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(044) 26258511



Telefax : 044 - 26257121
Web : www.wheelsindia.com

WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

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

Factory :
Padi, Chennai - 600 050.

July 20, 2022

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

To
BSE Limited
The Corporate Relationship Department,
1st Floor New Trading Wing, Rotunda Building,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

Symbol: WHEELS

Scrip Code: 590073

Dear Sir / Madam,

Subject: Notice for the Meeting of the Unsecured Creditors of Wheels India Limited to be convened pursuant to the Order dated July 01, 2022 issued by the Hon'ble National Company Law Tribunal, Chennai ("NCLT Order") in the matter of the Scheme of Amalgamation of Sundaram Hydraulics Limited and Wheels India Limited and their respective Shareholders ("Scheme")

Reference: Our letter dated December 08, 2021 & July 16, 2022

In continuation to our aforementioned letters on the captioned subject, we are enclosing herewith the copy of Notice dated July 20, 2022 of the meeting of unsecured creditors of the Company to be convened as per directions of the NCLT Order along with the Explanatory Statement and relevant Annexure referred in the notice ("Notice of Meeting of Unsecured Creditors"). Accordingly, the meeting of the unsecured creditors of the Company is scheduled on Saturday, **August 20, 2022 at 02:00 P.M. (IST)** through video conferencing ("VC") to consider and approve the amalgamation as embodied in the Scheme.

As per the directions contained in the said NCLT Order, the notice of meeting of unsecured creditors is being sent through electronic means to all the unsecured creditors of the Company at their e-mail address registered with the Company. The hard copies of notice of the said meeting of the unsecured creditors are being sent through permitted mode individually to those unsecured creditors whose e-mail addresses are not registered with the Company.

The unsecured creditors may note that the notice of meeting of unsecured creditors is also available on the website of the Company at www.wheelsindia.com, website of the stock exchange, i.e., National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com.



PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY

Pursuant to the provisions of Section 230(4) of the Companies Act, 2013 ("Act") read with Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014; Regulation 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") read with relevant circulars issued by SEBI, the Company has provided the facility of remote e-voting so as to enable the unsecured creditors to cast their votes on the resolution set forth in the notice of the meeting of unsecured creditors. In addition, the Company has also provided the facility to vote through e-voting during the meeting of unsecured creditors.

The Company has appointed M/s. Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility of remote e-voting, VC and e-voting during the meeting of unsecured creditors. In regard, we wish to inform you the following:

Particulars	Date, day and time
The cut-off date for reckoning the eligibility of the unsecured creditors for e-voting	Thursday, March 31, 2022
The remote e-voting shall commence on	Wednesday, August 17, 2022 at 9:00 A.M. (IST)
The remote e-voting shall end on	Friday, August 19, 2022 at 5:00 P.M. (IST)

The detailed instructions for the manner of casting vote through remote e-voting, joining the meeting of the unsecured creditors through VC and e-voting during the meeting are provided in the notice of the meeting of the unsecured creditors.

This disclosure is being made in compliance with Regulation 30 and other applicable regulations of the SEBI Listing Regulations, as amended. This is for your information and records.

Kindly take the above on record and disseminate the same on your website.

Thanking you.

Yours faithfully,

For Wheels India Limited

K.V. Lakshmi



K V Lakshmi
Company Secretary & Compliance Officer

Encl.: a/a

CC:

1. M/s. Central Depository Services (India) Limited, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013
2. M/s. Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai – 600 002



Wheels India Limited

(CIN: L35921TN1960PLC004175)

Registered Office: No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India.

Tel No: 044-26257121

e-mail: investorservices@wheelsindia.com; Website: www.wheelsindia.com

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF WHEELS INDIA LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, CHENNAI ('NCLT' OR 'TRIBUNAL')

Day	Saturday
Date	August 20, 2022
Time	02:00 P.M. (IST)
Venue	Video conferencing

E-VOTING	
Commencing on	August 17, 2022 (Wednesday) at 09:00 A.M. (IST)
Ending on	August 19, 2022 (Friday) at 05:00 P.M. (IST)

Sl. No.	Contents	Pages
1.	Notice of the Meeting of the Unsecured Creditors of Wheels India Limited under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and any amendments thereto, convened as per the directions of the National Company Law Tribunal, Chennai	01
2.	Explanatory Statement under Section 230(3) read with Section 102 and other applicable provisions of the Companies Act, 2013	06
3.	Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their Respective Share Holders. ('Scheme' or 'the Scheme'). Annexure A	31
4.	Valuation Report dated December 07, 2021 issued by Mr. Niranjana Kumar - Annexure B.	49
5.	Fairness Opinion dated December 07, 2021 issued by M/s. Kunvarji Finstock Private Limited – Annexure C	64
6.	Observation Letter dated February 10, 2022 from National Stock Exchange of India Limited - Annexure D	74
7.	Complaints Report filed with the NSE on January 25, 2022 – Annexure E	76
8.	Audited financial statements of Wheels India Limited together with the Audited Financial statements of Sundaram Hydraulics Limited as on March 31, 2022 – Annexure F	79
9.	Report adopted by the Board of Directors of Wheels India Limited pursuant to Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Amalgamation etc. - Annexure G	192
10.	Abridged Prospectus of Sundaram Hydraulics Limited along with Certificate from Merchant Banker- Annexure H	194



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7)]
CA(CAA)/30(CHE)/2022
In the Matter of Section 230 to 232 of The Companies Act, 2013
And
In the Matter of Scheme of Amalgamation
Between
Sundaram Hydraulics Limited
(Transferor Company)
And
Wheels India Limited
(Transferee Company)
And
Their Respective Shareholders

Wheels India Limited

Having its registered office at

No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India

... Applicant Company/ Transferee Company

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF WHEELS
INDIA LIMITED

To

The Unsecured Creditors of Wheels India Limited,

NOTICE is hereby given that by an Order dated 01/07/2022(the ‘Order’) the Hon’ble National Company Law Tribunal, Chennai Bench, has directed that a meeting of the Unsecured Creditors of the Applicant Company be held through “Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”)", for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective Share Holders (‘Scheme’ or ‘the Scheme’).

Take further notice that in pursuance of the said Order, a Meeting of the Unsecured Creditors of the Applicant Company will be convened and held on 20/08/2022 at 02:00 P.M. (IST) through VC / OAVM”, at which time you are requested to attend.

The quorum for the Meeting shall be 12 Unsecured Creditors. In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.



In terms of the Explanation to Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the entitlement of the Unsecured Creditors, to vote shall be determined based on the outstanding debt as reflected in the latest audited financial statement of the Company for the year ended March 31, 2022 ("Cut-off Date"). The votes cast by the said Unsecured Creditors shall be reckoned with reference to such Cut-off Date.

Copies of the Scheme of Amalgamation and of the Statement under Section 230 and Section 102 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Company.

A Copy each of the Scheme, and of the Statement under Section 230 of the Companies Act, 2013, and other annexures as stated in the Index are enclosed herewith.

The Tribunal has appointed Mr. N.P. Vijaykumar, Advocate, failing him the Company Secretary of the Company, as the Chairperson of the said meeting. The Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Dated this the 20th day of July, 2022

Place: Chennai

Sd/-

N.P. Vijaykumar

Chairman Appointed for the Meeting

Wheels India Limited

CIN: L35921TN1960PLC004175

Registered Office: No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India.

Enclosure : As above.

Notes:

- A. In compliance with the provisions of the Companies Act, 2013 and the directions contained in the Order dated 01/07/2022 of the NCLT passed in CA(CAA)/30&33(CHE)/2022, the detailed procedure for participating in the meeting through Video Conferencing to be convened for the purposes of approving the Scheme of Amalgamation between Sundaram Hydraulics Limited and Wheels India Limited is set out in the annexures to the Notice and Explanatory Statement issued for the same.
- B. As this meeting is being held through VC / OAVM in accordance with the MCA circulars, physical attendance of unsecured creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors will not be available for this meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice
- C. The facility to appoint proxy to attend and cast vote for the unsecured creditors is not available for this meeting. However, in pursuance of Section 113 of the Companies Act, 2013, representatives of the unsecured creditors (in case of Body Corporate) can attend this meeting through VC / OAVM and cast their votes through e-voting. The corporate unsecured creditors 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 / Scrutinizer by e-mail through its registered e-mail address to investorservices@wheelsindia.com / vinithsvs5889@gmail.com.

- D. Unsecured creditors attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
- E. The Company is providing facility of remote e-voting to its unsecured creditors in respect of the business to be transacted at the meeting. The Chairman of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for all those unsecured creditors who are present at the meeting and have not cast their votes by availing the remote e-voting facility. In this regard, 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 agency. The facility of casting votes by an unsecured creditors using remote e-voting as well as the e-voting system on the date of the meeting will be provided by CDSL
- F. The unsecured creditors of the company as on the cut-off date of March 31, 2022 shall only be entitled to avail the facility of e-voting / voting at the meeting. The voting rights of Unsecured Creditors shall be in proportion to the outstanding debt amount as on the Cut-off Date. Once the vote on the resolution is cast by the Unsecured Creditors, the Unsecured Creditors shall not be allowed to change it subsequently. Person(s)/Institution(s) who became an Unsecured Creditors after the Cut-off Date should treat this Notice for information purpose only
- G. The Unsecured creditors 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 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
- H. The Tribunal has appointed Mr. S Vinith, Advocate, as the Scrutinizer for conducting the remote e-voting process and voting at the meeting, in a fair and transparent manner. The Company has engaged the services of CDSL to provide e-voting facilities enabling the Unsecured creditors to cast their vote in a secure manner. The e-voting facility will be available at the link www.evotingindia.com. The e-voting period would commence on **August 17, 2022** (Wednesday) 9:00 A.M. (IST) and conclude on **August 19, 2022** (Friday) 5:00 P.M. (IST). The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by an unsecured creditor, it cannot be changed subsequently.
- I. As per the direction of the Hon'ble NCLT, the Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the Meeting. Thereafter, the Results of remote e-voting and e-voting during the meeting 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.wheelsindia.com and also be displayed on the website of CDSL at www.evotingindia.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges.



- J. The Notice calling the unsecured creditors meeting has been uploaded on the website of the Company at www.wheelsindia.com. The Notice can also be accessed from the website of National Stock Exchange of India Limited at www.nseindia.com. The meeting Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the meeting) at www.evotingindia.com.
- K. Since the meeting will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- L. The Notice of the meeting and the accompanying documents mentioned in the Index are being sent through electronic mode to all unsecured creditors of the Company as on March 31, 2022 to the e-mail addresses that are available with the Company, as permitted by the Order of the NCLT. The physical copies of Notice of the meeting is being sent through permitted mode to those Unsecured creditors whose e-mail addresses are not available with the Company. The Unsecured creditors may note that the notice is also available on the website of the Company at www.wheelsindia.com, websites of the National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com.
- M. The material documents referred to in the accompanying Statement shall be open for inspection by the unsecured creditors at the Registered Office of the Company on all working days up to 1 (one) day prior to the date of meeting during working hours except Saturday, Sunday and Public Holidays.
- N. Unsecured creditors 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, PAN / e-mail ID, mobile number to investorservices@wheelsindia.com from Saturday, **August 13, 2022** (9:00 A.M. (IST)) to Wednesday, **August 17, 2022** (05:00 P.M. (IST)) only. The Unsecured creditors who have registered themselves as speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the meeting. The Unsecured creditors who do not wish to speak during the meeting but have queries may send their queries to investorservices@wheelsindia.com from Saturday, August 13, 2022 (9:00 A.M. (IST)) to Wednesday, August 17, 2022 (05:00 P.M. (IST)) only mentioning their name, PAN / e-mail ID, mobile number. The Company will reply to these queries suitably by e-mail.
- O. 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.



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7)]
CA(CAA)/30(CHE)/2022
In the Matter of Section 230 to 232 of The Companies Act, 2013
And
In the Matter of Scheme of Amalgamation
Between
Sundaram Hydraulics Limited
(Transferor Company)
And
Wheels India Limited
(Transferee Company)
And
Their Respective Shareholders

Wheels India Limited

Having its registered office at

No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India

... Applicant Company/ Transferee Company

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH
SECTION 102 OF THE COMPANIES ACT 2013 FOR THE MEETING OF UNSECURED
CREDITORS OF WHEELS INDIA LIMITED CONVENED AS PER THE DIRECTIONS OF
THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

1. Pursuant to the Order dated 01/07/2022 passed by Hon'ble National Company Law Tribunal, Chennai Bench in the Company Application CA(CAA)/30(CHE)/2022, a meeting of the Unsecured Creditors of the Applicant Company is scheduled to be held on Saturday, 20/08/2022 at 02:00 P.M to obtain their approval to the Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective Shareholders ('Scheme' or 'the Scheme').
2. The Hon'ble National Company Law Tribunal, Chennai Bench, by an Order dated 01/07/2022 was pleased to issue directions for convening of the meeting of the Unsecured Creditors of the Applicant Company through "Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")" on Saturday, **August 20, 2022 at 02:00 P.M.** to be presided over by Mr. N.P. Vijaykumar, Advocate, failing him the Company Secretary of the Company, as the Chairperson of the Meeting. The said Order will be available for inspection at the Registered Office of the Applicant Company at No. 21, Patullos Road, Chennai - 600 002, Tamil Nadu, India on any working day of the Company up to the date of meeting, after receipt from the Tribunal.



