the Company's interest.
- (c) In respect of the aforesaid advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

- (d) In respect of the aforesaid advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) The advances in nature of loans granted during the year, had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. There are no loans granted to promoters/related parties during the year.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues of provident fund, though there has been slight delay in few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 29 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable which have not been deposited on account of any dispute. The particulars of dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------------------|----------------|-----------------------|------------------------------------|----------------------------------------------------|
| Central Sales Tax, 1956 | Sales Tax | 0.15 | 1989-90 | TN Sales Tax Appellate Tribunal |
| Tamil Nadu General Sales Tax Act | Sales Tax | 0.21 | 1995-96 | Appellate Assistant Commissioner (CT) |
| Central Sales Tax, 1956 | Sales Tax | 1.29 | 2007-08 | Assistant or Deputy Commissioner (CT) |
| Tamil Nadu Value Added Tax Act | Sales Tax | 216.68 | 2013-14 to 2015-16 | Assistant Commissioner (Sales Tax) |
| Central Excise Act | Service tax | 165.35 | 2004-05 to 2017-18 | Customs, Excise and Service Tax Appellate Tribunal |
| Income Tax Act, 1969 | Income Tax | 43.91 | 2013-14, 2014-15, 2016-17 | Commissioner of Income Tax (Appeals) |

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.



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- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, clause 3(ix)(e) and (f) of the order are not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has 1 CIC as part of the Group as detailed in note 34 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 34 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act.
- (b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under this clause is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co. Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

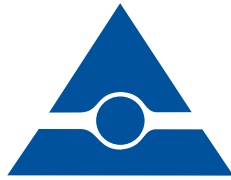
Arun Kumar R

Partner

Membership Number: 211867

UDIN: 22211867AJCVAK4642

Chennai
May 17, 2022



ACCOUNTS - 2021-2022

Balance Sheet as at 31st March 2022

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | 31 March 2022 | 31 March 2021 |
|----------------------------------------------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 5,819.82 | 5985.37 |
| Right-of-use assets | 3(b) | 7.63 | 52.15 |
| Capital work-in-progress | 3 | 145.00 | 84.97 |
| Intangible assets | 4 | 35.72 | 16.70 |
| Financial assets | | | |
| (i) Investments | 5(a) | 50.00 | - |
| (ii) Other financial assets | 5(e) | 760.21 | 239.32 |
| Other non-current assets | 6 | 64.38 | 50.47 |
| Total non-current assets | | 6,882.76 | 6,428.98 |
| Current assets | | | |
| Inventories | 7 | 10,375.65 | 9,236.52 |
| Financial Assets | | | |
| (i) Trade Receivables | 5(b) | 17,394.43 | 14,493.42 |
| (ii) Cash and cash equivalents | 5(d) | 1,671.96 | 3,231.78 |
| (iii) Bank balances other than (ii) above | 5(d) | 15.82 | 16.55 |
| (iv) Loans | 5(c) | 56.77 | 59.19 |
| (v) Other financial assets | 5(e) | 289.76 | 7.10 |
| Current tax assets | 8(a) | 284.55 | 256.36 |
| Other current assets | 9 | 229.30 | 335.68 |
| Total current assets | | 30,318.24 | 27,636.60 |
| Total assets | | 37,201.00 | 34,065.58 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10(a) | 2,548.88 | 2,548.88 |
| Other Equity | | | |
| Reserves and surplus | 10(b) | 14,424.11 | 11,046.97 |
| Other Reserves | 10(c) | 567.32 | (43.75) |
| Total equity | | 17,540.31 | 13,552.10 |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 3(b) | 4.30 | 12.18 |
| (ii) Other financial liabilities | 11(c) | - | 59.07 |
| Provisions | 12 | 504.69 | 482.83 |
| Employee benefit obligations | 13 | 242.02 | 250.19 |
| Deferred tax liabilities (Net) | 14 | 347.19 | 219.57 |
| Total non-current liabilities | | 1,098.20 | 1,023.84 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11(a) | 5,803.90 | 7,700.95 |
| (ii) Lease liabilities | 3(b) | 7.89 | 44.52 |
| (iii) Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 11(b) | 963.07 | 310.38 |
| Total outstanding dues of creditors other than micro and small enterprises | 11(b) | 9,371.63 | 8,774.74 |
| (iv) Other financial liabilities | 11(c) | 505.84 | 835.22 |
| Provisions | 12 | 445.99 | 353.63 |
| Employee benefit obligations | 13 | 146.72 | 104.82 |
| Current tax liabilities | 8(b) | 92.48 | 108.64 |
| Other current liabilities | 15 | 1,224.97 | 1,256.74 |
| Total current liabilities | | 18,562.49 | 19,489.64 |
| Total liabilities | | 19,660.69 | 20,513.48 |
| Total equity and liabilities | | 37,201.00 | 34,065.58 |

The accompanying notes are an integral part of these financial statements. This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Arun Kumar R
Partner
Membership Number: 211867
Chennai
17 May 2022

For and on behalf of the **Board of Directors**
S Ram
Chairman
DIN: 00018309

V Madhavan
Managing Director
DIN: 07548156

Y Krishnamoorthy
Chief Financial Officer
Chennai
17 May 2022

C Bharathi
Company Secretary
Membership Number: F9406

Statement of profit and loss for the year ended 31st March 2022

(All amounts in INR lakhs, unless otherwise stated)



| Particulars | Notes | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------|-------|-------------------------|------------------|
| REVENUE | | | |
| Revenue from operations | 16 | 56,956.32 | 30,604.78 |
| Other income | 17(a) | 30.20 | 181.31 |
| Other gains / (losses) | 17(b) | 250.46 | 415.58 |
| Total income | | <u>57,236.98</u> | <u>31,201.67</u> |
| EXPENSES | | | |
| Cost of materials consumed | 18(a) | 36,258.54 | 21,611.90 |
| Changes in inventories of work-in-progress and finished goods | 18(b) | 101.04 | (2,586.73) |
| Employee benefit expenses | 19 | 6,358.64 | 5,366.21 |
| Depreciation and amortisation expenses | 20 | 1,065.10 | 902.60 |
| Other expenses | 21 | 8,889.28 | 5,439.86 |
| Finance costs | 22 | 46.58 | 63.49 |
| Total expenses | | <u>52,719.18</u> | <u>30,797.33</u> |
| Profit before tax | | <u>4,517.80</u> | <u>404.34</u> |
| Income tax expense / (income) | | | |
| Current Tax | 23 | 1,212.56 | 104.30 |
| Deferred Tax | 23 | (77.92) | 3.97 |
| Total tax expense | | <u>1,134.64</u> | <u>108.27</u> |
| Profit for the year | | <u>3,383.16</u> | <u>296.07</u> |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss: | | | |
| Net gain/(loss) on cash flow hedges | | 816.61 | (58.47) |
| Income tax relating to these items | | (205.54) | 14.72 |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurement of post-employment benefit obligations | | (8.04) | (3.55) |
| Income tax relating to above item | | 2.02 | 0.89 |
| Other comprehensive income for the year, net of tax | | <u>605.05</u> | <u>(46.41)</u> |
| Total Comprehensive Income for the year | | <u>3,988.21</u> | <u>249.66</u> |
| Earnings per equity share: | | | |
| Basic & Diluted earnings per share | | 13.27 | 1.16 |

The accompanying notes are an integral part of these financial statements. This is the Statement of profit and loss referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Arun Kumar R
Partner
Membership Number: 211867
Chennai
17 May 2022

For and on behalf of the **Board of Directors**
S Ram
Chairman
DIN: 00018309

Y Krishnamoorthy
Chief Financial Officer
Chennai
17 May 2022

V Madhavan
Managing Director
DIN: 07548156

C Bharathi
Company Secretary
Membership Number: F9406

Statement of changes in equity for the year ended 31st March 2022

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

| | Notes | |
|---------------------------------|-------|----------|
| As at 1 April 2020 | 10(a) | 2,548.88 |
| Changes in equity share capital | | - |
| As at 31 March 2021 | | 2,548.88 |
| As at 1 April 2021 | 10(a) | 2,548.88 |
| Changes in equity share capital | | - |
| As at 31 March 2022 | 10(a) | 2,548.88 |

B. Other Equity

| Particulars | Reserves and Surplus | | Other Reserves | Total |
|--------------------------------------------------------------|----------------------|-------------------|---------------------------|------------------|
| | General Reserve | Retained Earnings | Cash flow hedging reserve | |
| Balance as at 1 April 2020 | 78.50 | 11,057.33 | - | 11,135.83 |
| Profit for the year | - | 296.07 | - | 296.07 |
| Other comprehensive income | - | (2.66) | (43.75) | (46.42) |
| Total comprehensive income for the year | - | 293.41 | (43.75) | 249.66 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividend | - | (382.27) | - | (382.27) |
| As at 31 March 2021 | 78.50 | 10,968.47 | (43.75) | 11,003.22 |
| Balance as at 1 April 2021 | 78.50 | 10,968.47 | (43.75) | 11,003.22 |
| Profit for the year | - | 3,383.16 | - | 3,383.16 |
| Other comprehensive income | - | (6.02) | 611.07 | 605.05 |
| Total comprehensive income for the year | - | 3,377.14 | 611.07 | 3,988.21 |
| As at 31 March 2022 | 78.50 | 14,345.61 | 567.32 | 14,991.43 |

The accompanying notes are an integral part of these financial statement.
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Arun Kumar R

