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WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

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

Factory :
Padi, Chennai - 600 050.

The Manager
Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza", C-1, Block G
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

May 25, 2016

Dear Sir,

We are enclosing the press release issued by the Company. Kindly take the above on your records.

Thanking you,

Yours faithfully
For WHEELS INDIA LIMITED


S Srivathsan
CFO & Secretary

CC: Bombay Stock Exchange Limited
Floor 25, P J Towers,
Mumbai - 400 001

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY



Wheels India FY16 Net Profit up 34% at Rs. 39.99crores

Revenues cross Rs. 2000 crores

Board recommends final dividend of Rs. 5.50 per share

Chennai May 25, 2016: Leading Steel Wheels Manufacturer Wheels India Ltd., has registered a 34% growth in Net Profit at Rs.39.99crores for the year ended 31st March 2016 as compared to Rs.29.74 crores registered in the previous year ended 31st March 2015.

Revenues for the year ended 31st March 2016 went up by 2% to Rs.2018crores as compared to Rs. 1982crores registered in the year ended 31st March 2015, despite the deflationary effect of low commodity prices.

The Board of Wheels India has recommended a final dividend of Rs. 5.50 per share (previous year Rs. 4.50 per share).

Q4 Net Profit up 151% at Rs. 16.97crores

Net Profit for Q4 ended 31st March 2016 went up by 151% to Rs 16.97crores as against Rs. 6.76crores registered in Q4 ended 31st March 2015. Revenues for Q4 ended 31st March 2016 increased 7% to Rs.536crores from Rs.500crores registered in the same period of the previous year.

Over 50% of Wheels India's revenue comes from wheels for commercial and passenger vehicles. Wheels India is a leading manufacturer of wheels for agricultural, construction and mining equipment globally.

Non Wheels Business

Over the last decade, Wheels India diversified into non wheels business. The company registered a good growth in its energy equipment component business following the good growth in the domestic windmill installations.

In the trucks segment, Wheels India started manufacture of lift air suspension for trucks in the second half of the year. This new business has helped the air suspension part of the business register growth.

Financial Table

	FY16	FY15	Increase	Q4FY16	Q4FY15	Increase
Net Profit	Rs.39.90cr	Rs. 29.74cr	34%	Rs.16.97cr	Rs.6.76cr	151%
Revenues	Rs.2018cr	Rs.1982cr	2%	Rs.536cr	Rs.500cr	7%
Final Dividend	Rs.5.5 per share	Rs. 4.5 per share				

Commenting on the performance, Srivats Ram, Managing Director, Wheels India Ltd., said, “Our revenue growth was driven by the strong recovery in the CV sector, as replacement demand driven by operational efficiencies of higher tonnage vehicles, imminent regulatory changes and some core industry activity drove growth in the CV market”

Exports Business

On the exports front, Construction Equipment and Mining segments, which contribute to 70% of the company's export business, have been hit globally.

Srivats said, “Despite a cyclical downturn in its main export industry segments, Wheels India has been able to consolidate its presence through the introduction of new products which will benefit the company when the industry segments recover.”

Challenges in the Coming Year

On the challenge areas for the company, Srivats said, “The rural economy has struggled in the last two years due to poor monsoons and low commodity prices. Some focus by the government in this area along with rural infrastructure development could help revive the rural economy. The predictions of a normal monsoon coming good would also help the sector.”

“The other concern is that the policies that protect the steel industry have raised the input prices, in recent months, affecting the export competitiveness of both the auto component and vehicle industry. This would limit the upside for export driven growth in our industry.”

Growth Areas

On the growth areas for the year ahead, Srivats said, “The CV segment is likely to continue to grow in the coming year albeit at a lower rate than the last year. We also expect road development and mining to revive in the later part of the year helping our construction and mining wheel business. There is also expected to be some growth in the energy component business, with the government's focus on renewables.”

Wheels India is a leading manufacturer of steel wheels for passenger cars, utility vehicles, trucks, buses, agricultural tractors and construction equipment. The company has manufacturing plants at Padi, Pune, Rampur, Bawal, Sriperambudur and Pantnagar with a combined overall annual capacity of 16 million wheels.

Wheels India has a diversified customer base with over 30 customers globally. While about 80% of the company's business comes from the domestic Indian market, the company exports wheels for off-road construction equipments and agricultural applications to Japan, Korea, US, Brazil, Belgium, Egypt and the UK.

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