3. The Board of Directors of the Transferor Company at their meeting held on December 07, 2021 had approved the Scheme of Amalgamation, while the Board of Directors of the Transferee Company at their meeting held on December 07, 2021 had also approved the scheme of amalgamation under which the entire undertaking of the Transferor Company will get amalgamated with the Transferee Company. A copy of the Scheme, setting out the terms and conditions of the amalgamation as approved by the Board of Directors of Sundaram Hydraulics Limited (Transferor Company) and Wheels India Limited (Transferee Company) is enclosed herewith as **Annexure A**. The proposed scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).

4. Particulars of the Companies

4.1. Wheels India Limited

4.1.1. Wheels India Limited, the Transferee Company, was incorporated under the Companies Act, 1956 on 13th June 1960 in the State of Tamil Nadu. The Corporate Identity Number of the Transferee Company is L35921TN1960PLC004175 and the PAN is AAACW0315K. The e-mail address of the Company is www.wheelsindia.com. The Applicant Company is into the business of manufacturing of automotive and Industrial Components and is a publicly listed company whose shares are listed on the National Stock Exchange of India Limited ('NSE'). Further, the Applicant Company's equity shares have been permitted for dealings on Bombay Stock Exchange Limited, Mumbai (BSE) under "Permitted Securities". The registered office of the Transferee Company is at No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India.

4.1.2. The main objects of the Applicant/Transferee Company are as follows:

- To carry on the business of manufacturers of and merchants and dealers in wheels and rims, components and accessories thereof for vehicles of every kind.
- To carry on the business of manufacturers of and merchants and dealers in all components and parts and accessories of automotive vehicles of every kind.
- To carry on the business of iron and steel foundries and foundries of non-ferrous metals in all their branches.
- To carry on the business of smelters and of casting, forming and shaping parts and components of plant, machinery and equipment and articles of every description of ferrous and non-ferrous metals and other materials

4.1.3. The authorised, issued, subscribed and paid up capital of the Applicant/ Transferee Company as on September 30, 2021 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid Up:	
2,40,64,558 Equity Shares of Rs. 10 each fully paid-up	24,06,45,580
Total	24,06,45,580



There has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company, from September 30, 2021 till date.

4.1.4. The details of the directors and Promoters of the Applicant/ Transferee Company, as on March 31, 2022, along with their addresses are as follows:

Sl. No.	Name	Designation	Address
1.	S. Ram	Non-Executive Chairman	Old No. 29, New No. 57, Prithvi Avenue Chennai – 600 018
2	S. Viji	Non-Executive Director	Old No. 33, New No. 71 Poes Garden, Chennai – 600 086
3	Mr. Srivats Ram	Managing Director	Old No. 29, New No. 57, Prithvi Avenue Chennai – 600 018
4	Mr. S. Prasad	Independent Director	Flat D-1, New No.41, Old No.87 Ashok Prithvi, IV Street, Abhiramapuram, Chennai – 600 018
5	Mr. Aroon Raman	Independent Director	403 Olympus-I, Prestige Acropolis Apartment, Hosur Road, Koramangala, Bangalore - 560029
6	Mr. R. Raghuttama Rao	Independent Director	3, Lavanya Vilas, 20, Raghaviah Road, T Nagar, Chennai - 600017
7	Ms. Sumithra Gomatam	Independent Director	Old No. 6A, New No.13/1, D Silva Road, Mylapore, Chennai -600004
8	Mr. Rishiksha T Krishanan	Independent Director	G – 501, Nagarjuna Greenridge Apartments, 19 th Main, 27 th Cross, HSR Layout, Sector 2, Bengaluru - 560102
9	M/s. Sundaram Finance Holdings Limited	Promoter	No. 21, Patullos Road, Chennai - 600 002, Tamil Nadu, India
10	M/s. T V Sundaram Iyengar & Sons Private Limited	Promoter	TVS building, West Veli Street, Madurai - 625001
11	M/s. India Motor Parts & Accessories Limited	Promoter Group	No.46 Whites Road, Chennai – 600 014
12	M/s. Trichur Sundaram Santhanam & Family Private Limited	Promoter	No.67, Chamiers Road, R.A Puram Chennai – 600 028

4.1.5. The amount due to unsecured creditors of the Transferee Company as on December 31, 2021 is Rs. 1,20,874.49 Lakhs.

4.2. Sundaram Hydraulics Limited

4.2.1. Sundaram Hydraulics Limited, the Transferor Company, was incorporated under the Companies Act, 1956 on December 07, 2007 in the State of Tamil Nadu. The Corporate Identity Number of the Transferor Company is U71290TN2007PLC065658 and the PAN is AALCS4402N. The registered office of the Transferor Company is at No. 21, Patullos Road, Chennai -600 002, Tamil Nadu, India.



4.2.2. The main objects of the Transferor Company are as follows:

- a. To Manufacture, Import, Export, Trade, Design, Develop, Fabricate, Assemble, Purchase or otherwise acquire, Sell, Repair, Recondition, Service & deal in all kinds of Hydraulic and Pneumatic Cylinders, Industrial Machinery Spares, Power Packs, Systems, Pumps & its accessories for Industrial, Construction, Automotive and other applications.
- b. To Design, Develop, Fabricate, Manufacture, Assemble, Import, Export, Trade, Purchase or otherwise acquire Stock Sell, Deal with all types of seals, Sealants, hoses & such other materials components consumables & spares as would be used in Hydraulic & Pneumatic Equipments, Earth moving Equipments, Machineries, Industrial Presses, Machine Equipments, Automobiles, Drill rigs, Machine tools.
- c. To carry on the business of General Engineering shop especially to Design, Develop, Fabricate, Manufacture, Assemble, Import, Purchase or otherwise acquire Sell, Export or otherwise dispose of, trade & deal in all kinds of General & Special purpose machineries, Machinery Spares and accessories, Machine Tools, whatsoever known to engineering.
- d. To carry on the business of all types of consultancy services including but not limited to technical, managerial, financial services and to act as representative agents for any persons or organisation relating to main objects.

4.2.3. The authorised, issued, subscribed and paid up capital of the Transferor Company as on September 30, 2021 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
4,65,00,000_ Equity Shares of Rs. 10 each	46,50,00,000
7,00,000 Preference Shares of Rs. 100 each	7,00,00,000
Total	53,50,00,000
Issued, Subscribed and Paid Up:	
4,37,51,300 Equity Shares of Rs. 10 each fully paid-up	43,75,13,000
Total	43,75,13,000

There has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company, from September 30, 2021 till date.

4.2.4. The details of the directors and Promoters of the Transferor Company, as on March 31, 2022, along with their addresses are as follows:



Sl. No.	Name	Designation	Address
1	Mr. Srivats Ram	Chairman & Managing Director	Old No.29, New No.57, Prithivi Avenue, Chennai - 600 018
2	Mr. Srinivas Acharya	Non-Executive Director	"Srinivas", 3rd Floor, Rukmini Road, Kalashetra Colony, Besant Nagar, Chennai - 600 090
3	Mr. Badri Vijayaraghavan	Independent Director	No. 4, Valliammai Achi Street, Kotturpuram, Chennai-600 085
4	Mr. S. Srivathsan	Independent Director	Flat 2C Krishna Block, Jivan Bhima Enclave, Plot No. 12 - 17, Rajasekaran Street, Mylapore, Chennai - 600 004
5	Mr. S. Suresh	Non-Executive Director	F11, PH-2, Jains Aashiana, 13, VA Koil Street, Virugambakkam, Chennai - 600 092
6	Mr. T. Narayanan	Non-Executive Director	Door No 1 , I Block , Benco Colony, 1 Cross Street, Besant Nagar, Chennai - 600 090
7	M/s. Sundaram Finance Holdings Limited	Promoter	No. 21, Patullos Road, Chennai - 600 002, Tamil Nadu, India
8	M/s. Wheels India Limited	Promoter	No. 21, Patullos Road, Chennai - 600 002, Tamil Nadu, India

4.2.5. The amount due to unsecured creditors of the Transferor Company as on December 31, 2021 is Rs. 4315.20 lakhs.

5. Relationship subsisting between the companies who are parties to the Scheme of Amalgamation:

The Transferee Company is holding 71,50,000 (Seventy-One Lakh Fifty Thousand) shares in the Transferor Company as the Promoter of the Transferor Company.

6. Rationale and Benefits of the Scheme of Amalgamation

The Board of Directors of Transferor Company and Transferee Company believe that the proposed Scheme would, inter alia, have the following benefits:

1. The amalgamation will enable product diversification and growth to the Transferee company
2. This will facilitate expansion of the business of Transferor company by using the customer base of the Transferee company.
3. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.
4. Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.



5. Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law / establishment related compliances.

7. The salient features of the Scheme are as follows:

PART – I

DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION OF SCHEME

1. Definitions

- 1.3 **“Appointed Date”** means the 01st October 2021 or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;
- 1.6 **“Effective Date”** means the date on which the authenticated copies or certified copies of the Order of NCLT under Sections 230-232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and Transferee Company. References in this Scheme to date of “coming into effect of the Scheme” or “upon the Scheme becoming effective”, or “effectiveness of the Scheme” and other similar expressions shall mean the Effective Date;
- 1.13 **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of this Scheme or with such other modifications/amendments as the NCLT may direct;

PART – II

Amalgamation of Transferor Company with the Transferee Company

5. Transfer and Vesting of Undertaking

- 5.1 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the IT Act, without any further deed or act, subject to existing charges or /is pendens, if any thereon, in favour of banks/financial institutions.
- 5.2 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property {including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights, agreements



to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.

- 5.3 All lease and licence agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants there under and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.
- 5.4 Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 5.5 In respect of movables other than those dealt with in Clause 5.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- 5.6 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date all liabilities relating to and comprised in the undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 5.7 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company.



PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.

- 5.8 All staff, workmen and employees as detailed under Clause 1.19(xii) above in relation to the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.
- 5.9 Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 5.10 Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.11 All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit/claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds/ credit / claims, as the case may be, of the Transferee Company.
- 5.12 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 5.13 All the Insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person/director/employee of such Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and/or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if



instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

- 5.14 All the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- 5.15 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.
- 5.16 The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.
- 5.17 It is hereby clarified that all assets and liabilities appearing in the books of account of each of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Company as of the close of business hours on the Appointed Date shall be transferred to Transferee Company.
- 5.18 The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

8. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

- 8.1 With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company;
 - i. Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
 - ii. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and



- iii. *The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.*
- 8.2 *The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.*
- 8.3 *For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:*
 - 8.3.1 *With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.*
 - 8.3.2 *With effect from the Effective Date, the Transferee Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.*
 - 8.3.3 *With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company are transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of Transferor Company in and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company. Further, during such period, Transferee Company can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Company.*



9. STAFF, WORKMEN AND EMPLOYEES

- 9.1 *Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous. Further, the transfer of employees would be considered as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947.*
- 9.2 *The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.*
- 9.3 *The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.*
- 9.4 *The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.*



12. CONSIDERATION

- 12.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company, whose name is recorded in the register of members as member of the Transferor Company as on the Record Date, as follows:

“151 (One Hundred and Fifty-One) equity shares in Transferee Company of the face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up for every 15,000 (Fifteen Thousand) Equity shares of Rs. 10/- (Rupees Ten only) fully paid-up held in Transferor Company.”

- 12.2 The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company with the Transferee Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank pari-passu in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 12.3 The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company.
- 12.4 Subject to applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of the shares in terms of this Scheme. The shareholders of the Transferor Company, who holds shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Transferee Company, prior to the Record Date to enable it to issue the shares.
- 12.5 However, if no such details have been provided to the Transferee Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Transferee Company (“Trustee of Transferee Company”) who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Transferee Company held by the Trustee of Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Transferee Company, along with such other documents as may be required by the Trustee of Transferee Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including



- the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Transferee Company. All costs and expenses incurred in this respect shall be borne by Transferee Company.*
- 12.6 *For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall within a period of 90 days from the date of allotment of shares sell the shares in the market and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. The Transferee Company would within a period of 7 days of compensating the eligible shareholders, submit to the Stock Exchange a report from the Audit Committee and the Independent Directors stating that the eligible shareholders have been compensated. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.*
- 12.7 *In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.*
- 12.8 *The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.*
- 12.9 *The shares to be issued by the Transferee Company in lieu of the shares of the Transferor Company held in the respective unclaimed suspense account of the Transferor Company shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company.*
- 12.10 *In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 12 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.*
- 12.11 *If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.*
- 12.12 *The Transferee Company shall apply for listing of the Transferee Company new equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Transferee Company new equity shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.*
- 12.13 *The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.*



15. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

Subject to an order being made by the under Section 230 to 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provision of the Act and the Rules made hereunder.

16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1 Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the Authorised Share Capital of the Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act as follows:*

The Share Capital of the Company is Rs.103,50,00,000/- (Rupees One hundred three crore and fifty lakhs only) divided into 9,65,00,000 Equity Shares of Rs.10/- each and Rs. 7,00,000 preference shares of Rs. 100 each. The Company has the power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as equity or preference shares and to attach to any class or classes of such shares, any preference, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations, or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of any share to apportion the right to participate in profits in any manner.