Partner

Membership Number: 211867

Chennai

17 May 2022

For and on behalf of the **Board of Directors**

S Ram

Chairman

DIN: 00018309

Y Krishnamoorthy

Chief Financial Officer

Chennai

17 May 2022

V Madhavan

Managing Director

DIN: 07548156

C Bharathi

Company Secretary

Membership Number: F9406

Cash Flow Statement for the year ended 31st March 2022

(All amounts in INR lakhs, unless otherwise stated)



| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------------------------------|------------|------------------------|------------------------|
| Cash flow from operating activities: | | | |
| Profit before income-tax | | 4,517.80 | 404.34 |
| Adjustments for: | | | |
| Interest and other finance cost | 22 | 43.51 | 55.14 |
| Interest expense on lease liability | 22 | 3.07 | 8.35 |
| Net exchange differences | | (72.42) | (2.28) |
| Depreciation and amortisation expense | 20 | 1,065.10 | 902.59 |
| Gain on disposal of property, plant and equipment | 17(b) | (2.19) | (46.98) |
| Interest income | 17(a) | (28.45) | (181.03) |
| Operating profit before working capital changes | | 5,526.42 | 1,140.14 |
| Changes in working capital: | | | |
| (Increase) / decrease in trade receivables | | (2,833.08) | (5,367.67) |
| (Increase) / decrease in current and non-current loans | | 2.42 | 22.51 |
| (Increase) / decrease in other financial assets | | (102.51) | - |
| (Increase) / decrease in current and non-current assets | | 78.80 | 43.64 |
| (Increase) / decrease in inventories | | (1,139.13) | (4,403.63) |
| Increase / (decrease) in trade payables | | 1,250.82 | 4,818.65 |
| Increase / (decrease) in other financial liabilities | | (296.59) | 306.68 |
| Increase / (decrease) in provisions | | 114.22 | 265.00 |
| Increase / (decrease) in employee benefit obligation | | 29.23 | (51.95) |
| Increase / (decrease) in other liabilities | | (31.77) | 73.34 |
| Cash (used in) / generated from operations | | 2,598.83 | (3,153.30) |
| Income tax paid | 8(a), 8(b) | (1,254.89) | (121.61) |
| Net cash inflow / (outflow) from operating activities | | 1,343.94 | (3,274.91) |
| Cash flow from investing activities: | | | |
| Payments for property, plant and equipment | | (952.43) | (253.79) |
| Proceeds from sale of property, plant and equipment | | 5.10 | 48.96 |
| Interest received | | 28.45 | 181.03 |
| Net cash inflow / (outflow) from investing activities | | (918.88) | (23.80) |
| Cash flow from financing activities: | | | |
| (Repayment)/Proceeds from borrowings | | (1,893.78) | 3,018.83 |
| Principal repayments related to lease liabilities | | (44.52) | (62.21) |
| Interest payments related to lease liabilities | | (3.07) | (8.35) |
| Interest paid | | (43.51) | (55.14) |
| Dividends paid to company's shareholders (including DDT) | | - | (382.27) |
| Net cash inflow / (outflow) from financing activities | | (1,984.88) | 2,510.86 |
| Net increase / (decrease) in cash and cash equivalents | | (1,559.82) | (787.85) |
| Cash and cash equivalents at the beginning of the year | | 3,231.78 | 4,019.63 |
| Cash and cash equivalents at the end of the year | | 1,671.96 | 3,231.78 |

The accompanying notes are an integral part of these financial statement
This is the Cash Flow Statement referred to in our Report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Arun Kumar R

Partner

Membership Number: 211867

Chennai

17 May 2022

For and on behalf of the **Board of Directors**

S Ram

Chairman

DIN: 00018309

Y Krishnamoorthy

Chief Financial Officer

Chennai

17 May 2022

V Madhavan

Managing Director

DIN: 07548156

C Bharathi

Company Secretary

Membership Number: F9406

Notes to financial statements as at and for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Company overview

Axles India Limited (the 'Company') is engaged in manufacturing of Axle housings to automobile companies. The company has its manufacturing plants in Sriperumbudur and Cheyyar, Tamil Nadu, India and sells primarily in India and United States. The company is an unlisted public limited company.

1. Significant accounting policies

1.1 Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) measured at fair value and defined benefit plans - plan assets measured at fair value.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year. Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

| Balance sheet (extract) | 31 March 2021 (as previously reported) | Increase or (decrease) | 31 March 2021 (restated) |
|--------------------------------------|-------------------------------------------|---------------------------|-----------------------------|
| Loans (non-current) | 239.32 | (239.32) | - |
| Other financial assets (non-current) | - | 239.32 | 239.32 |

1.4 Going concern

The board of directors have considered the financial position of the Company as at 31 March 2022 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations. Also, refer to note 35 for COVID-19 related assessments.

1.5 Revenue Recognition

1.5.1 Sale of goods

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title



of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. The Company's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision, see note 12.

1.5.2 Income from service

Revenue is recognised on a time proportionate basis in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

1.6 Foreign currencies

1.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

1.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

1.7 Employee benefits

1.7.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.7.2 Other long term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

1.7.3 Post employment obligations

The Company operates the following post-employment schemes:

- a) Defined contribution plans such as provident fund, and
- b) Defined benefit plans such as gratuity for its eligible employees.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company has a gratuity defined benefit plan for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC'). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1 Current tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

1.8.2 Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the



temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS.

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

| Particulars | Useful life in years ascertained by the company | Useful life of the asset as prescribed in schedule II of Companies Act, 2013 |
|------------------------|-------------------------------------------------|------------------------------------------------------------------------------|
| Buildings | 30 | 30 |
| Plant & Machinery | 11.25* | 11.25* |
| Furniture and fixtures | 5 | 5 |
| Vehicles | 8 | 8 |
| Computer hardware | 3 | 3 |

*The Company generally operates on a triple shift basis, useful life of the Plant and Machinery under Schedule II of Companies Act, 2013 has been considered accordingly.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

1.10 Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Amortisation and estimated useful lives

Intangible assets with a finite useful life using the straight-line method over a 5 year period

1.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. The cost of work-in-progress and finished goods comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non- production inventory (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption.

1.13 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.



Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.15 Financial assets

All purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.15.1 Classification and measurement of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

1.15.2. Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit and loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss.

1.15.3 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

1.15.4. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

1.15.5. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.16. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

1.16.1. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

1.16.2. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



1.16.3. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

1.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.18. Leases

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, the Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.19. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.20. Earnings Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

1.21. Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

1.22. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Cashflow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).



When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

1.23. Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest INR lakhs as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

1.24. New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.”

1.25. New standards or amendments issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

2. Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 13: Provision for employee benefits
- Note 12 & 29: Provision for litigations
- Note 12: Provision for warranty
- Note 11(b): Provision for purchase price revision
- Note 35: Assessment of impact of COVID-19
- Note 5(e) and 11(c) - Derivative Financial Assets and Liabilities

Management’s assessment of the impact (if any) arising on individual financial statement line items on account of the COVID-19 pandemic situation has been disclosed in the related notes

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

3. Property, plant and equipment

| Particulars | Freehold land | Freehold buildings | Furniture and fittings | Plant and machinery | Computers | Vehicles | Total | Capital Work-in-progress |
|-----------------------------------------------------|---------------|--------------------|------------------------|---------------------|--------------|-------------|------------------|--------------------------|
| Year ended 31 March 2021 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 15.03 | 1,379.62 | 103.95 | 8,530.53 | 67.82 | 9.64 | 10,106.59 | 19.31 |
| Additions | - | - | - | 155.69 | 1.12 | - | 156.81 | 222.47 |
| Disposals / Adjustments | - | - | - | (32.92) | - | - | (32.92) | (156.81) |
| Gross carrying amount as at 31 March 2021 | 15.03 | 1,379.62 | 103.95 | 8,653.30 | 68.94 | 9.64 | 10,230.48 | 84.97 |
| Accumulated Depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 300.21 | 38.89 | 3,081.30 | 33.82 | 0.49 | 3,454.71 | - |
| Depreciation charge during the year | - | 61.04 | 9.66 | 741.73 | 7.24 | 1.67 | 821.34 | - |
| Disposals | - | - | - | (30.94) | - | - | (30.94) | - |
| Accumulated depreciation as at 31 March 2021 | - | 361.25 | 48.55 | 3,792.09 | 41.06 | 2.16 | 4,245.11 | - |
| Net carrying amount as at 31 March 2021 | 15.03 | 1,018.37 | 55.40 | 4,861.21 | 27.88 | 7.48 | 5,985.37 | 84.97 |
| Year ended 31 March 2022 | | | | | | | | |
| Gross carrying amount | | | | | | | | |
| Opening gross carrying amount | 15.03 | 1,379.62 | 103.95 | 8,653.30 | 68.94 | 9.64 | 10,230.48 | 84.97 |
| Additions | - | 14.25 | 11.20 | 817.50 | 9.25 | - | 852.20 | 936.99 |
| Disposals / Adjustments | - | - | - | (40.88) | (2.15) | - | (43.03) | (876.96) |
| Gross carrying amount as at 31 March 2022 | 15.03 | 1,393.87 | 115.15 | 9,429.92 | 76.04 | 9.64 | 11,039.65 | 145.00 |
| Accumulated Depreciation | | | | | | | | |
| Opening accumulated depreciation | - | 361.25 | 48.55 | 3,792.09 | 41.06 | 2.16 | 4,245.11 | - |
| Depreciation charge during the year | - | 60.83 | 10.25 | 936.30 | 5.71 | 1.75 | 1,014.84 | - |
| Disposals | - | - | - | (38.08) | (2.04) | - | (40.12) | - |
| Accumulated depreciation as at 31 March 2022 | - | 422.08 | 58.80 | 4,690.31 | 44.73 | 3.91 | 5,219.83 | - |
| Net carrying amount as at 31 March 2022 | 15.03 | 971.79 | 56.35 | 4,739.61 | 31.31 | 5.73 | 5,819.82 | 145.00 |

Capital work-in-progress

Aging of CWIP as on 31 March 2021

| Project in Progress | Amount in Capital work in progress | | | Total |
|---------------------|------------------------------------|-----------|-------------------|-------|
| | Less than one year | 2-3 years | More than 3 years | |
| | 84.97 | - | - | 84.97 |

Aging of CWIP as on 31 March 2022

| Project in Progress | Amount in Capital work in progress | | | Total |
|---------------------|------------------------------------|-----------|-------------------|--------|
| | Less than one year | 2-3 years | More than 3 years | |
| | 145.00 | - | - | 145.00 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



3 (a) Property, plant and equipment

(i) Property, Plant and equipment pledged as security

Refer note 32 for information on property, plant and equipment pledged as security by the company.

(ii) Contractual obligations

Refer note 30(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment

(iii) Capital work-in-progress

Capital work-in-progress mainly comprises plant and machinery to be installed and certain acquired software. There are no projects in progress which have experienced time/cost overrun as at the balance sheet date.

3 (b) Leases

(i) Amounts recognised in the balance sheet

(a) Right-of-use asset

The Balance Sheet shows the following amounts relating to leases:

| Particulars | Leased building | Leased vehicles | Total |
|------------------------------------------------------|-----------------|-----------------|---------------|
| Year ended 31 March 2021 | | | |
| Right of use assets | | | |
| <i>Gross Block</i> | | | |
| Opening | 91.36 | 130.65 | 222.02 |
| Additions during the year | - | - | - |
| Deletions during the year | - | - | - |
| | 91.36 | 130.65 | 222.02 |
| <i>Amortisation</i> | | | |
| Opening | 33.22 | 74.42 | 107.65 |
| Amortisation for the year | 24.92 | 37.30 | 62.22 |
| Deletions during the year | - | - | - |
| | 58.14 | 111.72 | 169.87 |
| Closing Balance during the year 31 March 2021 | 33.22 | 18.93 | 52.15 |
| Year ended 31 March 2022 | | | |
| Right of use assets | | | |
| <i>Gross Block</i> | | | |
| Opening | 91.36 | 130.65 | 222.02 |
| Additions during the year | - | - | - |
| Deletions during the year | - | - | - |
| | 91.36 | 130.65 | 222.02 |
| Opening | 58.14 | 111.72 | 169.87 |
| Amortisation for the year | 26.33 | 18.19 | 44.52 |
| Deletions during the year | - | - | - |
| | 84.47 | 129.91 | 214.39 |
| Closing Balance during the year 31 March 2022 | 6.89 | 0.74 | 7.63 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

The company has generally leased warehouses, buildings, vehicles and machinery, the lease period, ranging upto 5 years, lease terms included for workings is the non-cancellable period and expected lease term.

Certain vehicle contracts contains variable lease payments based on the usage by the Company.

Company has exercised the option of short term leases, specifically for building and machinery contracts where the original contract term is 12 months or less.

Extension and termination options

Extension and termination options are included where the management believes that it can be used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

Critical judgements in determining the lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The following factors are normally the most relevant:"

- If there are significant penalties to terminate or not extend, the Company is typically reasonably certain to extend.
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset."

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occur, which affects this assessment, and that is within the control of the lessee.

(b) Lease Liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|-------------|------------------------|------------------------|
| Non-current | 4.30 | 12.18 |
| Current | 7.89 | 44.52 |
| Total | 12.19 | 56.71 |

(ii) Amounts recognised in the profit or loss

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Expenses relating to short-term leases are included in: | | |
| Rent including lease rentals | 26.49 | 18.99 |
| Packing and carriage outwards | 42.23 | 25.75 |
| Miscellaneous Expenses | 101.98 | 72.79 |
| Expense relating to variable lease payments not included in the measurement of lease liabilities: | | |
| Miscellaneous Expenses | 194.43 | 107.19 |

Note: The total cash outflow for leases including above for the year ended March 31, 2022 was INR 412.72 (March 31, 2021 - INR 295.27)

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



4. Intangible assets

| Particulars | Computer Software - Acquired |
|-----------------------------------------------------|------------------------------|
| Year ended 31 March 2021 | |
| Gross carrying amount | |
| Opening gross carrying amount | 110.03 |
| Additions | - |
| Gross carrying amount as at 31 March 2021 | 110.03 |
| Accumulated Amortisation | |
| Opening accumulated depreciation | 74.30 |
| Amortisation charge for the year | 19.03 |
| Accumulated amortisation as at 31 March 2021 | 93.33 |
| Net carrying amount | 16.70 |
| Year ended 31 March 2022 | |
| Gross carrying amount | |
| Opening gross carrying amount | 110.03 |
| Additions | 24.76 |
| Gross carrying amount as at 31 March 2022 | 134.79 |
| Accumulated Amortisation | |
| Opening accumulated depreciation | 93.33 |
| Amortisation charge for the year | 5.74 |
| Accumulated amortisation as at 31 March 2022 | 99.07 |
| Net carrying amount | 35.72 |

5. Financial assets

5 (a) Non Current Investment

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| Investments in bonds | | |
| Unquoted, fully paid | | |
| 500 units of NHA1 bonds at face value of INR 10,000 (31 March 2021: Nil) | 50.00 | - |
| Total non-current investments | 50.00 | - |
| Aggregate amount of quoted investments | - | - |
| Aggregate market value of quoted investments | - | - |
| Aggregate amount of unquoted investments | 50.00 | - |
| Aggregate amount of impairment in the value of investments | - | - |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

5(b) Trade receivables

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------|------------------------|------------------------|
| Trade receivables | 17,394.43 | 14,493.42 |
| Total receivables | 17,394.43 | 14,493.42 |
| Current portion | 17,394.43 | 14,493.42 |
| Non-current portion | - | - |

Break-up of security details

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------------------------------------|------------------------|------------------------|
| Trade receivables considered good - Secured | - | - |
| Trade receivables considered good - Unsecured | 17,394.43 | 14,493.42 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables credit impaired | - | - |
| Total trade receivables | 17,394.43 | 14,493.42 |

Refer Note 28 for receivables from related parties.

Transferred receivables

The carrying amounts of the trade receivables includes INR 2,538.29 (31 March 2021: INR 5,864.25) those which are subject to bills discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the bills discounting in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continuous to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under this agreement is presented as borrowing. Refer note 11(a).

Aging of trade receivables as at 31 March 2022

| | Outstanding for following periods from the due date | | | | | |
|------------------------------------------------|-----------------------------------------------------|-----------|-----------------------|----------------------|---------------------|-----------|
| | Unbilled | Not due | Less than 6 months | 6 months to 1year | More than 1 year | Total |
| Undisputed trade receivables | | | | | | |
| considered good | - | 15,716.33 | 1,656.24 | 18.24 | 3.62 | 17,394.43 |
| which have significant increase in credit risk | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - |
| Disputed trade receivables | | | | | | |
| considered good | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - |
| Total | - | 15,716.33 | 1,656.24 | 18.24 | 3.62 | 17,394.43 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



Aging of trade receivables as at 31 March 2021

| | Outstanding for following periods from the due date | | | | | |
|------------------------------------------------|-----------------------------------------------------|-----------|--------------------|--------------------|------------------|-----------|
| | Unbilled | Not due | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
| Undisputed trade receivables | | | | | | |
| considered good | - | 11,877.95 | 2,595.57 | 4.80 | 15.10 | 14,493.42 |
| which have significant increase in credit risk | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - |
| Disputed trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - |
| credit impaired | - | - | - | - | - | - |
| Total | - | 11,877.95 | 2,595.57 | 4.80 | 15.10 | 14,493.42 |

5(c) Loans

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|----------------------------|---------------------|-------------|---------------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Unsecured, considered good | | | | |
| Loan to employees | 56.77 | - | 59.19 | - |
| Total loans | 56.77 | - | 59.19 | - |

5(d) Cash and cash equivalents

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------------------|---------------------|---------------------|
| Cash on hand | 0.27 | 0.22 |
| Balances with banks | | |
| - in current accounts | 1,671.69 | 3,231.56 |
| Total cash and cash equivalents | 1,671.96 | 3,231.78 |

5(d) Bank balances other than above

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------------|---------------------|---------------------|
| Other bank balances | | |
| - unpaid dividend accounts | 15.82 | 16.55 |
| Total bank balances other than above | 15.82 | 16.55 |

5(e) Other financial assets

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|-------------------------------------|---------------------|-------------|---------------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Security deposits | - | 291.83 | - | 239.32 |
| Derivative Financial Asset | 289.76 | 468.38 | 7.10 | - |
| Total other financial assets | 289.76 | 760.21 | 7.10 | 239.32 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

6. Other non-current assets

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|
| Advance for capital goods | 64.38 | 50.47 |
| Total other non-current assets | 64.38 | 50.47 |