- 16.2 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Companies Act, 2013, and any other approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.*

PART - III

GENERAL CLAUSES, TERMS AND CONDITIONS

21. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- 21.1 The Scheme is conditional upon and subject to:*
- i. the approval of the Scheme by the requisite majority of the respective members and such class of persons of Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;*
 - ii. the approval of the shareholders of transferor and transferee company through e-voting and / or other mode as may be required under any applicable law and the SEBI circular. The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No.*



- SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.*
- iii. sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee company;*
 - iv. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;*
 - v. approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and*
 - vi. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.*

8. The Salient features as set out above being only the salient features of the Scheme of Amalgamation as are statutorily required to be included in this explanatory statement, the Unsecured Creditors are requested to read the entire text of the Scheme of Amalgamation (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation.

EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

9. The directors of the Applicant Company/Wheels India Limited and Transferor Company/Sundaram Hydraulics Limited, may be deemed to be concerned and/or interested in the Scheme to the extent of their shares that may be held by them, if any, or by the Companies, firms, institutions, trusts of which they are directors, partners, members or trustee in the Applicant Company and Transferor Company. None of the directors, Key Managerial Personnel ('KMPs') or relatives of the directors and KMPs of the Applicant Company and Transferor Company, have any material, financial or other interest, in the Scheme, except as shareholders to the extent appearing in the Register of Directors' shareholding and Register of Members maintained by the Applicant Company and Transferor Company respectively. The directors holding the shares in the Applicant Company do not have any other interest in the Scheme otherwise than that as shareholder in general. Further, none of the managers, key managerial personnel and relatives of the directors of Applicant Company is concerned or interested, financial or otherwise in the proposed Scheme. Save as aforesaid, none of the Directors of the Applicant Company have any material interest in the proposed Scheme.
10. The details of the present Directors, Key Managerial Personnel of the Applicant Company and their shareholding either individually or jointly as a first holder or as a nominee in the Applicant Company and Transferor Company, as on March 31, 2022, is as under:



Name of the Director & Key Managerial Personnel	Position	Equity Share held in	
		Sundaram Hydraulics Limited	Wheels India Limited
Mr. S. Ram	Non-Executive Chairman	49,26,686	-
Mr. S. Viji	Non-Executive Director	53,567	-
Mr. Srivats Ram	Managing Director	58,41,480	53,072
Mr. S. Prasad	Independent Director	-	-
Mr. Aroon Raman	Independent Director	-	-
Mr. R. Raghuttama Rao	Independent Director	-	-
Ms. Sumithra Gomatham	Independent Director	-	-
Mr. Rishiksha T Krishana	Independent Director	-	-
Mr. R Raghunathan	CFO	-	-
Ms. K V Lakshmi	Company Secretary	-	-

11. The details of the present Directors, Key Managerial Personnel of Transferor company and their shareholding either individually or jointly as a first holder or as a nominee in the Transferee Company and Transferor Company, as on March 31, 2022, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Share held in	
		Sundaram Hydraulics Limited	Wheels India Limited
Mr. Srivats Ram	Chairman & Managing Director	58,41,480	53,072
Mr. Srinivas Acharya	Non-Executive Director	-	-
Mr. Badri Vijayaraghavan	Independent Director	-	200
Mr. S. Srivathsan	Independent Director	100	
Mr. S. Suresh	Non-Executive Director	100	-
Mr. T. Narayanan	Non-Executive Director	-	400
Ms. G Sathya	CFO	-	-
Mr. Sai Ganesh K	Company Secretary	-	-

PRE AND POSTARRANGEMENT AND AMALGAMATION CAPITAL STRUCTURE

12. The Pre-amalgamation capital structure of the Applicant Company, and Transferor Company has already been provided under Para 5 of this Statement.



13. The Post Amalgamation capital structure of the Applicant Company, and Transferor Company is as follows:

13.1.1. Name of the Company: Wheels India Limited

Particulars	Amount in Rs.
Authorised Share Capital:	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid Up:	
2,44,33,012 Equity Shares of Rs. 10 each	24,43,30,120
Total	24,43,30,120

13.1.2. Name of the Company: Sundaram Hydraulics Limited

Upon the proposed Scheme becoming effective, the entire share capital of the Transferor Company shall stand cancelled.

14. PRE- AND POST-ARRANGEMENT SHAREHOLDING PATTERN

14.1. The expected pre and post Scheme shareholding pattern of the Transferee Company is as follows:

Sl. No.	Category	Pre Scheme of Amalgamation (as on 30 th September 2021)		Post Scheme of Amalgamation	
		No. of shares	%	No. of shares	%
(A)	Promoter & Promoter Group	1,38,43,428	57.53%	1,39,56,678	57.12%
(1)	Indian	0	0	0	0
(a)	Bodies Corporate	1,38,43,428	57.53%	1,39,56,678	57.12%
	Sub-total (A)(1)	1,38,43,428	57.53%	1,39,56,678	57.12%
(2)	Foreign	0	0	0	0
	Sub-total (A)(2)	0	0	0	0
	Total A= A(1)+A(2)	1,38,43,428	57.53%	1,39,56,678	57.12%
(B)	Public Shareholding				
(1)	Institutions	0	0	0	0
(a)	Mutual Funds / UTI	43,96,669	18.27%	43,96,669	17.99%
(b)	Alternate Investment Funds	0	0	0	0
(c)	Foreign Portfolio Investors	42,955	0.18%	42,955	0.18%



Sl. No.	Category	Pre Scheme of Amalgamation (as on 30 th September 2021)		Post Scheme of Amalgamation	
		No. of shares	%	No. of shares	%
(d)	Foreign Institutional Investors	0	0	0	0
(e)	Financial Institutions / Banks	45,384	0.19%	45,384	0.19%
(f)	Insurance Companies	3,50,740	1.46%	3,50,740	1.44%
	Any other	0	0	0	0
	Sub-total (B)(1)	48,35,748	20.1%	48,35,748	19.79%
(2)	Non-Institutions	0	0	0	0
(a)	Individuals	32,00,485	13.3%	32,08,874	13.13%
I	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	30,04,038	12.48%	30,12,427	12.33%
Ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	1,96,447	0.82%	1,96,447	0.80%
(b)	NBFCs registered with RBI	0	0	0	0
(c)	Any other	21,84,897	9.08%	24,31,712	9.95%
I	Body Corporate	15,92,619	6.62%	16,98,880	6.95%
Ii	Clearing Member	16,125	0.07%	16,125	0.07%
Iii	Foreign National	0	0	0	0
	Director or Directors Relatives	2,37,066	0.99%	3,77,611	1.55%
	HUF	1,14,711	0.48%	1,14,711	0.47%
Iv	IEPF	31,786	0.13%	31,786	0.13%
V	NRI s	1,90,676	0.79%	1,90,676	0.78%
Vi	Unclaimed Share Suspense Account	1,914	0.01%	1,914	0.01%
	Trustee holding fractional shares	0	0	9	0.00%
	Alternate Investment Funds	0	0	0	0
	Sub-total (B)(2)	53,85,382	22.38%	56,40,586	23.09%



Sl. No.	Category	Pre Scheme of Amalgamation (as on 30 th September 2021)		Post Scheme of Amalgamation	
		No. of shares	%	No. of shares	%
	Total Public Shareholding (B) = (B)(1) + (B)(2)	1,02,21,130	42.48%	1,04,76,334	42.88%
(C)	Non-Promoter Non Public	0	0	0	0
	Total C	0	0	0	0
	Total Shareholding (A+B+C)	2,40,64,558	100%	2,44,33,012	100%

14.2. The expected pre and post Scheme shareholding pattern of the Transferor Company is as follows:

Sl. No.	Category	Pre-Scheme of Amalgamation (as on 30 th September 2021)		Post Scheme of Amalgamation	
		No. of shares	%	No. of shares	%
(A)	Promoter & Promoter Group	1,84,00,000	42.06%	0	0
(1)	Indian	0	0	0	0
(a)	Bodies Corporate	1,84,00,000	42.06%	0	0
	Sub-total (A)(1)	1,84,00,000	42.06%	0	0
(2)	Foreign	0	0	0	0
	Sub-total (A)(2)	0	0	0	0
	Total A= A(1)+A(2)	1,84,00,000	42.06%	0	0
(B)	Public Shareholding			0	0
(1)	Institutions	0	0	0	0
(a)	Mutual Funds / UTI	0	0	0	0
(b)	Alternate Investment Funds	0	0	0	0
(c)	Foreign Portfolio Investors	0	0	0	0
(d)	Foreign Institutional Investors	0	0	0	0
(e)	Financial Institutions / Banks	0	0	0	0
(f)	Insurance Companies	0	0	0	0
	Any other	0	0	0	0



Sl. No.	Category	Pre-Scheme of Amalgamation (as on 30 th September 2021)		Post Scheme of Amalgamation	
		No. of shares	%	No. of shares	%
	Sub-total (B)(1)	0	0	0	0
(2)	Non-Institutions	0	0	0	0
(a)	Individuals	12,73,253	2.91%	0	0
I	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10,914	0.02%	0	0
Ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	12,62,339	2.89%	0	0
(b)	NBFCs registered with RBI	0	0	0	0
(c)	Any other	2,40,78,047		0	0
I	Body Corporate	1,05,55,981	24.13%	0	0
Ii	Clearing Member	0	0	0	0
Iii	Foreign National	0	0	0	0
	Director or Directors Relatives	1,35,22,066	30.91%	0	0
	HUF	0	0	0	0
Iv	IEPF	0	0	0	0
V	NRIs	0	0	0	0
Vi	Unclaimed Share Suspense Account	0	0	0	0
	Trustee holding fractional shares	0	0	0	0
	Alternate Investment Funds	0	0	0	0
	Sub-total (B)(2)	2,53,51,300	57.94%	0	0
	Total Public Shareholding (B) = (B)(1) + (B)(2)	2,53,51,300	57.94%	0	0
(C)	Non-Promoter Non Public	0	0	0	0
	Total C	0	0	0	0
	Total Shareholding (A+B+C)	4,37,51,300	100%	0	0



15. Valuation, Fairness Opinion and Approvals

- 15.1. Mr. Niranjana Kumar, an independent chartered accountant firm, based on their Valuation Report dated December 07, 2021, recommended to the Board of Directors of Wheels India Limited and Sundaram Hydraulics Limited the share exchange ratio in which equity shares of the Applicant Company should be issued to the shareholders of the Transferor Company. A copy of the Valuation Report issued by the Chartered Accountants is enclosed herewith as **Annexure B**.
 - 15.2. Fairness Opinion dated December 07, 2021 on the Valuation Report of Mr. Niranjana Kumar was obtained from Kunvarji Finstock Private Limited, a SEBI registered Category I Merchant Banker as prescribed by SEBI. The copy of Fairness Opinion issued by Kunvarji Finstock Private Limited is enclosed herewith as **Annexure C**.
 - 15.3. The proposed Scheme was placed before the meeting of Independent Directors, Audit Committee of the Applicant Company at their meetings held on December 07, 2021. The Independent Directors and Audit committee recommended and approved the Scheme after considering the Valuation Report of Mr. Niranjana Kumar and the Fairness Opinion of Kunvarji Finstock Private Limited, a SEBI registered Merchant Banker.
 - 15.4. The Board of Directors of the Applicant Company at their meeting held on December 07, 2021 had unanimously approved the Scheme based on the recommendation of the meeting of Independent Directors, Audit Committee, Valuation Report of the Chartered Accountants recommending the Share Exchange Ratio in which the equity shares of the Applicant Company should be issued to the shareholders of Transferor Company and the Fairness Opinion of Kunvarji Finstock Private Limited, a SEBI registered Merchant Banker.
 - 15.5. The copies of the said Valuation Report of the Chartered Accountants, Fairness Opinion and other documents submitted to the Stock Exchange are also displayed on the website of the Applicant Company at www.wheelsindia.com, the website of National Stock Exchange of India Limited, the designated stock exchange where the shares of the Applicant Company are listed, in terms of the Securities and Exchange Board of India circular CFD/DIL3/CIR/2017/21 dated March 10, 2017.
16. At the Board Meeting held on December 07, 2021, the Directors present at the meeting of the Applicant Company, approved the Scheme.
 17. Pursuant to the Securities and Exchange Board ("SEBI") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the "SEBI Circular") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') the Applicant Company had applied to National Stock Exchange of India Limited (NSE) on December 25, 2021 for seeking their No objection to the proposed Scheme of Amalgamation. Further, NSE, the Designated Stock Exchange forwarded the said application along with Draft Scheme to SEBI for its approval and/or comments. The NSE gave its Observation letter on February 10, 2022 conveying its "No Objection" for the scheme, which is enclosed herewith as **Annexure D**.



18. The Scheme of Amalgamation along with related documents were hosted on the websites of the Applicant Company, NSE and have been open for complaints/comments from January 03, 2022 to January 24, 2022 for a period of 21 days. During the above period, the Transferee Company has received **no complaint/comment** and accordingly the complaints report (indicating Nil complaints) was filed with the NSE on January 25, 2022 taken on record by NSE. A copy of the said Complaints Report filed with NSE is enclosed as **Annexure E**.
19. A copy of the certified financial statements of the Transferee Company for year ended March 31, 2022 together with the audited financial statements of the Transferor Company for the year ended March 31, 2022 are enclosed herewith as **Annexure F**.
20. The Applicant Company/Transferee Company will make a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Chennai Bench, for sanctioning of the Scheme.
21. In relation to the meeting of the Unsecured creditors of the Applicant Company, the Unsecured creditors of the Applicant company as on March 31, 2022, shall be eligible to attend the meeting of the Unsecured Creditors of the Applicant Company convened at the directions of the Tribunal.
22. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Unsecured Creditors present and voting.