7. Inventories (Net of Provisions)

| | | |
|--------------------------------------------|------------------|-----------------|
| Raw materials and components | 4,956.49 | 3,659.03 |
| Work-in-progress | 1,157.88 | 1,104.91 |
| Tools (including in progress) | 625.64 | 718.89 |
| Finished Goods (includes goods-in-transit) | 3,256.87 | 3,410.88 |
| Stores and spares | 300.01 | 240.63 |
| Loose tools | 78.76 | 102.18 |
| Total inventories | 10,375.65 | 9,236.52 |

Based on the current orders in hand, the expected surge in demand for company's products and the historical/expected gross margins, the Company is of the view that there is no significant negative impact due to the COVID-19 pandemic on the carrying value of the inventory.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------------------------------|------------------------|------------------------|
| 8 (a). Current Tax assets | | |
| Opening Balance | 256.36 | 221.14 |
| Add: Tax paid / (refund) during the year | 28.19 | 35.22 |
| Less: Tax payable during the year | - | - |
| Closing Balance | 284.55 | 256.36 |
| 8 (b). Current Tax liabilities | | |
| Opening Balance | 108.64 | 91.62 |
| Add: Current tax payable for the year | 1,210.54 | 103.41 |
| Less: Taxes paid during the year | (1,226.70) | (86.39) |
| Closing Balance | 92.48 | 108.64 |
| 9. Other current assets | | |
| Advance to vendors | 57.98 | 26.24 |
| Prepaid expenses | 28.06 | 21.45 |
| Other advances including balance with government authorities | 143.26 | 287.99 |
| Total other current assets | 229.30 | 335.68 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



10 (a) Equity share capital

| Particulars | Number of shares | Amount |
|---------------------------------|--------------------|-----------------|
| Authorised Equity Share Capital | | |
| As at 1 April 2020 | 2,60,00,000 | 2,600.00 |
| Increase during the year | - | - |
| As at 31 March 2021 | 2,60,00,000 | 2,600.00 |
| Increase during the year | - | - |
| As at 31st March 2022 | 2,60,00,000 | 2,600.00 |

(i) Movements in equity share capital

| Particulars | Number of shares | Amount |
|----------------------------|--------------------|-----------------|
| As at 1 April 2020 | | |
| - Subscribed and paid up | 2,54,90,646 | 2,548.88 |
| As at 31 March 2021 | 2,54,90,646 | 2,548.88 |
| As at 1 April 2021 | | |
| - Subscribed and paid up | 2,54,90,646 | 2548.88 |
| As at 31 March 2022 | 2,54,90,646 | 2,548.88 |

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote, either in person or by proxy, per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

(ii) Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------------------------------|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Sundaram Finance Holdings Limited | 98,91,754 | 38.82% | 98,91,754 | 38.82% |
| Wheels India Limited | 24,24,661 | 9.51% | 24,24,661 | 9.51% |
| Dana Global Products Inc. | 1,23,16,415 | 48.33% | 1,23,16,415 | 48.33% |

(iii) Details of shareholding of promoters

| Name of the Company | As at 31 March 2022 | | | As at 31 March 2021 | | |
|-----------------------------------|---------------------|-----------------------------|-----------------------------|---------------------|-----------------------------|-----------------------------|
| | Number of shares | % of total number of shares | % of change during the year | Number of shares | % of total number of shares | % of change during the year |
| Sundaram Finance Holdings Limited | 98,91,754 | 38.82% | - | 98,91,754 | 38.82% | - |
| Wheels India Limited | 24,24,661 | 9.51% | - | 24,24,661 | 9.51% | - |
| Dana Global Products Inc. | 1,23,16,415 | 48.33% | - | 1,23,16,415 | 48.33% | - |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

10(b) Reserves and surplus

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------------|------------------------|------------------------|
| General Reserve | 78.50 | 78.50 |
| Retained Earnings | 14,345.61 | 10,968.47 |
| Total reserves and surplus | 14,424.11 | 11,046.97 |
| (i) General reserve | | |
| Opening balance | 78.50 | 78.50 |
| Appropriations during the year | - | - |
| Closing balance | 78.50 | 78.50 |
| (ii) Retained earnings | 10,968.47 | 11,057.33 |
| Net profit for the year | 3,383.16 | 296.07 |
| Other Comprehensive income | (6.02) | (2.66) |
| Dividend | - | (382.27) |
| Closing balance | 14,345.61 | 10,968.47 |
| 10 (c) Other Reserves | | |
| Cash flow hedging reserve | | |
| Opening balance | (43.75) | - |
| Change in fair value of hedging instruments | 814.83 | (58.47) |
| Deferred tax | (205.09) | 14.72 |
| Reclassification to profit or loss | 1.78 | - |
| Deferred tax | (0.45) | - |
| Closing balance | 567.32 | (43.75) |

Nature and purpose of reserves

Retained earnings

Represents accumulated profits after distribution of dividend. These reserves are available for distribution.

Securities premium

It is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Act.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 25(D).

11(a). Current borrowings

| Particulars | Maturity date | Terms of repayment | Coupon / Interest rate | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------------|-------------------|-----------------------|---------------------------|------------------------|------------------------|
| Loan repayable on demand | | | | | |
| Secured | | | | | |
| From Banks | | | | | |
| Packing credit in foreign currency facility | Payable on demand | Payable on demand | LIBOR+50 bps | 3,265.61 | 336.70 |
| Packing credit in Indian rupee | Payable on demand | Payable on demand | 1.60% | - | 1,500.00 |
| Bills discounted with Banks | | | | - | 3,030.21 |
| Unsecured | | | | | |
| From Banks | | | | | |
| Bills discounted with Banks | Payable on demand | Payable on demand | NA | 2,538.29 | 2,834.04 |
| Total current borrowings | | | | 5,803.90 | 7,700.95 |

Note: The carrying amounts of financial and non-financial assets pledged as security for current borrowings are disclosed in note 32.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



Net Debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------|------------------------|------------------------|
| Cash and bank balances | 1,671.96 | 3,231.78 |
| Current borrowing | (5,803.90) | (7,700.95) |
| Lease liabilities | (12.19) | (56.70) |
| Net Debt | (4,144.13) | (4,525.87) |

| Particulars | Other assets | | Liabilities from financing activities | |
|-------------------------------------|----------------------------|-----------------------|---------------------------------------|-------------------|
| | Cash and bank overdraft | Current borrowings | Lease liabilities | Total |
| Net debt as at 1 April 2020 | 4,019.63 | (4,700.47) | (118.92) | (799.76) |
| Interest expense | - | (55.14) | (8.35) | (63.49) |
| Cash flows | (787.85) | (2,963.69) | 70.57 | (3,680.97) |
| Forex exchange adjustments | - | 18.35 | - | 18.35 |
| Net debt as at 31 March 2021 | 3,231.78 | (7,700.95) | (56.70) | (4,525.87) |
| Cash flows | (1,559.82) | 1,937.29 | 47.57 | 425.04 |
| Interest expense | - | (43.51) | (3.06) | (46.57) |
| Forex exchange adjustments | - | 3.27 | - | 3.27 |
| Net debt as at 31 March 2022 | 1,671.96 | (5,803.90) | (12.19) | (4,144.13) |

Note: The carrying amounts of financial and non-financial assets pledged as security for current borrowings are disclosed in note 32

11(b). Trade Payables

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------------------------------------------------------------|------------------------|------------------------|
| Current | | |
| (a) Total outstanding dues to micro enterprises and small enterprises (Refer note 33) and | 963.07 | 310.38 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| (i) Acceptances | - | - |
| (ii) Others | 9,371.63 | 8,774.74 |
| Total trade payables | 10,334.70 | 9,085.12 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Aging of trade payables as at 31 March 2022

| Particulars | Other assets Liabilities from financing activities | | | | | Total |
|----------------------------------------|----------------------------------------------------|------------------|--------------------|--------------|-------------------|------------------|
| | Unbilled | Not due | Less than one year | 1 to 2 years | More than 2 years | |
| Undisputed trade payables | | | | | | |
| Micro and small enterprises | - | 963.07 | - | - | - | 963.07 |
| Other than micro and small enterprises | - | 9,371.63 | - | - | - | 9,371.63 |
| Disputed trade payables | - | - | - | - | - | - |
| Micro and small enterprises | - | - | - | - | - | - |
| Other than micro and small enterprises | - | - | - | - | - | - |
| Total | - | 10,334.70 | - | - | - | 10,334.70 |

Aging of trade payables as at 31 March 2021

| Particulars | Other assets Liabilities from financing activities | | | | | Total |
|----------------------------------------|----------------------------------------------------|-----------------|--------------------|--------------|-------------------|-----------------|
| | Unbilled | Not due | Less than one year | 1 to 2 years | More than 2 years | |
| Undisputed trade payables | | | | | | |
| Micro and small enterprises | - | 310.38 | - | - | - | 310.38 |
| Other than micro and small enterprises | - | 8,396.50 | 378.24 | - | - | 8,774.74 |
| Disputed trade payables | - | - | - | - | - | - |
| Micro and small enterprises | - | - | - | - | - | - |
| Other than micro and small enterprises | - | - | - | - | - | - |
| Total | - | 8,706.88 | 378.24 | - | - | 9,085.12 |

11(c). Other financial liabilities

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------------------------|---------------------|-------------|---------------------|--------------|
| | Current | Non-current | Current | Non-current |
| Interest accrued and due on borrowings | 1.97 | - | 0.65 | - |
| Capital creditors | 94.48 | - | 120.77 | - |
| Due to director | 22.76 | - | 1.45 | - |
| Due to employees | 386.63 | - | 523.07 | - |
| Other payables | - | - | 182.78 | - |
| Derivative Financial Liabilities | - | - | 6.50 | 59.07 |
| Total other financial liabilities | 505.84 | - | 835.22 | 59.07 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