RESOLUTION PROPOSED TO BE APPROVED AT THE MEETING

23. It is in the interest of the Unsecured Creditors of the Applicant Company that the said Scheme of Amalgamation should be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

“RESOLVED that pursuant to the provisions of Section 230 read with Section 232 of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (including amendments thereof), read with observation letter dated February 10, 2022 and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s), consents, sanctions and permissions of the Central Government, other concerned regulatory authorities and the sanction of the National Company Law Tribunal, Chennai Bench (hereinafter also referred to as “NCLT” or “the Tribunal”) and/or such other appropriate authority/ies, as may be applicable, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective shareholders placed before this meeting, be and is hereby approved.



RESOLVED FURTHER RESOLVED Mr. S Ram, Chairman and Mr. Srivats Ram, Managing Director of the Company and Ms. K V Lakshmi, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon'ble National Company Law Tribunal, Chennai Bench, while sanctioning the said Scheme of Amalgamation.”

24. The rights and interests of the members and the creditors of the Applicant Company and Transferor Company will not be prejudicially affected by this Scheme of Amalgamation.
25. No investigation proceedings are pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 against the Applicant Company.
26. A copy of the Scheme has been filed by the Applicant Company with the Registrar of Companies, Tamil Nadu, Chennai, on July 11, 2022 vide SRN: F14756555.
27. No winding up petition is pending against the Applicant Company.
28. In compliance with the provisions of Section 232(2) of the Companies Act, 2013, the Board of Directors of the Applicant Company and Transferor Company, at their respective Board meetings held on December 07, 2022 have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Applicant Company is enclosed to this Explanatory Statement as **Annexure G**.
29. Abridged Prospectus of Sundaram Hydraulics Limited - **Annexure H**
30. The shareholders of Transferor Company will be issued shares in accordance with the Share Exchange Ratio provided in the Valuation Report. Consequently, the shares held by the Applicant Company in Transferor Company will stand cancelled. The Scheme is not expected to have any adverse effect on the Key Managerial Personnel, directors, secured or unsecured creditors, non-promoter members, and employees of the Applicant Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.
31. Corporate creditors intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (Forty-Eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.
32. The following documents will be available for inspection by the Unsecured Creditors of the Applicant Company at its Registered Office at working hours up to 1 (one) day prior to the date of meeting, on all working days (except Saturdays, Sundays and public holidays):
 - a) Certified copy of the Order of the Hon'ble National Company Law Tribunal, Chennai Bench dated 01/07/2022 passed in Company Application No. CA(CAA)/30(CHE)/2022 directing and convening of the meeting of unsecured creditors of the Applicant Company.
 - b) Scheme of Amalgamation.
 - c) Memorandum and Articles of Association of Sundaram Hydraulics Limited and Wheels India Limited
 - d) Annual Reports of Wheels India Limited and Sundaram Hydraulics Limited for the last three financial years ending March 31, 2019, March 31, 2020 and March 31, 2021.



- e) Copies of audited financial statements of Wheels India Limited for the year ended March 31, 2022 and audited financial statements of Sundaram Hydraulics Limited for the year ended March 31, 2022.
 - f) Copy of the Observation Letter dated February 10, 2022 received from the National Stock Exchange of India Limited.
 - g) Copy of the Valuation Report providing for the Share Exchange Ratio dated December 07, 2021 issued by Mr. Niranjana Kumar
 - h) Copy of the Fairness opinion by Merchant Banker, Kunvarji Finstock Private Limited dated December 07, 2021.
 - i) Copy of the Audit Committee Report dated December 07, 2021.
 - j) Copies of the Resolutions passed by the respective Board of Directors of Wheels India Limited and Sundaram Hydraulics Limited on December 07, 2021.
 - k) Report adopted by the Board of Directors of the Applicant Company as required under Section 232(2)(c) of the Companies Act, 2013.
 - l) Copy of the Statutory Auditor's certificate dated December 07, 2021 issued by M/s. Brahmayya & Co., Chartered Accountants, Chennai of the Wheels India Limited confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.
 - m) Copy of the Company Application No.CA(CAA)/30(CHE)/2022 and the Affidavit in support thereof.
- 33.** This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Sections 102 and 110 of the Companies Act, 2013. A copy of the Scheme and Explanatory statement may also be obtained free of cost from the registered office of the Applicant Company.

Dated at Chennai on this the 20th day of July, 2022

Sd/-
N.P. Vijaykumar
Chairman Appointed for the Meeting

Wheels India Limited
Registered Office: No. 21, Patullos Road, Chennai — 600 002, Tamil Nadu, India.



INSTRUCTIONS TO UNSECURED CREDITORS

Procedure for joining the meeting through VC / OAVM

- a) Unsecured creditors will be provided with a facility to attend the meeting through VC / OAVM through the CDSL e-Voting system. Unsecured Creditors may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in login page where the EVSN of the company will be displayed.
- b) Facility of joining the meeting through VC/OAVM shall open 30 minutes before the meeting time.
- c) The procedures for e-voting during the meeting is the same as remote e-voting.
- d) Only those Unsecured Creditors, who are present in the Meeting through VC facility and have not cast 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 Meeting

In case you could not retrieve your User ID / password, kindly contact our Registrar & Transfer Agents, M/s. Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, e-mail ID: investor@cameoindia.com / Phone: 044-28460395 or the Company at investorservices@wheelsindia.com / Phone: 044-26258511 Extn.: 2320, 044-26257121.

If you have any queries or issues regarding attending the Meeting & 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.

SCHEME OF AMALGAMATION
OF
SUNDARAM HYDRAULICS LIMITED
("TRANSFEROR COMPANY" OR "SHL")
WITH
WHEELS INDIA LIMITED
("TRANSFeree COMPANY" OR "WIL")
AND
THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 of the Companies Act, 2013)

For WHEELS INDIA LIMITED

K. V. Lakshmi
K. V. LAKSHMI
Company Secretary

I) PREAMBLE AND BACKGROUND

1. This Scheme of Amalgamation (hereinafter referred to as "the Scheme" or "this Scheme") is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (to the extent applicable) for the Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited. This Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.
2. The brief background of various entities is as follows:
 - A) Sundaram Hydraulics Limited, ("**Transferor Company**" or "**SHL**"), is a public limited company incorporated on 07th December 2007 under the Companies Act, 1956 having CIN:U71290TN2007PLC065658 and registered office at No. 21, Patullos Road, Chennai – 600 002, Tamil Nadu, India. The Transferor Company is engaged in the business of design, manufacture and distribution of hydraulic cylinders for the domestic and global MCE industry.
 - B) Wheels India Limited, ("**Transferee Company**" or "**WIL**"), is a public limited company incorporated on 13th June 1960 under the Companies Act, 1956 having CIN:L35921TN1960PLC004175 and Registered Office at No. 21, Patullos Road, Chennai – 600 002, Tamil Nadu, India. The Transferee Company is engaged in the business of manufacturing of automotive and Industrial Components. The equity shares of Transferee Company are listed on the National Stock Exchange of India Ltd., Mumbai (NSE). Further, the Transferee Company's equity shares have been permitted for dealings on Bombay Stock Exchange Limited, Mumbai (BSE) under "Permitted Securities" Category.

II) RATIONALE AND PURPOSE OF THE SCHEME

The Board of Directors of Transferor Company and Transferee Company believe that the proposed Scheme would, inter alia, have the following benefits:

1. The amalgamation will enable product diversification and growth to the Transferee company
2. This will facilitate expansion of the business of Transferor company by using the customer base of the Transferee company.
3. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.
4. Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
5. Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law / establishment related compliances.

- III) Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Transferor Company and/or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Company and/or the Transferee Company. The liability towards the creditors of the Transferor Company and/or the Transferee Company under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

IV) PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I – Deals with the definitions of the terms used in this scheme, details of share capital of the Parties, and Date of Operation of this Scheme
- Part II – Deals with the amalgamation of Transferor Company with the Transferee Company.
- Part III – Deals with general clauses, terms and conditions applicable to the Scheme.

PART - I

DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION OF SCHEME

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. **"Act" or "the Act"** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, and the rules and regulations made thereunder;
- 1.2. **"Applicable Law(s)"** means any statute, notification, bye laws, rules, regulations, guidelines, Circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.3. **"Appointed Date"** means the 01st October 2021 or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;
- 1.4. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;
- 1.5. **"Board of Directors" or "Board"** shall mean the Board of Directors of Transferor Company or Transferee Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.6. **"Effective Date"** means the date on which the authenticated copies or certified copies of the Order of NCLT under Sections 230-232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and Transferee Company. References in this Scheme to date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;
- 1.7. **"IT Act"** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

FOR WHEELS INDIA LIMITED

K. V. Lakshmi
K.V. LAKSHMI
Company Secretary

- 1.8. **"Governmental Authority" or "Government Body"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.9. **"NCLT" or "the Tribunal"** means the National Company Law Tribunal, Bench at Chennai in relation to the Transferor Company and Transferee Company.
- 1.10. **"Parties"** shall mean collectively the Transferor Company and the Transferee Company and **"Party"** shall mean each of them, individually;
- 1.11. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company for the purpose of reckoning names of Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- 1.12. **"Registrar of Companies"** means the Register of Companies in Chennai or as the case may be;
- 1.13. **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.14. **"SEBI"** means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.15. **"SEBI Circulars"** means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall *inter-alia* refer to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time.
- 1.16. **"Stock Exchange"** means National Stock Exchange of India Limited;
- 1.17. **"Tax Laws"** means IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company and/or Transferee Company operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- 1.18. **"Transferee Company" or "WIL"** means Wheels India Limited having CIN L35921TN1960PLC004175 and Registered Office at 21, Patullos Road, Chennai – 600 002, Tamil Nadu, India.
- 1.19. **"Transferor Company" or "SHL"** means Sundaram Hydraulics Limited having CIN U71290TN2007PLC065658 and Registered Office at 21, Patullos Road, Chennai – 600 002, Tamil Nadu, India.
- 1.20. **"Undertaking"** means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation:
- all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks;

For WHEELS INDIA LIMITED

K. V. Lakshmi
K. V. LAKSHMI

- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- iii. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- iv. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed if any, by the Transferor Company or in connection with or relating to the said Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company;
- v. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities if any, of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- vi. all licenses if any (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;
- vii. all agreements, contracts, arrangements, understandings, engagements, if any [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- viii. all application monies, advance monies, earnest monies and/ or security deposits if any, paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- ix. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;
- x. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other

records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it; and

- xi. any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. In this Scheme, unless the context otherwise requires:

- a) Words denoting the singular shall include the plural and vice versa;
- b) Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) Reference to the word "include" or "including" shall be construed without limitation;
- d) A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- e) Unless otherwise defined, the reference to the word "days" shall mean calendar days;
- f) Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL OF PARTIES

4.1. The share capital of Transferor Company as on 30th September 2021 is as follows:

Particulars	Amount (INR)
Authorized Capital	
4,65,00,000_ Equity Shares of Rs. 10 each	46,50,00,000
7,00,000 Preference Shares of Rs. 100 each	7,00,00,000
Total	53,50,00,000
Issued, Subscribed and Paid-up Capital	
4,37,51,300 Equity Shares of Rs. 10 each fully paid-up	43,75,13,000
Total	43,75,13,000

Subsequent to 30th September 2021 there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

4.2. The share capital of Transferee Company, as on 30th September 2021 is as follows:

Particulars	Amount (INR)
Authorized Capital	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up Capital	
2,40,64,558 Equity Shares of Rs. 10 each fully paid-up	24,06,45,580
Total	24,06,45,580

For WHEELS INDIA LIMITED

K. V. Lakshmi

Subsequent to 30th September 2021, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company. The shares of the Transferee Company are listed on Stock Exchange.

PART – II

Amalgamation of Transferor Company with the Transferee Company

5. Transfer and Vesting of Undertaking

- 5.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the IT Act, without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks/financial institutions.
- 5.2. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.
- 5.3. All lease and licence agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company
- 5.4. Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 5.5. In respect of movables other than those dealt with in Clause 5.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

For WHEELS INDIA LIMITED

K. V. Lakshmi

K. V. LAKSHMI
Company Secretary

- 5.6. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date all liabilities relating to and comprised in the undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 5.7. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company.
PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.
- 5.8. All staff, workmen and employees as detailed under Clause 1.19(xii) above in relation to the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.
- 5.9. Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 5.10. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.11. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 5.12. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 5.13. All the Insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person/director/employee of such Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if

instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

- 5.14. All the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company.
- 5.15. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.
- 5.16. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.
- 5.17. It is hereby clarified that all assets and liabilities appearing in the books of account of each of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Company as of the close of business hours on the Appointed Date shall be transferred to Transferee Company.
- 5.18. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

6. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 6.1. Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or Tribunal or Court authorities as the case be) by or against the Transferor Company pending on the Effective Date shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.
- 6.2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 6.3. In case of any litigation, suits, recovery proceedings which are to be initiated or may be intimated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

CONTRACTS, DEEDS AND OTHER INSTRUMENTS

1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect

immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

- 7.2. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 7.3. On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangements.

8. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

- 8.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company;
 - i. Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
 - ii. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
 - iii. The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- 8.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- 8.3. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:
 - 8.3.1. With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.
 - 8.3.2. With effect from the Effective Date, the Transferee Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.
 - 8.3.3. With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company are transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of

Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of Transferor Company in and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company. Further, during such period, Transferee Company can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Company.

9. STAFF, WORKMEN AND EMPLOYEES

- 9.1. Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous. Further, the transfer of employees would be considered as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947.
- 9.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- 9.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 9.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking under clause 5 above, and the continuation of proceedings by or against the Transferee Company in clause 6 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

11. INTER-SE TRANSACTIONS

- 11.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 11.2. Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

12. CONSIDERATION

- 12.1. Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company, whose name is recorded in the register of members as member of the Transferor Company as on the Record Date, as follows:
 "151 (One Hundred and Fifty One) equity shares in Transferee Company of the face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up for every 15,000 (Fifteen Thousand) Equity shares of Rs. 10/- (Rupees Ten only) fully paid-up held in Transferor Company."
- 12.2. The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company with the Transferee Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank pari-passu in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 12.3. The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company.
- 12.4. Subject to applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of the shares in terms of this Scheme. The shareholders of the Transferor Company who holds shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Transferee Company, prior to the Record Date to enable it to issue the shares.
- 12.5. However, if no such details have been provided to the Transferee Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Transferee Company ("Trustee of Transferee Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Transferee Company held by the Trustee of Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Transferee Company, along with such other documents as may be required

by the Trustee of Transferee Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Transferee Company. All costs and expenses incurred in this respect shall be borne by Transferee Company.

- 12.6. For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall within a period of 90 days from the date of allotment of shares sell the shares in the market and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. The Transferee Company would within a period of 7 days of compensating the eligible shareholders, submit to the Stock Exchange a report from the Audit Committee and the Independent Directors stating that the eligible shareholders have been compensated. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.
- 12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.
- 12.8. The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 12.9. The shares to be issued by the Transferee Company in lieu of the shares of the Transferor Company held in the respective unclaimed suspense account of the Transferor Company shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company.
- 12.10. In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 12 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 12.11. If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 12.12. The Transferee Company shall apply for listing of the Transferee Company new equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Transferee Company new equity shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 12.13. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.

13. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of accounts as per "Acquisition Method" prescribed under the Indian Accounting Standard (Ind AS) 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

- 13.1. All the assets (including intangible assets whether or not recorded in the books of Transferor Company) and all liabilities, including contingent liabilities of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Transferee Company at their fair value, as per Ind AS 103 and

/ or other applicable Ind AS;

- 13.2. The value of the investments in the shares of the Transferor Company held by the Transferee Company inter-se shall stand cancelled, without further act or deed;
- 13.3. The loans and advances inter-se between the Transferor Company and the Transferee Company appearing in the books of accounts of either the Transferor Company or the Transferee Company, if any, shall stand cancelled
- 13.4. The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company in terms of Clause 12 of this Scheme. The difference between the fair value and the face value of such equity shares issued will be credited to the securities premium account;
- 13.5. The difference between the fair value of the equity shares issued and the fair value of the net assets acquired and subject to adjustment as per clause 13.2 and 13.3 above will be treated as goodwill or capital reserve as per Ind AS 103;
- 13.6. The Transferee Company shall ensure compliance with the requirements of the "Acquisition Method" under Ind AS 103 for all other aspects of accounting for the amalgamation
- 13.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact, if any, will be quantified and adjusted in the "Other Equity" of the Transferee Company to ensure that financial statements reflect the financial position on the basis of consistent accounting policies.

14. COMPLIANCE WITH TAX LAWS

- 14.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.
- 14.2. All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.
- 14.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 14.4. Any tax liabilities including but not limited to liabilities under the IT Act, foreign tax credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company
- 14.5. Any refund including but not limited to refund under the IT Act, foreign taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 14.6. On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), service tax law, VAT law, Goods and Service tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme

notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective. Nothing contained in this Scheme, shall restrict the Transferee Company to record assets and liabilities for income tax purpose in accordance with the principles enunciated under the IT Act.

- 14.7. All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction of tax at source, advance tax or otherwise howsoever, by the Transferor Company in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any goods and service tax paid by the Transferor Company / Transferee Company to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to have been paid by or on behalf of the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 14.8. After the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 14.9. Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

15. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

Subject to an order being made by the under Section 230 to 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provision of the Act and the Rules made hereunder.

16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the Authorised Share Capital of the Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act as follows:

The Share Capital of the Company is Rs.103,50,00,000/- (Rupees One hundred three crore and fifty lakhs only) divided into 9,65,00,000 Equity Shares of Rs.10/- each and Rs. 7,00,000 preference shares of Rs. 100 each. The Company has the power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as equity or preference shares and to attach to any class or classes of such shares, any preference, rights, privileges or priorities in

payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations, or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of any share to apportion the right to participate in profits in any manner.

- 16.2. The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Companies Act, 2013, and any other approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.

PART – III

GENERAL CLAUSES, TERMS AND CONDITIONS

17. DIVIDENDS

- 17.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and up to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.
- 17.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

18. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

19. APPLICATIONS TO THE NCLT

All the Transferor Company and the Transferee Company, shall with all reasonable dispatch, make applications to the NCLT, Chennai Bench since the registered office of Transferor Company and Transferee Company is situated in Chennai. The jurisdiction of the Transferor Company and Transferee Company is NCLT, Chennai Bench, for sanctioning this Scheme under Sections 230-232 of the Act for orders thereof for carrying this Scheme into effect.

20. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 20.1. Subject to approval of NCLT, the Parties through their Board of Directors including any Committee of Directors or other persons, duly authorised by the Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations or orders, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect,

or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect. The shareholders approving the scheme shall be deemed to have given their consent to the proposed modification to the scheme without any further recourse to them.

- 20.2. If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and/or Transferee Company, in which case the Transferor Company and/or Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and/or Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part or provision.

21. SCHEME CONDITIONAL ON APPROVALS /SANCTIONS

- 21.1. The Scheme is conditional upon and subject to:

- i. the approval of the Scheme by the requisite majority of the respective members and such class of persons of Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;
- ii. the approval of the shareholders of transferor and transferee company through e-voting and / or other mode as may be required under any applicable law and the SEBI circular. The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- iii. sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee company;
- iv. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
- v. approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and
- vi. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

22. COSTS

All costs, charges, levies and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Company and Transferee Company, respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor Company and Transferee Company.

23. SEVERABILITY

- 23.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and/or Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

For WHEELS INDIA LIMITED

K.V. Lakshmi

K.V. LAKSHMI

- 23.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Company and Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

24. EFFECT OF NON-RECEIPT OF APPROVALS

- 24.1. In the event of any of the said sanctions and approvals referred to in Clause 20 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Upon the termination of this Scheme as set out in above clause, no rights and liabilities shall accrue to or be incurred by respective Parties or their shareholders or creditors or employees or any other person. In such case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.
- 24.2. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post the Amalgamation.

25. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company, Transferee Company, Governmental Authority and all concerned parties without any further act, deed, matter or thing.

26. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertaking of the Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Transferor Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

27. REMOVAL OF DIFFICULTIES

- 27.1. The Transferor Company and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

For WHEELS INDIA LIMITED

---end---

K. V. Lakshmi
K V LAKSHMI

Annexure - B

Date: 07 December 2021

To,
The Board of Directors
Wheels India Limited
21, Pattulos Road, Chennai, Tamil Nadu

To,
The Board of Directors
Sundaram Hydraulics Limited
21, Pattulos Road, Chennai, Tamil Nadu

Subject: Recommendation of share exchange ratio for the proposed amalgamation of Sundaram Hydraulics Limited ('SHL') with Wheels India Limited ('WIL').

Dear Sir/ Madam,

We refer to the engagement letter dated 02 November 2021 and discussion undertaken with the Management of Wheels India Limited ('WIL' or 'Transferee Company') and Sundaram Hydraulics Limited ('SHL' or 'Transferor Company') (hereinafter both of them together referred to as 'the Management'), wherein the Management has requested Niranjan Kumar, Registered Valuer – Securities or Financial Assets ('NK', 'we' or 'us') to undertake a valuation exercise and recommend a share exchange ratio for the proposed amalgamation of SHL (Transferor Company) with WIL (Transferee Company) ('Proposed amalgamation').

Hereinafter the Management including the Board of Directors of WIL and SHL shall together be referred to as 'the Management'; the Transferor Company and Transferee Company shall together be referred to as 'Transacting Companies'.

Please find enclosed the report (comprising 15 pages including annexures) detailing our recommendation of share exchange ratio for the proposed amalgamation, the methodologies employed and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us, and our recommendation of the share exchange ratio.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Wheels India Limited ('WIL' or 'Transferee Company') was incorporated on 13 June 1960 and is engaged in the business of manufacturing of automotive and industrial components. Its product portfolio comprises of steel wheels and forged aluminium wheels; air suspension systems for buses, trucks and trailers; control and speciality products; and machined components for various other applications. WIL holds 16.3% equity stake in Sundaram Hydraulics Limited, 74.0% stake in WIL Car Wheels Limited and 9.5% stake in Axles India Limited (WIL Car Wheels Limited and Axles India Limited are hereinafter together referred to as 'the investee companies of WIL'). The equity shares of WIL are listed on BSE and NSE.

Sundaram Hydraulics Limited ('SHL' or 'Transferor Company') was incorporated on 07 December 2007 and is engaged in the business of design, manufacture, and distribution of hydraulic cylinders for the domestic and global MCE industry. SHL is also engaged in manufacturing of axle shafts for dump trucks and cylinders for windmill and subcontracting excavator cylinders for overseas companies. The equity shares of SHL are unlisted.

We understand that the Management of the Transacting Companies are contemplating a scheme of amalgamation, wherein they intend to amalgamate SHL with WIL; in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein, in each case, as amended from time to time, and in a manner provided in the Draft Scheme of Amalgamation ('the Scheme'). Further, as consideration for the proposed amalgamation under Part II of the Scheme, equity shares of the Transferee Company would be issued to the equity shareholders of Transferor Company respectively;

The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors on the basis of the share exchange ratio report prepared by us.

In connection with the above mentioned proposed amalgamation, the Management has appointed Niranjan Kumar, Registered Valuer – Securities or Financials Assets ('NK') to submit a report recommending a share exchange ratio for the proposed amalgamation.

We would like to emphasize that certain terms of the proposed amalgamation are stated in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

We understand that the appointed date for the proposed amalgamation shall be 01 October 2021 as defined in the Scheme or such other date as the competent authority may direct or approve. We have determined the share exchange ratio for the proposed amalgamation as at the report date ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Transacting Companies and then arrive at the share exchange ratio using internationally accepted valuation methodologies as may be applicable to the Transacting Companies including requirement prescribed by the Securities Exchange Board of India ('SEBI') Regulations as may be applicable to listed companies and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI).

The Management have informed us that:

- a) There would not be any capital variation in the Transacting Companies till the proposed amalgamation becomes effective without approval of the shareholders and other relevant authorities;
- b) Till the proposed amalgamation becomes effective, neither of the Transacting Companies would declare any dividend which are materially different from those declared in the past few years.
- c) There are no unusual/ abnormal events in the Transacting Companies other than those represented to us by the Management till the report date materially impacting their operating / financial performance.



- d) There would be no significant variation between the Scheme and the final scheme approved and submitted with the relevant authorities.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.



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SHAREHOLDING PATTERN OF TRANSACTING COMPANIES:**a) Wheels India Limited ('WIL' or 'Transferee Company')**

The equity shareholding pattern of WIL as at 30 September 2021 is set out below:

Category of shareholder	Number of shares (Face value INR 10 each)	Percentage %
Promoter and Promoter Group	1,38,43,428	57.5%
Public	1,02,21,130	42.5%
Total	2,40,64,558	100.00%

b) Sundaram Hydraulics Limited ('SHL' or 'Transferor Company')

The total number of equity shares issued by SHL and outstanding as at report date is set out below:

Particulars	Number of shares
Equity shares having face value INR 10 each	4,37,51,300

Note:

We understand that upon Part II of the Scheme being effective, the equity shares of SHL held by WIL shall stand cancelled automatically.



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SOURCES OF INFORMATION

In connection with the recommendation of share exchange ratio, we have used the following information obtained from the Management and/ or gathered from public domain:

A. Company specific information:

Information provided by the Management which includes:

- Audited standalone/ consolidated financial statements of WIL for the financial year ended 31 March 2021;
- Limited reviewed standalone/ consolidated financial statements of WIL for the six months' period ended 30 September 2021;
- Audited financial statements of SHL for the financial year ended 31 March 2021 and for the six months' period ended 30 September 2021;
- Audited financial statements for the financial year ended 31 March 2021 and limited reviewed financial statements for the six months' period ended 30 September 2021 of investee companies of WIL;
- Quarterly reported financial performance of Transacting Companies including investee companies of WIL for the trailing twelve month period ended 30 September 2021;
- Financial projections of SHL from 01 April 2021 to 31 March 2026 ('Management Projections') which represents Management's best estimate of the future financial performance of SHL;
- Shareholding pattern of WIL as at 30 September 2021; and shareholding pattern of SHL as at the report date;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;
- Discussions and correspondence with the Management in connection with business operations of Transacting Companies and investee companies, past trends, proposed future business plans and prospects, realizability of assets, etc.