12. Provisions

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------------------|---------------------|---------------|---------------------|---------------|
| | Current | Non-current | Current | Non-current |
| Provision for litigations/disputes | 19.39 | - | 19.39 | - |
| Provision for warranty | 426.60 | 504.69 | 334.24 | 482.83 |
| Total Provisions | 445.99 | 504.69 | 353.63 | 482.83 |

(i) Movements in provisions

Movements in each class of provisions during the financial year, are set out below:

| Particulars | Litigations / disputes | Warranty |
|-----------------------------------|------------------------|---------------|
| As at 1 April 2020 | 19.39 | 552.07 |
| Charged to profit or loss | | |
| - additional provision recognised | - | 280.99 |
| Amount used during the year | - | (15.99) |
| As at 31 March 2021 | 19.39 | 817.07 |
| As at 1 April 2021 | 19.39 | 817.07 |
| Charged to profit or loss | | |
| - additional provision recognised | - | 266.54 |
| Amount used during the year | - | (152.32) |
| As at 31 March 2022 | 19.39 | 931.29 |

13. Employee benefit obligations

| | As at 31 March 2022 | | | As at 31 March 2021 | | |
|-------------------------------------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
| | Current | Non-Current | Total | Current | Non-Current | Total |
| Leave obligations | 71.77 | 242.02 | 313.79 | 45.98 | 233.93 | 279.91 |
| Gratuity | 74.95 | - | 74.95 | 58.84 | 16.26 | 75.10 |
| Total employee benefit obligations | 146.72 | 242.02 | 388.74 | 104.82 | 250.19 | 355.01 |

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The classification of leave obligation as current and non-current is based on the amounts determined by actuary.

I. Post employment benefit obligations

(i) Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised fund in India.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% basic salary as per the regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 272.64 (31 March 2021 INR 225.34).

(a) Reconciliation of defined benefit plan

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|-------------------------------------------------------|-----------------------------|---------------------------|--------------|
| 1 April 2020 | 967.68 | (823.06) | 144.62 |
| Current service cost | 70.13 | - | 70.13 |
| Interest expense / (income) | 67.23 | (62.16) | 5.07 |
| Total amount recognised in profit or loss | 137.36 | (62.16) | 75.20 |
| Remeasurements | | | |
| Actuarial (gain) / losses | (19.29) | 22.84 | 3.55 |
| Total amount recognised in other comprehensive income | (19.29) | 22.84 | 3.55 |
| Employer contributions/premium paid | - | (148.27) | (148.27) |
| Benefits payment | (58.13) | 58.13 | - |
| 31 March 2021 | 1,027.62 | (952.52) | 75.10 |
| 1 April 2021 | 1,027.62 | (952.52) | 75.10 |
| Current service cost | 64.19 | - | 64.19 |
| Interest expense / (income) | 73.69 | (70.96) | 2.73 |
| Total amount recognised in profit or loss | 137.88 | (70.96) | 66.92 |
| Remesurements | | | |
| Actuarial (gain) / losses | 16.07 | (8.28) | 7.79 |
| Total amount recognised in other comprehensive income | 16.07 | (8.28) | 7.79 |
| Employer contributions/premium paid | - | (74.86) | (74.86) |
| Benefits payment | (31.24) | 31.24 | 0.00 |
| 31 March 2022 | 1,150.33 | (1,075.38) | 74.95 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------------------------------------------------|---------------|---------------|
| Major category of Plan Assets as a % of total Plan Assets | | |
| Fund managed by LIC | 100% | 100% |
| The net liability disclosed above relates to funded and unfunded plans are as follows: | | |
| Present value of funded obligations | 1,150.33 | 1,027.62 |
| Fair value of plan assets | (1,075.38) | (952.52) |
| Deficit of gratuity plan | 74.95 | 75.10 |
| The significant actuarial assumptions were as follows: | | |
| Discount rate | 7.24% | 7.16% |
| Expected return on plan assets | 7.24% | 7.16% |
| Salary growth rate | 5.50% | 5.50% |
| Attrition rate | 5.00% | 5.00% |

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

| Particulars | Change in assumption | Impact on defined benefit obligation | | | |
|--------------------|----------------------|--------------------------------------|-------|------------------------|-------|
| | | Increase in assumption | | Decrease in assumption | |
| | | 31 March 2022 | | 31 March 2022 | |
| Discount rate | 100 base points | Decrease by | 6.59% | Increase by | 7.43% |
| Salary growth rate | 100 base points | Increase by | 7.28% | Decrease by | 6.56% |
| Attrition rate | 100 base points | Increase by | 0.46% | Decrease by | 0.49% |
| Mortality rate | 10% up | Increase by | 0.01% | | |

| Particulars | Change in assumption | Impact on defined benefit obligation | | | |
|--------------------|----------------------|--------------------------------------|-------|------------------------|-------|
| | | Increase in assumption | | Decrease in assumption | |
| | | 31 March 2021 | | 31 March 2021 | |
| Discount rate | 100 base points | Decrease by | 7.74% | Increase by | 8.82% |
| Salary growth rate | 100 base points | Increase by | 8.82% | Decrease by | 7.86% |
| Attrition rate | 100 base points | Increase by | 0.51% | Decrease by | 0.55% |
| Mortality rate | 10% up | Increase by | 0.01% | | |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Expected contributions to post-employment benefit plans for the year ending 31st March 2023 are INR 75.18. The weighted average duration of the defined benefit obligation is 10.76 years (31 March 2021: 11.81 years). The following payments are expected contribution to the defined benefit plan in future years.

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------|---------------|---------------|
| Within next 12 months (next annual reporting period) | 98.85 | 44.53 |
| Between 2 to 5 years | 420.68 | 299.11 |
| Beyond 5 years | 1,598.61 | 1,739.60 |
| Total | 2,118.14 | 2,083.24 |

Risk exposure

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Change in bond yields

A decrease in bond yields will create plan liabilities although this will be partially offset by an increase in the value of plan's bond holdings.

14. Deferred tax assets / liabilities (Net)

The balance comprises temporary differences attributable to:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Property, Plant and equipment and Intangibles - Depreciation | 261.79 | 324.05 |
| Right-of-use assets | 1.92 | 13.13 |
| Lease liabilities | (3.07) | (14.27) |
| Others - MTM loss on cash flow hedge | 190.82 | (14.72) |
| Others - expenses to be allowed on payment basis as per the provisions of Income Tax Act, 1961 | (104.27) | (88.62) |
| Total Deferred Tax | 347.19 | 219.57 |

Movement in deferred tax liabilities

| Particulars | Forward contracts - MTM | Property, Plant and equipment and Intangibles | Other Items |
|--------------------------------|-------------------------|--------------------------------------------------|-----------------|
| As at 1 April 2020 | (41.53) | 330.05 | (58.20) |
| Charged | | | |
| -to profit or loss | 41.53 | (6.00) | (32.46) |
| -to other comprehensive income | (14.72) | - | 0.89 |
| As at 31 March 2021 | (14.72) | 324.05 | (89.77) |
| Charged | | | |
| -to profit or loss | - | (62.26) | (17.66) |
| -to other comprehensive income | 205.54 | - | 2.02 |
| As at 31 March 2022 | 190.82 | 261.79 | (105.41) |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



15. Other current liabilities

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------------------|------------------------|------------------------|
| Deferred revenue | 940.69 | 1,017.15 |
| Unclaimed dividend | 15.82 | 16.55 |
| Statutory dues | 100.68 | 112.33 |
| Trade deposits | 24.47 | 24.47 |
| Advance from customers | 143.31 | 86.24 |
| Total other current liabilities | 1,224.97 | 1,256.74 |

16. Revenue from operations

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| Sale of products | 53,308.19 | 28,477.91 |
| Sale of services | 265.47 | 63.85 |
| Other operating revenue | 3,382.66 | 2,063.02 |
| Total revenue | 56,956.32 | 30,604.78 |

16.1 Disaggregated revenue

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------------------------------------|-----------------------------|-----------------------------|
| A. Type of goods or service | | |
| 1. Sale of products | 53,308.19 | 28,477.91 |
| 2. Sales of services | 265.47 | 63.85 |
| 3. Other operating revenue | 3,382.66 | 2,063.02 |
| B. Timing of recognition of revenue | | |
| 1. At a point in time | 56,520.24 | 30,346.00 |
| 2. Over time | 436.08 | 258.78 |

16.2 The operations of the Company relate to only one segment viz., automotive components and tools. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

16.3 Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| Contract liabilities at the beginning of the period | 1,017.15 | 999.51 |
| Add / (Less) : | | |
| Consideration received during the year as advance | 94.15 | 212.57 |
| Revenue recognized from contract liability | 170.61 | 194.93 |
| Contract liabilities at the end of the period | 940.69 | 1,017.15 |

Payments are received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

16.4. Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

16.5 Reconciliation of revenue with contract price

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| Contract price | 51,506.24 | 28,392.16 |
| Adjustments : | | |
| Sales Price adjustments (net) | 2,067.42 | 149.60 |
| Revenue from operations as per Statement of Profit and loss | 53,573.66 | 28,541.76 |

17. Other income and other gains/(losses)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| (a) Other income | | |
| Interest income on bank deposits | 27.69 | 180.51 |
| Interest income on advances | 0.76 | 0.52 |
| Lease rental | 0.24 | 0.26 |
| Liabilities no longer required written back | - | 0.02 |
| Interest income on bonds | 1.51 | - |
| Total other income | 30.20 | 181.31 |
| (b) Other gains / (losses) | | |
| Net gain on disposal of property, plant and equipment | 2.19 | 46.98 |
| Net foreign exchange gain | 248.27 | 368.60 |
| Total other gains/(losses) | 250.46 | 415.58 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 18(a) Cost of materials consumed | | |
| Raw materials at the beginning of the year | 3,659.03 | 2,020.43 |
| Add: Purchases | 37,556.00 | 23,250.51 |
| Less: Raw materials at the end of the year | 4,956.49 | 3,659.03 |
| Total cost of material consumed | 36,258.54 | 21,611.90 |
| 18(b). Changes in inventories of Work-in-progress and Finished Goods | | |
| Opening Balance | | |
| Work-in-progress | 1,104.91 | 538.78 |
| Finished goods | 3,410.88 | 1,390.28 |
| Total opening balance | 4,515.79 | 1,929.06 |
| Closing balance | | |
| Work-in-progress | 1,157.88 | 1,104.91 |
| Finished goods | 3,256.87 | 3,410.88 |
| Total closing balance | 4,414.75 | 4,515.79 |
| Total changes in inventories of work-in-progress and finished goods | 101.04 | (2,586.73) |
| 19. Employee benefit expenses | | |
| Salaries, wages and bonus | 5,394.31 | 4,677.29 |
| Contribution to provident fund and other funds | 272.64 | 225.34 |
| Gratuity (refer note 13) | 66.92 | 75.20 |
| Staff welfare expenses | 624.77 | 388.38 |
| Total employee benefit expenses | 6,358.64 | 5,366.21 |
| 20. Depreciation and amortisation expense | | |
| Depreciation of Property, plant and equipment | 1,014.84 | 821.34 |
| Amortisation of right-of-use assets | 44.52 | 62.22 |
| Amortisation of Intangible assets | 5.74 | 19.03 |
| Total depreciation and amortisation expense | 1,065.10 | 902.59 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 21. Other expenses | | |
| Consumption of stores, spares and tools | 1,446.12 | 906.65 |
| Power and fuel | 1,466.31 | 1,251.40 |
| Rent including lease rentals | 26.49 | 18.99 |
| Rates and taxes excluding tax on income | 68.37 | 25.54 |
| Repairs | | |
| Building | 194.69 | 148.32 |
| Plant & machinery | 1,346.87 | 420.75 |
| Others | 90.21 | 46.32 |
| Insurance | 55.86 | 74.52 |
| Packing and carriage outwards | 3,211.19 | 1,784.89 |
| Directors' sitting fees | 5.75 | 4.50 |
| Payments to auditors (refer note 21(a) below) | 30.43 | 24.10 |
| Expenditure on Corporate Social Responsibilities (Refer note 21(b) below) | 46.66 | 134.10 |
| Miscellaneous expenses | 900.33 | 599.78 |
| Total other expenses | 8,889.28 | 5,439.86 |
| 21(a) Details of payments to auditors | | |
| As auditor: | | |
| Audit fee | 25.00 | 15.00 |
| Other services | 5.00 | 8.50 |
| Reimbursement of expenses | 0.43 | 0.60 |
| Total payments to auditors | 30.43 | 24.10 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 21(b) Corporate Social Responsibility expenditure | | |
| Disclosures in relation to corporate social responsibility expenditure | | |
| Contribution towards purchase of Oxygen Concentrators to Govt. of Tamil Nadu | 24.66 | - |
| Contribution to Sundaram Medical Foundation | 15.00 | 10.00 |
| Contribution to Single Teachers School | 5.00 | 5.00 |
| Contribution to Government School for boys | 2.00 | 4.10 |
| Contribution to PM Cares Fund | - | 50.00 |
| Contribution to CMRPF | - | 50.00 |
| Contribution to Crafts Council of India | - | 15.00 |
| Accrual towards unspent obligations in relation to : | | |
| Ongoing Project | - | - |
| Other than ongoing Projects | - | - |
| Total | 46.66 | 134.10 |
| Amount required to be spent as per Section 135 of the Act | 46.55 | 67.34 |
| Amount spent during the year on: | | |
| Construction/ acquisition of an asset | - | - |
| On Purposes other than above | 46.66 | 134.10 |
| Details of CSR expenditure under section 135(5) in respect of other than ongoing projects | | |
| Balance unspent as at April 1, 2021 | - | - |
| Amount deposited in specified fund of Schedule VII of the Act within 6 months | 46.55 | - |
| Amount required to be spent during the year | 46.66 | - |
| Amount spent during the year | | |
| Balance unspent as at March 31, 2022 | - | - |
| Details of excess CSR expenditure under Section 135 (5) of the Act | | |
| Balance excess spent as at April 1, 2021 | - | - |
| Amount required to be spent during the year | 46.55 | - |
| Amount spent during the year | 46.66 | - |
| Balance excess spent as at March 31, 2022 | 0.11 | - |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 22. Finance costs | | |
| Interest expense | 28.51 | 40.14 |
| Other borrowing costs | 15.00 | 15.00 |
| Interest on lease liabilities | 3.07 | 8.35 |
| Total finance cost | 46.58 | 63.49 |
| 23. Income tax expense | | |
| Current tax on profits for the year | 1,212.56 | 104.30 |
| Decrease in deferred tax liabilities | (77.92) | 3.97 |
| Total income tax expenses | 1,134.64 | 108.27 |
| (a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: | | |
| Profit before income tax expenses | 4,517.80 | 404.34 |
| Tax at the Indian tax rate of 25.17% (Previous year 25.17%)* | 1,137.13 | 101.77 |
| Tax effects of amounts which are not deductible (taxable) in calculating taxable income: | | |
| - Corporate social responsibility expenditure | 11.74 | 21.14 |
| - Income not chargeable to tax | - | (11.49) |
| - Other items | (14.23) | (3.15) |
| Income tax expenses | 1,134.64 | 108.27 |

* The Company opted to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and remeasured its Deferred Tax Liabilities (Net) basis at the rate prescribed in the said section. The deferred tax impact of this change has been recognised fully in the Statement of Profit and Loss.


24. Fair value measurements
Financial instruments by category and hierarchy

| Particulars | Hierarchy | 31 March 2022 | | | 31 March 2021 | | |
|--------------------------------|-----------------|---------------|--------|----------------|---------------|-------|----------------|
| | | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| Financial Assets | | | | | | | |
| Loans | Level 3 | - | - | 56.77 | - | - | 59.19 |
| Investments | Level 2 | - | - | 50.00 | - | - | - |
| Trade receivables | Level 3 | - | - | 17,394.43 | - | - | 14,493.42 |
| Cash and cash equivalents | Level 3 | - | - | 1,671.96 | - | - | 3,231.78 |
| Bank balances other than above | Level 3 | - | - | 15.82 | - | - | 16.55 |
| Other financial assets | Level 2 | - | 758.14 | 291.83 | - | 7.10 | 239.32 |
| Total | | - | 758.14 | 19,480.81 | - | 7.10 | 18,040.26 |
| Financial Liabilities | | | | | | | |
| Borrowings | Level 3 | - | - | 5,803.90 | - | - | 7,700.95 |
| Trade payables | Level 3 | - | - | 10,334.70 | - | - | 9,085.12 |
| Other financial liabilities | Level 2/Level 3 | - | - | 505.84 | - | 65.57 | 828.72 |
| Total | | - | - | 16,644.44 | - | 65.57 | 17,614.79 |

(i) Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of equity instrument which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value Derivative instruments are at values determined by counter parties / banks using the market observable data.

The carrying amounts of trade receivable, cash and cash equivalents, other bank balances and other financial assets are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of short-term borrowings, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

There are no transfers between level 1, level 2 and level 3 during the year.

25. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge foreign currency risk exposures. Derivatives are exclusively for hedging purposes and not as trading or speculative instruments.

(A) Credit risk

Credit risk arises from cash and cash equivalents, deposits with bank and credit exposures to customers including outstanding receivables.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(i) Credit risk management

Credit risk on balances with bank is mitigated by depositing the funds with reputed private sector banks. For trade receivables, the primary source of credit risk is that these are unsecured. The Company's customers are established OEM's and there have been no defaults in the past. The Company sells the products to the customer only when the collection is certain. The credit risk is monitored on a on-going basis throughout the reporting period. Based on the credit assessment, the Company expects a low trend of defaults as at the balance sheet. An impairment analysis is performed at each reporting date on a individual basis for major clients. Any recoverability of receivables is provided for based on the assessment. Based on the credit risk assessment and historical trend, the company had no significant credit risk as at 31 March 2022.

The credit risk on liquid funds and derivative financial instruments is limited because the counter party are banks with high credit ratings.

Management believes that the COVID-19 pandemic situation would not materially affect recovery of trade receivables, as significant receivables are due from OEM's with no past defaults. The measures taken by the government to contain the spread of the pandemic might result in some of the collections being delayed, which has been factored in the estimate of expected credit losses.