B. Industry and economy information:

- Information available in public domain and databases such as Capital IQ, NSE, BSE including market prices, trading volumes etc.
- Such other information and documents as provided by the Management for the purposes of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management.

The Management of the Transacting Companies have been provided with the opportunity to review the draft report (excluding the recommended share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our report.



PROCEDURES ADOPTED

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
 - Understand the business and fundamental factors that affect the business of the Transacting Companies including their earning generating capability.
 - Enquire about the historical financial performance, current state of affairs, business plans and the future performance estimates.
- Analysis of information shared by the Management.
- Reviewed the draft scheme of amalgamation between the Transacting Companies.
- Reviewed the audited financial statements of the Transacting Companies including investee companies of WIL for the financial year ended 31 March 2021;
- Reviewed the audited financial statements of SHL for the six months' period ended 30 September 2021;
- Reviewed the limited reviewed financial statements of WIL including investee companies of WIL for the six months' period ended 30 September 2021;
- Reviewed the cashflow projections provided by the Management for SHL including understanding basis of preparation and the underlying assumptions;
- Reviewed quarterly reported financial performance of Transacting Companies and investee companies of WIL for the trailing twelve month ('TTM') period ended 30 September 2021;
- Identification of suitable comparable companies for the Transacting Companies in discussion with the Management;
- Reviewed the shareholding pattern of WIL as at 30 September 2021 and shareholding pattern of SHL as at the report date;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Transacting Companies and investee companies of WIL operate, analysis of the business operations and financial performance, etc.;
- Arrived at valuations of the Transacting Companies using the method/(s) considered appropriate;
- Arrived at the value of the shares after giving due weightage to the value arrived under the different methods.
- Arrived at the fair share exchange ratio for the proposed amalgamation of SHL with WIL.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- the purpose of the valuation agreed as per the terms of the engagement;
- the date of the report;
- shareholding pattern of the Transacting Companies;
- limited reviewed financial statements of WIL and audited financial statements of SHL for the six months' period ended 30 September 2021;
- limited reviewed financial statements for the six months' period ended 30 September 2021 of investee companies of WIL;
- quarterly reported financial performance of Transacting Companies and investee companies of WIL for trailing twelve months ended 30 September 2021;
- comparability of the companies considered for comparable companies multiple (CCM) Method including the financial parameters considered;
- accuracy of the information available in public domain including proprietary database with respect to comparable companies identified and their financial information considered;
- realisation of cashflow projections as provided by the Management relating to SHL;
- market price reflecting the fair value of the underlying equity shares of WIL; and
- data detailed in the section - Sources of Information

We have been informed that the business activities of the Transacting Companies have been carried out in the normal and ordinary course between the latest available financials and the report date and that no material changes have occurred in their respective operations and financial position between the latest available financial statements and the report date.

A value analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into account the relevant factors. There will always be several factors e.g. Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statement, but which will strongly influence the worth of a share.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Transacting Companies till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value for arriving at share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the share exchange ratio based on the information available to us and within



the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange ratio at which the proposed amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should take into account other factors such as their own assessment of the proposed amalgamation and input of other advisors.

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section – Sources of Information.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of

- the accuracy of information that was publicly available; and
- the accuracy of information made available to us by the Management;

both of which formed a substantial basis for the report.

We have not carried out a due diligence or audit or review of the Transacting Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management of the Transacting Companies is accurate. Also, with respect to explanations and information sought from the advisors, we have been given to understand by the Transacting Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management has indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Transacting Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Transacting Companies. However, nothing has come to our attention to indicate that the information provided to us was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Transacting Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

This report does not look into the business/ commercial reasons behind the proposed amalgamation nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of share exchange ratio only.

We must emphasize that the latest financials of the Transacting Companies and investee companies of WIL as at the report date were not provided by the Management for the purpose of our value analysis, however, the Management has represented that they do not expect significant change in net asset position between 30 September 2021 and report date. We have therefore considered the audited/ limited reviewed financial statements for the six months' period ended 30 September 2021 for the purpose of our analysis.

Certain terms of the proposed amalgamation are stated in our report, however the detailed terms of the proposed amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of the Transacting Companies who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall our liability exceed the amount as agreed in our Engagement Letter.

This valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the share exchange ratio for the proposed amalgamation and relevant filing with regulatory authorities in this regard, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of WIL shall trade following announcements of the proposed amalgamation and we express no opinion or recommendation as to how shareholders of the Transacting Companies should vote at any shareholders' meetings. Our report and the opinion/ valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

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VALUATION APPROACHES

Basis and Premise of Valuation

Valuation of the Transacting Companies as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ("ICAI VS"), considering 'Fair Value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Company.

Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under:

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Specified Business is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia dependency and financial assistance from existing shareholders and general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Market Approach:
 - a) Market Price method
 - b) Comparable Companies Market Multiple method
2. Income Approach – Discounted Cash Flow method
3. Asset Approach – Net Asset Value method

For the proposed amalgamation, we have considered the following commonly used and accepted methods for determining the value of the equity shares of the Transacting Companies for the purpose of recommending the share exchange ratio, to the extent relevant and applicable:

1. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

In the present case, equity shares of WIL are listed on NSE, they are widely held, regularly and frequently traded with reasonable volumes on both the exchanges. We have therefore used the market price approach to value the equity shares of WIL.

Equity shares of SHL are not listed on any stock exchange. We have therefore not considered the market price method to determine the fair value of equity shares of SHL.

Since in the subject case equity shares of a listed company i.e. WIL would be issued to the shareholders of unlisted company i.e. SHL, the minimum price at which shares are to be issued is prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 issued vide notification No. SEBI/LAD-NRO/GN/2018/31 dated 11 September 2018 and as amended from time to time. The regulation reads as under:

The price of equity shares to be issued shall be determined by Regulation 164. The relevant extract of the regulations is:

Regulation 164 (Pricing of frequently traded shares)

*(1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be **not less than higher of** the following:*

- (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the **twenty-six weeks** preceding the relevant date; or*
- (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the **two weeks** preceding the relevant date.*

The relevant date for the purpose of computing the price of the equity shares of WIL has been considered to be the date of the board meeting of WIL approving the Scheme in accordance with the SEBI Circulars relating to schemes of arrangement. We have therefore considered the prices upto a day prior to the relevant date i.e. price upto 06 December 2021 have been considered, to ensure that the price of WIL shares being considered for the exchange are not less than the minimum price arrived under the above formula prescribed under Regulation 164.

b) Comparable Companies Multiples ('CCM') / Comparable Transactions Multiples ('CTM') method

Under CCM, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Based on our analysis and discussion with the Management, we understand that there are comparable listed companies which operate in similar line of business and having similar business models as that of the Transacting Companies including the investee companies of WIL, we have therefore used CCM Method for valuing equity shares of the Transacting Companies.

Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of Transacting Companies, we have therefore not used CTM method to value the shares of these Companies.

2. Income Approach – Discounted Cash Flow Method ('DCF')

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the terminal value at an appropriate discount factor. The free cash flows represent the cash available for distribution to both the owners of and lenders to the business. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows are discounted by the Weighted Average Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of both debt and equity weighed to their relative funding in the entity.

WIL is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were not provided with the financial projections of these Companies by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of WIL.

SHL is a profit making company and generates surplus cash. Going forward as well, SHL is expected to make profits and generate surplus cash in future. We have therefore used DCF method to determine the fair value of the equity shares of SHL.

3. Asset Approach - Net Asset Value Method ('NAV')

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

WIL and SHL, presently operate as a going concern and would continue to do so for the foreseeable future and NAV Method does not value the future profit generating ability of the business, we have therefore not used this method to value the equity shares of WIL and SHL.



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RECOMMENDATION OF THE RATIO OF SHARE EXCHANGE FOR THE PROPOSED AMALGAMATION.

The share exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transferor company and Transferee company for the proposed scheme of amalgamation based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the recommended share exchange ratio.

Refer Annexure 1 for value per share under different methods prescribed and the share exchange ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions describe in this report and the engagement letter, we recommend the share exchange ratio as follows:

To the equity shareholders of SHL:

151 (One Hundred and Fifty One) equity shares of WIL having face value of INR 10 each fully paid up shall be issued for every 15,000 (Fifteen Thousand) equity shares held in SHL having face value of INR 10 each fully paid up.

Respectfully submitted,




Niranjana Kumar
Registered Valuer- Securities or Financial Assets
IBBi Registration Number: IBBi/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 21121635AAAAHV5611

Date: 07 December 2021
Place: Pune

Annexure 1: Summary of share exchange ratio

Amalgamation of SHL (Transferor Company) with WIL (Transferee Company)

Valuation Approach	WIL (A)		SHL (B)	
	Transferee company		Transferor company	
	Value per share (INR)	Weight (%)	Value per share (INR)	Weight (%)
Market approach				
-Market Price Method	760.50	50.0%	NA	0.0%
-Comparable Companies Multiple (CCM) Method	830.71	50.0%	7.89	50.0%
Income approach - Discounted Cash Flows Method	NA	0.0%	8.13	50.0%
Asset approach - NAV Method	NA	0.0%	NA	0.0%
Relative value per share	795.61	(A)	8.01	(B)
Share Exchange Ratio Round Off [(B/A)]				0.0101
Recommended Share Exchange Ratio : (For every 15,000 equity shares)				151

NA: Not Adopted

Notes:

1) Market Approach – Market Price Method

The equity shares of SHL are not listed on any stock exchange, we have therefore not considered market price method to determine the fair value of equity shares of SHL.

2) Income Approach- Discounted Cash Flow Method

WIL is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were not provided with the financial projections of WIL by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of WIL.

3) Asset Approach- NAV Method

WIL and SHL, presently operate as a going concern and would continue to do so for the foreseeable future and NAV Method does not value the future profit generating ability of the business, we have therefore not used this method to value the equity shares of WIL and SHL.



KUNVARJI

SINCE 1960

*Driven By Knowledge***Date: 07 December 2021**

To,
The Board of Directors
Wheels India Limited
 21, Pattulos Road, Chennai,
 Tamil Nadu – 600002, India.

To,
The Board of Directors
Sundaram Hydraulics Limited
 21, Pattulos Road, Chennai,
 Tamil Nadu – 600002, India.

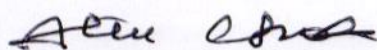
Subject: Fairness opinion on the share exchange ratio recommended by Niranjan Kumar, Registered Valuer- Securities or Financial Assets for the proposed amalgamation of Sundaram Hydraulics Limited with Wheels India Limited.

We refer to the engagement letter dated 25 November 2021 and discussions undertaken with the Management of Wheels India Limited ("WIL" or "Transferee Company") and Sundaram Hydraulics Limited ("SHL" or "Transferor Company") (hereinafter both of them together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Niranjan Kumar, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated 07 December 2021 ("Valuation Date") in connection with the proposed amalgamation of Sundaram Hydraulics Limited with Wheels India Limited (together WIL and SHL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation" or "Proposed Transaction").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the companies, sources of information and our opinion on the share exchange ratio recommended by Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitation and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Place: Ahmedabad



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Kunvarji Finstock Pvt. Ltd.

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CIN - U65910GJ1986PTC008979

000303/2021

KUNVARJI

SINCE 1960

*Driven By Knowledge***FAIRNESS OPINION****IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF
PROPOSED AMALGAMATION OF****SUNDARAM HYDRAULICS LIMITED (TRANSFEROR COMPANY)****WITH****WHEELS INDIA LIMITED (TRANSFeree COMPANY)****STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared By:

KUNVARJI

SINCE 1960

*Driven By Knowledge***Kunvarji Finstock Private Limited****(SEBI Category I Merchant Banking Registration Number – INM000012564)**

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CIN - U65910GJ1986PTC008979

000304/2021

1. BACKGROUND OF THE COMPANIES
SUNDARAM HYDRAULICS LIMITED (TRANSFEROR COMPANY)

Sundaram Hydraulics Limited ('SHL' or 'Transferor Company') was incorporated on 07 December 2007 and is engaged in the business of design, manufacture, and distribution of hydraulic cylinders for the domestic and global MCE industry. SHL is also engaged in manufacturing of axle shafts for dump trucks and cylinders for windmill and subcontracting excavator cylinders for overseas companies.

The equity shareholding pattern of SHL as at report date is set out below:

Particulars	Number of shares
Equity shares having face value of INR 10 each	4,37,51,300

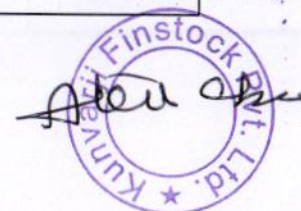
Note: We understand that the equity shares of SHL held by WIL shall stand cancelled automatically upon the proposed scheme of amalgamation being effective.

WHEELS INDIA LIMITED (TRANSFEEE COMPANY)

Wheels India Limited ('WIL' or 'Transferee Company') was incorporated on 13 June 1960 and is engaged in the business of manufacturing of automotive and industrial components. Its product portfolio comprises of steel wheels and forged aluminium wheels; air suspension systems for buses, trucks and trailers; control and speciality products; and machined components for various other applications. WIL holds 16.3% equity stake in Sundaram Hydraulics Limited, 74.0% stake in WIL Car Wheels Limited and 9.5% stake in Axles India Limited (WIL Car Wheels Limited and Axles India Limited are hereinafter together referred to as 'the investee companies of WIL'). The equity shares of WIL are listed on BSE and NSE.