(ii) Provision for expected credit loss

Year ended 31 March 2022

(a) Expected credit loss for trade receivables under simplified approach

| Ageing | Not due | 0 - 30 days past due | 31 - 60 days past due | 61 - 90 days past due | 91 - 180 days past due | 180 days to 365 days past due | More than 365 days past due | Total |
|---------------------------------------------------------|-----------|-------------------------|--------------------------|--------------------------|---------------------------|-------------------------------------|--------------------------------|-----------|
| Gross carrying amount | 15,716.33 | 1,531.74 | 124.50 | | | 18.24 | 3.62 | 17,394.43 |
| Loss provision specifically identified and provided | - | - | - | - | - | - | - | - |
| Carrying amount of trade receivable (net of impairment) | 15,716.33 | 1,531.74 | 124.50 | - | - | 18.24 | 3.62 | 17,394.43 |

Year ended 31 March 2021

(a) Expected credit loss for trade receivables under simplified approach

| Ageing | Not due | 0 - 30 days past due | 31 - 60 days past due | 61 - 90 days past due | 91 - 180 days past due | 180 days to 365 days past due | More than 365 days past due | Total |
|---------------------------------------------------------|-----------|-------------------------|--------------------------|--------------------------|---------------------------|-------------------------------------|-----------------------------------|-----------|
| Gross carrying amount | 11,877.95 | 1,804.56 | 682.63 | 82.95 | 25.43 | 4.80 | 15.10 | 14,493.42 |
| Loss provision specifically identified and provided | - | - | - | - | - | - | - | - |
| Carrying amount of trade receivable (net of impairment) | 11,877.95 | 1,804.56 | 682.63 | 82.95 | 25.43 | 4.80 | 15.10 | 14,493.42 |


(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The management monitors rolling forecasts of the Company's liquidity position (comprising undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company has the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------------------|-----------------|---------------|
| Floating rate | | |
| - Expiring within one year (Bank loan facility) | 5,734.39 | 1,133.09 |

(ii) Maturities of financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 and 2 years | Between 2 and 5 years | Total |
|-------------------------------------------------|--------------------|----------------------|--------------------|-----------------------|-----------------------|------------------|
| 31 March 2022 | | | | | | |
| Borrowings | 5,803.90 | - | - | - | - | 5,803.90 |
| Lease liabilities | 2.21 | 1.89 | 3.79 | 5.15 | 0.27 | 13.31 |
| Trade payables | 10,334.70 | - | - | - | - | 10,334.70 |
| Other financial liabilities: | | | | | | |
| - Interest accrued and due on borrowings | 1.97 | - | - | - | - | 1.97 |
| - Capital creditors | 94.48 | - | - | - | - | 94.48 |
| - Due to director | 22.76 | - | - | - | - | 22.76 |
| - Due to employees | 386.63 | - | - | - | - | 386.63 |
| Total non-derivative liabilities | 16,646.65 | 1.89 | 3.79 | 5.15 | 0.27 | 16,657.75 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

| Contractual maturities of financial liabilities | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 and 2 years | Between 2 and 5 years | Total |
|-------------------------------------------------|--------------------|----------------------|--------------------|-----------------------|-----------------------|----------|
| 31 March 2021 | | | | | | |
| Borrowings | 5,864.25 | 1,836.70 | - | - | - | 7,700.95 |
| Lease liabilities | 15.24 | 15.24 | 17.10 | 7.89 | 5.41 | 60.88 |
| Trade payables | 9,085.12 | - | - | - | - | 9,085.12 |
| Other financial liabilities: | | | | | | |
| - Interest accrued and due on borrowings | 0.65 | - | - | - | - | 0.65 |
| - Capital creditors | 120.77 | - | - | - | - | 120.77 |
| - Due to director | 1.45 | - | - | - | - | 1.45 |
| - Due to employees | 523.07 | - | - | - | - | 523.07 |
| Total non-derivative liabilities | 15610.55 | 1851.94 | 17.10 | 7.89 | 5.41 | 17492.89 |

(C) Market Risk

(i) Foreign currency risk

The Company's activities expose it to foreign exchange risk arising from foreign currency transactions in USD. The foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the functional currency(INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable transactions.

The Company's risk management policy is to hedge 100% of the forecasted foreign currency. In the month of March 2021, the Company has adopted hedge accounting. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Cash Flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

The Company also imports certain materials which are denominated significantly in USD which exposes it to foreign currency risk.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



(a) Foreign currency risk exposure:

The company's exposure of foreign currency risk in USD currency at the end of the reporting period is expressed in INR are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------|---------------|---------------|
| Financial assets | | |
| Trade receivable | 3,588.43 | 3,514.53 |
| Derivative assets: | | |
| Foreign exchange forward contracts: | | |
| Sell foreign currency | (34,030.32) | (52,105.17) |
| Net exposure to foreign currency risk (assets) | (30,441.89) | (48,590.64) |
| Financial liabilities | | |
| Foreign currency loan facility | 3,265.61 | 3,366.91 |
| Trade payables | 203.11 | 177.81 |
| Derivative liabilities: | | |
| Foreign exchange forward contracts | - | - |
| Buy foreign currency | - | - |
| Net exposure to foreign currency risk (liabilities) | 3,468.72 | 3,544.72 |

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | Impact on profit after tax | |
|--------------------------|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| USD sensitivity | | |
| INR/USD - Increase by 5% | 173.44 | 177.24 |
| INR/USD - Decrease by 5% | (173.44) | (177.24) |

(ii) Interest rate risk

(a) The exposure of Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------|---------------|---------------|
| Variable rate borrowing | 3,265.61 | 336.70 |
| Fixed rate borrowing | 2,538.29 | 7,364.25 |
| Total borrowing | 5,803.90 | 7,700.95 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Impact on profit after tax | |
|-----------------------------------------------|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Interest rates - increase by 50 basis points* | 16.33 | 1.68 |
| Interest rates - decrease by 50 basis points* | (16.33) | (1.68) |

*Holding all other variables constant

(D) Hedge Accounting

Derivative financial instruments

The Company holds derivative financial instruments like forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------------------------------------|----------------------|----------------------|
| Nominal value | 34,030.32 | 52,105.17 |
| Carrying amount of hedging instrument | 758.13 | (58.47) |
| Maturity date | Apr 2022 to Feb 2024 | May 2021 to Feb 2024 |
| Hedge ratio | 1:1 | 1:1 |
| Weighted average strike price/rate – USD/INR | 80.38 | 78.47 |
| Changes in the fair value of hedging instrument | 816.61 | (58.47) |
| Change in the value of hedged item used as the basis for recognising hedge effectiveness | 875.08 | 58.47 |

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------|------------------|------------------|
| Less than one year | 17,713.86 | 17,945.63 |
| More than 1 year | 16,316.46 | 34,159.54 |
| Total | 34,030.32 | 52,105.17 |

The Company has designated all the forward contracts as cash flow hedges from March 2021 to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions, for balance in cash flow hedge reserve as at March 31, 2021, are expected to occur and reclassified to the Statement of profit and loss on occurrence of the related forecast transaction.

The reconciliation of effective portion of cash flow hedges is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------------------------------------------------------|---------------|----------------|
| Balance at the beginning of the year | (43.75) | - |
| Gain/(loss) recognised in other comprehensive income during the year | 814.83 | (58.47) |
| Amount reclassified to Statement of profit and loss during the year | 1.78 | - |
| Tax impact on above | (205.54) | 14.72 |
| Balance at the end of the year | 567.32 | (43.75) |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



Disclosure of effect of hedge accounting on financial performance

| Type of Hedge and risks | Changes in the value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedging reserve to profit or loss | line item affected in the statement of profit and loss because of the reclassification |
|-------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| March 31, 2022 | 814.83 | - | 1.78 | Other gains/(losses) |
| Forward Contracts | | | | |
| March 31, 2021 | (58.47) | - | - | Other gains/(losses) |
| Forward Contracts | | | | |

Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness to ensure that an economic relationship exist between the hedged item and hedging instrument. There was no hedge ineffectiveness during the year ended March 31, 2022.

Fair Valuation Techniques and Inputs used - recurring Items

| Financial assets/ financial liabilities | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|--------------------------------------------------------|------------------|---------------|----------------------|-----------------------------------------|
| | 31 March 2022 | 31 March 2021 | | |
| Fair value hierarchy -Level 2 (a) Forward Contracts | 758.13 | (58.47) | Level 2 | Refer note below |

Derivatives value here represents Marked to Market value.

Level 2 instruments are based on the MTM valuation based on forward exchange rates, contract forward and interest rates, observable yield curves.

26. Capital management

(a) Risk management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The company determines the amount of capital required on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings

The company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the company

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Net Debt | (4,144.13) | (4,525.87) |
| Total Equity | 17,540.31 | 13,552.10 |
| Net Debt to equity ratio | (0.24) | (0.33) |

(i) Loan covenants

There are no financial covenants on borrowings outstanding as at the year end.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(b) Dividends

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|
| (i) Equity shares | | |
| Final dividend for the year ended 31 March 2021, INR NIL (31 March 2020 - INR1.5) per fully paid share | - | 382.27 |
| DDT on final dividend* | - | - |
| (ii) Dividends not recognised at the end of the reporting period | | |
| Since year end the directors have recommended the payment of a final dividend for 31 March 2022 - INR 4.00 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 1,019.37 | - |

* The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes.

27. Segment information

(a) Description of segments and principal activities

The Company is in the manufacturing of Axle housing for global vehicle manufacturers with sales in India and outside India.

The chairman and managing director of the company (CODM) along with the Board of Directors of the Company evaluates the company performance, allocates resources based on analysis of various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the company. The company is domiciled in India.

(b) Entity wide disclosures

(i) Revenue from geographical areas

The segment revenue is measured in the same way as in the statement of profit or loss:

| Particulars | 31 March 2022 | | | 31 March 2021 | | |
|------------------------------------------|------------------|------------------|------------------|---------------|--------------|---------------|
| | Total | Within India | Outside India | Total | Within India | Outside India |
| Segment revenue by location of customers | 56,956.32 | 37,479.58 | 19,476.74 | 30,604.78 | 21,617.53 | 8,987.25 |

All non-current assets are within India.