The equity shareholding pattern of WIL as at 30 September 2021 is set out below:

Category of shareholder	Number of equity shares (Face Value of INR 10 each)	Percentage %
Promoter and Promoter Group	1,38,43,428	57.5%
Public	1,02,21,130	42.5%
Total	2,40,64,558	100.0%



2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES**Transaction Overview**

We understand that the Management of the Transacting Companies are contemplating a scheme of amalgamation, wherein they intend to amalgamate Sundaram Hydraulics Limited with Wheels India Limited in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of amalgamation (hereinafter referred to as 'the Scheme').

As a consideration for the proposed amalgamation, equity shareholders of SHL would be issued equity shares of WIL. The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the share exchange ratio report prepared by Independent Valuer appointed by them.

Scope of Services

Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio recommended by Independent Valuer vide report dated 07 December 2021 for the proposed amalgamation of Transferor Company with Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide fairness opinion on the share exchange ratio recommended by an Independent Valuer as at Valuation Date for the Proposed amalgamation.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.




3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from public domain for the purpose of this report:

- Signed share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated 07 December 2021;
- Audited standalone/ consolidated financial statements of WIL for the financial year ended 31 March 2021;
- Limited reviewed standalone/ consolidated financial statements of WIL for the six months' period ended 30 September 2021;
- Audited financial statements of SHL for the financial year ended 31 March 2021 and for the six months' period ended 30 September 2021;
- Audited financial statements for the financial year ended 31 March 2021 and limited reviewed financial statements for the six months' period ended 30 September 2021 of investee companies of WIL;
- Quarterly reported financial performance of Transacting Companies and investee companies of WIL for the trailing twelve month period ended 30 September 2021;
- Financial projections of SHL from 01 April 2021 to 31 March 2026 ('Management Projections') which represents Management's best estimate of the future financial performance of SHL;
- Shareholding pattern of WIL as at 30 September 2021; and shareholding pattern of SHL as at the report date;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;
- Publicly available market data, key trends and valuation multiple of comparable companies;

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

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4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available of Companies in public domain.
- Discussion with the Management to:
Understand the business and fundamental factors that affect the business including their earning generating capability and enquire about the historical financial performance, current state of affairs, business plans and the future performance estimates.
- Reviewed signed share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated 07 December 2021;
- Reviewed the draft scheme of amalgamation between the Transacting Companies.
- Reviewed the cashflow projections provided by the Management for SHL including understanding basis of preparation and the underlying assumptions;
- Analysis of key trends and valuation multiples of the Comparable Companies using data available in public domain and proprietary databases.
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.



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5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

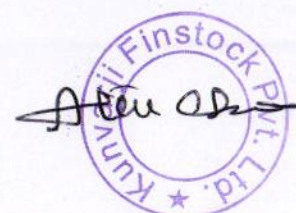
The fairness opinion contained herein is not intended to represent fairness opinion at any time other than report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) the shareholding pattern of Transacting Companies (iv) limited reviewed financial statements of WIL and audited financial statements of SHL for the six months' period ended 30 September 2021; (v) limited reviewed financial statements for the six months' period ended 30 September 2021 of investee companies of WIL; (vi) quarterly reported financial performance of Transacting Companies and investee companies of WIL for trailing twelve months ended 30 September 2021; and (v) draft scheme of amalgamation.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represent our opinion based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.




It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or




document given to third parties, other than in connection with the proposed scheme of amalgamation, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of WIL will trade following announcement of the proposed amalgamation and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.

A handwritten signature in black ink is written over a circular purple stamp. The stamp contains the text "Kunvarji Finstock Pvt. Ltd." around the perimeter and a small star in the center.

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5. OUR RECOMMENDATION

As stated in the Share Exchange Ratio Report dated 07 December 2021 prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets, they have recommended the following:

"151 (One Hundred and Fifty One) equity shares of WIL having face value of INR 10 each fully paid up shall be issued for every 15,000 (Fifteen Thousand) equity shares held in SHL having face value of INR 10 each fully paid up."

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the Share exchange ratio as recommended by Niranjana Kumar, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is fair to the equity shareholders of WIL and SHL in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Date: 07 December 2021

Place: Ahmedabad



Annexure - D**National Stock Exchange Of India Limited**

Ref: NSE/LIST/31234

February 10, 2022

The Company Secretary
Wheels India Limited
21, Patullos Road,
Chennai – 600 002.

Kind Attn.: Ms. K. V Lakshmi

Dear Madam,

Sub: Observation Letter for draft Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective shareholders.

We are in receipt of draft Scheme of Amalgamation of Sundaram Hydraulics Limited (“Transferor Company”) with Wheels India Limited (“Transferee Company”) and their respective shareholders.

Based on our letter reference no. NSE/LIST/29504 submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *Company shall ensure disclosure of all details of ongoing adjudication & recovery proceedings prosecution initiated and all other enforcement action taken, if any, against the company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeking approval of the scheme.*
- b. *Company shall ensure additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges*
- c. *The entities involved in the scheme shall duly comply with various provisions of the said Circular.*
- d. *The Company shall ensure that the new equity shares to be issued & allotted by the transferee company only in demat form to the respective shareholders of the Transferor Companies.*
- e. *The Company should ensure that the information pertaining to all the unlisted companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018 in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f. *Company shall ensure that all details mentioned in their letter dated January 03, 2021 shall be disclosed to the shareholders for enabling them to take an informed decision on the scheme under consideration.*
- g. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from February 10, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

Telephone Nos. :
Regd. Office : (044) 28522745
Factory : (044) 26234300
(044) 26258511



Telefax : 044 - 26257121
Web : www.wheelsindia.com

WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

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

Factory :
Padi, Chennai - 600 050.

January 25, 2022

National Stock Exchange of India Limited,
'Exchange Plaza'. C-1, Block
G, Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

Scrip Code: WHEELS

Ref.: Application for grant of approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Amalgamation presented under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 ("the Act") for proposed Scheme of Amalgamation of Sundaram Hydraulics Limited ("Transferor Company" OR "SHL") with Wheels India Limited ("Transferee Company" OR "WIL") and their respective shareholders (the "Scheme")

Sub.: Report on Complaints in terms of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 in respect of the Scheme uploaded on stock exchange website on January 03, 2022

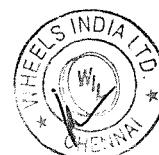
Dear Sir / Madam,

This is with reference to our application (no. 29504) under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Amalgamation of Sundaram Hydraulics Limited ("Transferor Company" OR "SHL") with Wheels India Limited ("Transferee Company" OR "WIL") and their respective shareholders.

As per Para I(A)(6) of the SEBI Circular dated November 23, 2021, the Company is required to submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme, within 7 days of expiry of 21 days from the date of filing of the Scheme with the Exchanges and hosting of the same on its website.

The Scheme and other relevant documents were hosted by NSE on its website on January 03, 2022. Accordingly, please find attached herewith Report on Complaints as the period of 21 days from the hosting of said documents by the NSE on its website expired on January 24, 2022.

PLEASE ADDRESS ALL COMMUNICATIONS TO THE FACTORY



The Report on Complaints is also being uploaded on the website of the Company, as per requirement of said SEBI Circular.

Kindly take the same on your record and provide us necessary "No Objection" at the earliest to enable us to file the Scheme of Amalgamation with Hon'ble National Company Law Tribunal.

Thanking you.

Yours faithfully,

For **Wheels India Limited**

K. V. Lakshmi

K V Lakshmi
Company Secretary



Encl: a/a

Complaints Report

(For period from January 03, 2022 upto January 24, 2022)

Part A

Sl. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints / comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

Part B

Sl. No.	Name of complainant	Date of Complaint	Status (Resolved / pending)
1	Not Applicable		

For **Wheels India Limited**

K. V. Lakshmi

K V Lakshmi
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of Wheels India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Wheels 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 statement of Cash Flows for the year then ended, and notes to the standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Profit and Other Comprehensive Loss, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 standalone Ind AS financial statements under the provisions of the Companies Act, 2013 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.

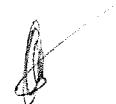
Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS 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.



Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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.

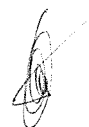
The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Standalone Ind AS 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.
- b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- d) 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.
- e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

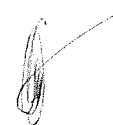
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 the statement of Other Comprehensive Income, 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



- 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, 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 standalone Ind AS financial statements. Refer Note No.27 (1) (b) of Standalone Ind AS Financial Statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been generally no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity (“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;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
 - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.



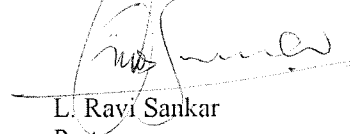
- (v) The final dividend declared and paid by the Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Place: Chennai

Date: May 20, 2022

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No. 000511S

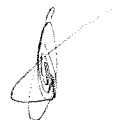


L. Ravi Sankar
Partner
Membership No. 025929
UDIN - 22025929AJKDKT6162

“Annexure - A” to the Independent Auditor’s Report

Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property plant and equipment.
- The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property Plant and Equipment were physically verified by the management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the Property Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Title deeds of all the immovable properties owned by the company are held in the name of the Company.
- d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks during the year on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) Based on our examination of records and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, in respect of which:
- a) The Company has not made any investment and not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its directors, covered under Section 185 of Companies Act, 2013. Section 186 of the Companies Act, 2013 is not applicable to the company for the year.
- (v) The Company has accepted public deposits and has complied with the provisions of sections 73 to 76 of the Companies Act or any other relevant provisions of the Act and rules made thereunder.
- (vi) The Maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Act in respect of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been



so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of these statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.
- b) In our opinion and according to the information and explanations given to us, there are no dues of income tax, duty of customs and Goods and Service tax which have not been deposited on account of any dispute. The dues in respect of Service tax which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Service Tax Act, 1994	Service Tax	5.71	Assessment Year 2009-10 to Assessment Year 2018-19	CESTAT	-

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.
- (ix) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.
- c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, the Company has not utilised the funds raised on short term basis for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.
- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.



- (x) a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.
- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.
- (xi) a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the Management, there have been no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii)(a),(b),(c) of the Order does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports of the company issued during the year April 01, 2021 to March 31, 2022.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause 3(xv) of the order does not arise.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the current year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order does not arise.



- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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) There is no unspent amount towards Corporate Social Responsibility (CSR) projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Place: Chennai

Date: May 20, 2022

For Brahmayya & Co.,
Chartered Accountants
Firm/Regn. No. 000511S



L. Ravi Sankar
Partner
Membership No. 025929
UDIN - 22025929AJKDKT6162

“Annexure - B” to the Independent Auditors’ Report

Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Wheels India Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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 Companies Act, 2013 (“the Act”).

Auditors’ Responsibility

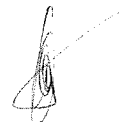
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

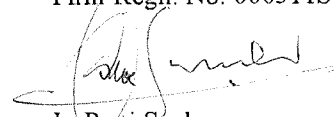
Opinion

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

Place: Chennai

Date: May 20, 2022

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No. 000511S



L. Ravi Sankar
Partner
Membership No. 025929
UDIN - 22025929AJKDKT6162

BALANCE SHEET AS AT

Rs. In Crores

PARTICULARS	Note No.	31st March 2022	31st March 2021
I ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	1	744.32	760.35
(b) Capital work-in-progress	2	85.25	42.56
(c) Other Intangible Assets	3	2.73	3.27
(d) Right of Use Assets	4	25.37	19.06
(e) Financial Assets			
i) Investments	5	14.24	16.68
ii) Others	6	19.97	19.04
(f) Other Non Current Assets	7	18.62	6.25
		910.50	867.21
2. Current assets			
(a) Inventories	8	769.58	512.09
(b) Financial Assets			
i) Trade receivables	9	868.23	706.00
ii) Cash and cash equivalents	11a	2.35	2.11
iii) Bank Balances other than (ii) above	11b	0.47	0.51
iv) Others	11	6.80	3.82
(c) Other current assets	12	171.25	126.06
		1,818.68	1,350.59
TOTAL		2,729.18	2,217.80
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	24.06	24.06
(b) Other Equity	14	651.05	575.26
		675.11	599.32
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	15	237.67	303.94
ii) Lease Liabilities	16	17.01	15.00
(b) Provisions	17	5.64	5.82
(c) Deferred tax liabilities (Net)	18	50.39	50.74
		310.71	375.50
2. Current liabilities			
(a) Financial Liabilities			
i) Borrowings	20	573.39	305.24
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	21	74.03	46.34
B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	885.78	747.65
iii) Lease Liabilities	22	9.68	5.58
iv) Others	23	33.83	23.10
(b) Other current liabilities	24	131.50	88.14
(c) Short-term provisions	25	28.08	20.15
(d) Current Tax Liabilities (Net)	26	7.07	6.78
		1,743.36	1,242.98
TOTAL		2,729.18	2,217.80
Significant Accounting Policies	A		