(ii) Information about major customers

Revenues of INR 41,308.95 (31 March 2021 - INR 26,881.46) are derived from 4 customers.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



28. Related party transaction

(a) Names of related parties and nature of relationship

Jointly controlled by:

Sundaram Finance Holdings Limited

Wheels India Limited

Dana Global Products Inc.

Subsidiaries of Jointly controlled Entities

Dana Automotive Systems Group LLC

Dana Commercial Vehicle Mfg. LLC

Dana Commercial Vehicle Prod. LLC

Dana Heavy Vehicle Systems Group

Dana Australia Pty Ltd.

Key Managerial Personnel

Mr. V Madhavan

(a) Transactions with related parties

| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------------------------|---------------|---------------|
| The following transactions occurred with jointly controlled entities: | | |
| Sale of goods | | |
| Wheels India Limited | 247.25 | 40.25 |
| Dana Automotive Systems Group LLC | 1.71 | 0.95 |
| Dana Commercial Vehicle Mfg.LLc | 5,068.30 | 2,400.79 |
| Dana Commercial Vehicle Prod. LLC | 13,141.15 | 5,669.28 |
| Dana Australia Pty Ltd | 97.53 | - |
| Purchase of goods | | |
| Wheels India Limited | 8.71 | 4.82 |
| Dana Heavy Vehicle Systems Group | - | 5.32 |
| Receiving of services | | |
| Wheels India Limited | 7.07 | 7.50 |
| Rendering of services | | |
| Wheels India Limited | 265.47 | 63.85 |
| Dividend paid : | | |
| Sundaram Finance Holdings Limited | - | 148.38 |
| Wheels India Limited | - | 36.37 |
| Dana Global Products Inc | - | 184.75 |

(b) Key managerial personnel compensation

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------------|---------------|---------------|
| Remuneration, perquisites and commission* | 81.06 | 73.27 |

* As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to Key Managerial Personnel cannot be individually identified.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(c) Outstanding receivable balances as at year end

| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Wheels India Limited | 10.85 | 11.53 |
| Dana Australia Pty Ltd | 24.75 | - |
| Dana Automotive Systems Group LLC | 1.71 | - |
| Dana Commercial Vehicle Mfg.LLC | 1,348.68 | 878.34 |
| Dana Commercial Vehicle Prod. LLC | 2,210.72 | 2,325.82 |

(d) Outstanding payable balances as at year end

| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Dana Commercial Vehicle Prod. LLC | - | 182.78 |
| Key Managerial personnel | 22.76 | 1.45 |

29. Contingent liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------------------------------------------------|---------------|---------------|
| Claims against the company not acknowledged as debts: (excluding interest) | | |
| - Income tax matters | 69.23 | 69.23 |
| - Sales tax matters | 406.37 | 406.37 |
| - Labour related issues | 41.24 | 41.24 |
| - Claims made by electricity department | 44.31 | 44.31 |

The company is contesting the demands and the management, including its tax advisors and legal consultant, believe that its position will be likely upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)



30. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| Property, plant and equipment | 160.05 | 151.74 |

31. Earnings per share

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| (a) Basic earnings per share | | |
| Basic earnings per share attributable to equity shareholders of the Company | 13.27 | 1.16 |
| (b) Diluted earnings per share | | |
| Diluted earnings per share attributable to equity shareholders of the Company | 13.27 | 1.16 |
| (c) Profit attributable to equity holders of the company used in calculating basic and diluted earnings per share | 3,383.16 | 296.07 |
| (d) Weighted average number of equity shares used as a denominator in calculating basic and diluted earnings per share | 2,54,90,646 | 2,54,90,646 |

32. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars | Notes | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------|-------|------------------|------------------|
| Current | | | |
| Non-financial assets | | | |
| <i>First Charge</i> | | | |
| Inventories | 7 | 10,375.65 | 9,236.52 |
| Financial assets | | | |
| <i>First Charge</i> | | | |
| Trade Receivables | 5(b) | 17,394.43 | 14,493.42 |
| Cash and bank balances | 5(d) | 1,671.96 | 3,231.78 |
| Other Financial assets | 5(e) | 289.76 | 7.10 |
| Loans | 5(c) | 56.77 | 59.19 |
| Other current assets | 9 | 229.30 | 335.68 |
| Total current assets pledged as security | | 30,017.87 | 27,363.69 |
| Non-Current | | | |
| <i>Second Charge</i> | | | |
| Property, plant and equipment | 3 | 5,819.82 | 5,985.37 |
| Total non-current assets pledged as security | | 5,819.82 | 5,985.37 |
| Total assets pledged as security | | 35,837.69 | 33,349.06 |

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

33. Dues to micro and small enterprises*

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| | Current | Current |
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 963.07 | 310.38 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

* As certified by the Company

34. Additional regulatory information required by Schedule III

(i) Details of Benami Property

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company (including revised return) with banks are in agreement with the books of accounts.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 3 to the financial statements, are held in the name of the company.

Notes to Financial Statements (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.”

(xiii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.”

(xiv) Loans and advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) by the Company, either severally or jointly with any other person.

(xv) Core Investment Company

The Company is not a Core Investment Company (CIC). The group has 1 exempted CIC as part of the group. Sundaram Finance Holdings Limited - Exempt CIC.

(xvi) Ratios

| Ratio | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % of variance |
|-----------------------------------------|----------------------------------|---------------------|----------------|----------------|---------------|
| Current ratio (times) | Current assets | Current liabilities | 1.63 | 1.42 | 15% |
| Debt-equity ratio (times) | Debt | Equity | 0.24 | 0.33 | -29% |
| Debt service coverage ratio | Earning for debt service | Debt service | 0.97 | 0.18 | 445% |
| Return on equity ratio | Net profit after tax | Shreholder's equity | 19% | 2% | 783% |
| Inventory turnover ratio (times) | Sales | Inventory | 5.49 | 3.31 | 66% |
| Trade receivable turnover ratio (times) | Sales | Trade receivables | 4.20 | 3.08 | 37% |
| Trade payables turnover ratio (times) | Purchases | Trade payables | 4.61 | 4.14 | 11% |
| Net capital turnover ratio (times) | Sales | Working capital | 4.84 | 3.76 | 29% |
| Net profit ratio | Net profit after tax | Sales | 6% | 1% | 514% |
| Return on capital employed | Earnings before interest and tax | Capital employed | 21% | 3% | 710% |
| Return on investment | Earnings before interest and tax | Total assets | 12% | 1% | 793% |



Reason for variance:

The major reason for variance is due to increase in sales and net profit during the year. The Company has improved its performance post Covid 19 pandemic as compared to previous year.

35. Impact of COVID-19 Pandemic

The Company has assessed the impact of global health pandemic relating to COVID-19 virus on the carrying values of various assets and liabilities. Based on its assessment, the Company expects that its assets will be recovered and the uncertainty, if any, relating to recoverability of assets like trade and other receivables, inventory are expected to be not material. The Company expects the operating cash flows and cash to be sufficient to meet the operating requirements for the next twelve months.

36. A portion of the land belonging to the Company at Sriperumbudur has been acquired by the State Government for widening the highway. During the year 2020-21, the Company received receipts from the Tamil Nadu Highways Department relating to the acquisition that has been disclosed under net gain on disposal of property, plant and equipment. Refer note 17(b).

37. Previous year's figures have been regrouped wherever necessary to conform to this year's classification to enable better comparability and presentation.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Arun Kumar R

Partner

Membership Number: 211867

Chennai

17 May 2022

For and on behalf of the **Board of Directors**

S Ram

Chairman

DIN: 00018309

Y Krishnamoorthy

Chief Financial Officer

Chennai

17 May 2022

V Madhavan

Managing Director

DIN: 07548156

C Bharathi

Company Secretary

Membership Number: F9406

Financial Summary - Last Ten Years

| Particulars | ₹ in lakhs | | | | | | | | | |
|--------------------------------------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 31.3.22 | 31.3.21 | 31.3.20 | 31.3.19 | 31.3.18 | 31.3.17 | 31.3.16 | 31.3.15 | 31.3.14 | 31.3.13 |
| Sales Turnover (including other income & Net of Excise duty) | 57236.98 | 31201.67 | 40862.41 | 62104.98 | 47505.91 | 41359.18 | 48588.49 | 43079.64 | 33200.42 | 41076.78 |
| Paid-up Capital | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 | 2548.88 |
| Reserves & Surplus | 14991.43 | 11003.22 | 11135.83 | 11212.42 | 8342.79 | 6711.67 | 5670.76 | 4420.23 | 4180.77 | 4132.48 |
| Profit Before Tax | 4517.80 | 404.34 | 1397.00 | 5855.29 | 3418.21 | 2277.79 | 1923.11 | 988.25 | 307.91 | 335.29 |
| Profit After Tax | 3383.16 | 296.07 | 1216.89 | 3805.64 | 2231.36 | 1491.63 | 1250.53 | 594.49 | 197.37 | 190.98 |
| Dividend - Amount | 1019.37* | - | 382.27 | 1019.37 | 764.53 | 840.97 | - | 254.84 | 127.42 | 114.68 |
| - Rate | 40.00% | - | 15.00% | 40.00% | 30.00% | 33.00% | - | 10.00% | 5.00% | 4.50% |

* Refer Notes to Financial Statements No. 26(b).