S. RAM
Chairman
DIN:00018309

SRINATH RAM
Managing Director
DIN:00063415

S PRASAD
Director
DIN:00063667

R. RAGHUNATHAN
Chief Financial Officer

K. V. LAKSHMI
Company Secretary

Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S



L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH

		Rs. In Crores	
	Note no.	2022	2021
REVENUE FROM OPERATIONS			
Sale of Products		3,320.13	2,003.26
Sale of Services		31.45	25.71
Other operating revenues		335.11	182.78
Revenue from Operations		3,686.69	2,211.75
Other income	29	14.38	4.19
TOTAL INCOME		3,701.07	2,215.94
EXPENSES			
Cost of materials consumed	30	2,825.27	1,547.15
Changes in inventories of finished goods, Work-in-progress	31	(143.59)	(20.40)
Employee benefit expense	32	352.13	274.60
Finance Costs	34	63.10	52.68
Depreciation and amortisation expenses	1,3 & 4	95.02	80.63
Other Expenses	33	402.63	271.56
TOTAL EXPENSES		3,594.56	2,206.22
Profit before exceptional items and tax		106.51	9.72
Exceptional items		-	-
Profit before tax		106.51	9.72
Tax expense:	35		
Current tax		27.08	1.38
Deferred tax		(0.36)	1.59
Profit for the year		79.79	6.75
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		(2.45)	(0.02)
- Remeasurements of post employment defined benefit plan		1.15	2.00
Less: Income Tax relating to remeasurements		(0.29)	(0.50)
Total Comprehensive Income for the year		78.20	8.23
Earnings per equity share:	36		
1. Basic		33.16	2.80
2. Diluted		33.16	2.80
Significant Accounting Policies	A		

S. RAM
Chairman
DIN:00018309

SRINATH RAM
Managing Director
DIN:00063415

S PRASAD
Director
DIN:00063667

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Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S



L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

STATEMENT OF CHANGES IN EQUITY

A) EQUITY SHARE CAPITAL

Rs. In Crores

As at 31.03.2022

As at 31.03.2021

Balance at the beginning of the year	24.06	24.06
Changes in Equity share capital during the year	-	-
Balance at the end of the year	24.06	24.06

B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI	
A. Balance as at 31st March, 2020	-	70.10	411.28	95.84	2.04	(5.85)	573.41
Profit for the year				6.75			6.75
Changes in Fair valuation of Equity Instrument					(0.02)		(0.02)
Remeasurement of defined benefit plans						1.50	1.50
B. Total Comprehensive Income for the year 2020-21	-	-	-	6.75	(0.02)	1.50	8.23
Final Dividend 2019-20				(6.38)			(6.38)
Transfer to General Reserve			2.00	(2.00)			-
C. Total	-	-	2.00	(8.38)	-	-	(6.38)
D. Balance as at 31st March, 2021 (A+B+C)	-	70.10	413.28	94.21	2.02	(4.35)	575.26
Profit for the year				79.79			79.79
Changes in Fair valuation of Equity Instrument					(2.45)		(2.45)
Remeasurement of defined benefit plans						0.86	0.86
E. Total Comprehensive Income for the year 2021-22	-	-	-	79.79	(2.45)	0.86	78.20
Final Dividend 2020-21				(2.41)			(2.41)
Transfer to General Reserve			-				-
F. Total	-	-	-	(2.41)	-	-	(2.41)
G. Balance as at 31st March, 2022 (D+E+F)	-	70.10	413.28	171.59	(0.43)	(3.49)	651.05

* Capital Reserve is Rs. 1713/-

S. RAM
Chairman
DIN:00018309

SRIVATS RAM
Managing Director
DIN:00063415

S PRASAD
Director
DIN:00063667

R. RAGHUNATHAN
Chief Financial Officer

K.V. LAKSHMI
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Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S



L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

A. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of Preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015.

The financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently for all the periods presented in the financial statements.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company's normal operating cycle has been ascertained as 12 months based on the nature of products and the time between acquisition of assets for processing and their realisation in cash or cash equivalents.

b) These financial statements are prepared under the historical cost convention unless otherwise indicated.

c) Property, Plant and Equipment

a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.

b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.

c) Leasehold Land: Premium paid on Leasehold Land is amortised over the lease period.

d) The expenditure during construction period relating to the new project till the commencement of commercial production is capitalised and allocated to the relevant equipments.

e) In accordance with IndAS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.

f) Grants received for Investment in Property Plant & Equipment are recognized in Statement of Profit or Loss on a systematic basis over the useful life of the asset.

g) The cost of software relating to ERP is amortised over the estimated useful life viz., 5 years. The cost of other intangible assets are amortised over the estimated useful life viz., 3 years.

h) Upon first time adoption of IndAS, the carrying value of all the assets as at Transition date i.e. 01st April 2016 has been considered as its Deemed cost.

d) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses if any.

e) Inventories

The stock of raw materials, work-in-progress, stores, loose tools and goods in transit are valued at cost (net of GST credits) on weighted average basis.

The stock of finished goods are valued at cost (net of GST credits including appropriate overheads) or net realisable value whichever is lower.

f) **Financial instruments**

i) Financial assets:

Financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss, its transaction cost is recognised in the Statement of profit and loss. In other cases, the acquisition cost of the financial assets is net of the attributable transaction cost.

Financial assets are subsequently classified and measured at:

- i) Amortised cost or
- ii) Fair Value through profit and loss (FVTPL)
- iii) Fair Value through other comprehensive income (FVTOCI)

Trade receivables and Loans:

Trade receivables and Loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using Effective Interest Rate method net of any expected credit losses. The Effective Interest Rate is the rate that discounts estimated future cash receipts through the expected life of financial instrument.

Investments:

All investments in equity instruments (other than in Subsidiaries and Associates covered under (d) above) classified under financial assets, are initially measured at fair value. Fair Value changes on an Equity instruments is recognised in the Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

ii) Financial liabilities:

Financial liabilities are initially measured at amortised cost. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost using Effective Interest Rate method.

g) **Provisions and Contingent liabilities:**

Provisions are recognised when the Company has a present obligation as a result of an event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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 a outflow of resources will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

h) **Revenue recognition:**

Revenue from the sale of goods is recognised when the control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate method. Dividend income is recognised when right to receive the payment is established. Export incentives are recognised as revenue as and when exports are made.

i) **Employee Benefits**

Provident Fund:

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Company make monthly contributions to the regional provident fund authorities/ Company's Employees Provident Fund Trust. The Company has an obligation to make good the shortfall, if any between the return from the investments made from the trust and the notified interest rate accrued to the employees account.

Gratuity:

The gratuity plan provides for a lump sum payment to vested employees eligible for gratuity at the time of retirement, death, incapacity or termination of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as at the Balance Sheet date based upon which the Company contributes all the ascertained liabilities to LIC, which is the administrator of the plan.

Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation and the Company contributes part of the ascertained liabilities to SBI Life Insurance Company Limited, which is the administrator of the plan.

Others:

Contributions to defined contribution schemes such as Employees State Insurance, Superannuation are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Company has no obligation beyond what has been recognised as expense in the Statement of profit and loss.

j) Research & Development expenses:

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

k) Leases:

The company has applied IND AS 116 using modified retrospective approach. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Leased Assets are depreciated on straight line basis over the period of lease.

l) Foreign Currency Transactions

Transactions in Foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date.

m) Derivative contracts:

Forward contracts are entered to hedge the foreign currency risk. The profit/ loss arising on these contracts is accounted for as income/ expenditure on the date of settlement of the contract.

The outstanding contracts are Marked to Market on the reporting date and the net loss/ gain arising therefrom is recognised in the Statement of Profit and Loss.

n) Earnings per share:

Earnings per share (EPS) is computed by dividing the net profit/ (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year

o) Income taxes

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised using the Balance sheet approach. Deferred tax assets and liabilities are recognised for temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Rs. In Crores

Description	Gross Block at cost				Depreciation/Amortisation				Net Block	
	As At 31.03.2021	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.03.2022	As At 31.03.2021	Additions	Deletions	As At 31.03.2022	As At 31.03.2022	As At 31.03.2021
1.TANGIBLE ASSETS										
Land (Free hold)	0.94	-	-	0.94	-	-	-	0.00	0.94	0.94
Land (Lease hold)	27.50	-	1.81	25.69	1.21	0.27	0.24	1.24	24.45	26.29
Buildings	151.74	12.98	12.57	152.15	54.02	4.71	5.05	53.68	98.47	97.72
Plant and Equipment	1343.68	68.53	21.19	1391.02	716.22	80.02	16.53	779.71	611.31	627.46
Furniture and Fixtures	6.59	0.88	0.48	6.99	5.01	0.29	0.44	4.86	2.13	1.58
Vehicles	0.13	0.01	0.04	0.10	0.10	0.00	0.04	0.06	0.04	0.03
Office Equipment	22.92	3.01	2.31	23.62	16.59	2.24	2.19	16.64	6.98	6.33
	1553.50	85.41	38.40	1600.51	793.15	87.53	24.49	856.19	744.32	760.35
3. INTANGIBLE ASSETS										
Computer Software	20.63	1.38	0.13	21.88	18.17	1.24	0.10	19.31	2.57	2.46
Technical Know-how	5.65	0.16	-	5.81	4.84	0.81	-	5.65	0.16	0.81
	26.28	1.54	0.13	27.69	23.01	2.05	0.10	24.96	2.73	3.27
Total	1579.78	86.95	38.53	1628.20	816.16	89.58	24.59	881.15	747.05	
Previous year	1382.63	203.00	5.85	1579.78	743.75	76.82	4.41	816.16		763.62

4. RIGHT OF USE ASSETS										Rs. In Crores
Description	Gross Block at cost			Depreciation/Amortisation				Net Block		
	As At 31.03.2021	Additions	Deletions	As At 31.3.2022	As At 31.3.2021	Additions	Deletions	As At 31.3.2022	As At 31.3.2022	As At 31.3.2021
Leased Assets	23.65	11.51	-	35.16	4.59	5.44	0.24	9.79	25.37	19.06
Total	23.65	11.51	-	35.16	4.59	5.44	0.24	9.79	25.37	19.06
Previous year	10.02	14.18	0.55	23.65	1.04	3.81	0.26	4.59		19.06

2. CAPITAL WORK IN PROGRESS

	31.03.2022	31.03.2021
a) Buildings	12.43	6.80
b) Plant and Machinery*	72.82	35.76
	<u>85.25</u>	<u>42.56</u>

* Includes machinery in transit - Rs. .Nil (previous year - Rs. 0.30 Crs)

Ageing of CWIP as on March 31, 2022 :

	Amount in Capital work in progress				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	80.59	3.14	0.79	0.73	85.25

Ageing OF CWIP as on March 31, 2021 :

	Amount in Capital work in progress				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	28.19	11.92	1.54	0.91	42.56

NOTES ON ACCOUNTS

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
NON CURRENT ASSETS		
5 INVESTMENTS		
Unquoted		
Investment in Equity Instruments		
i) In Subsidiary Company at Cost		
WIL Car Wheels Limited	3.70	3.70
37,00,000 Equity Shares of Rs.10/- each fully subscribed and paid-up		
	<u>3.70</u>	<u>3.70</u>
ii) In Associate Company at Cost		
Axles India Limited	2.72	2.72
24,24,661 Equity Shares of Rs.10/- each fully paid-up		
	<u>2.72</u>	<u>2.72</u>
iii) In Other Entity at Fair Value through Other Comprehensive Income		
Sundaram Hydraulics Limited	7.15	7.15
71,50,000 Equity Shares of Rs.10/- each fully paid up		
Add/(Less) : Change due to Fair Valuation*	(1.42)	1.02
	<u>5.73</u>	<u>8.17</u>
* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company for the period ending 31st March, 2022.		
iv) In Other Entities at Fair Value through Profit or Loss		
MEFCO Engineers Private Limited	0.20	0.20
20,000 Equity Shares of Rs.100/- each fully paid up		
Siva Electric Generation Private Limited	0.16	0.16
1,62,172 Equity shares of Rs.10/- each fully paid up		
Gamma Green Power Private Limited		
12,00,062 Equity shares of Rs.10/- each fully paid up	1.20	1.20
Beta Wind Farm Private Limited		
2,25,370 Equity Shares of Rs. 10/- each fully paid up	0.43	0.43
Siva Green Energy India Private Limited		
95,000 Equity Shares of Rs. 10/- each fully paid up	0.10	0.10
	<u>2.09</u>	<u>2.09</u>
	<u>14.24</u>	<u>16.68</u>
6 NON CURRENT FINANCIAL ASSETS - OTHERS		
a) Security Deposits (unsecured - considered good)	19.35	18.47
b) Advances to employees	0.62	0.57
	<u>19.97</u>	<u>19.04</u>
7 OTHER NON CURRENT ASSETS		
a) Advances for Capital goods	18.27	5.64
b) Prepaid expenses	0.35	0.61
	<u>18.62</u>	<u>6.25</u>
CURRENT ASSETS		
8 INVENTORIES		
a) Raw Materials	356.42	261.75
(Includes Goods in Transit- Rs. 28.52 crs) (previous year - 15.93 Crs)		
b) Work - in - Progress	178.41	107.48
c) Finished goods	136.61	63.95
d) Stores and Spares	57.11	52.25
e) Loose tools	41.03	26.66
	<u>769.58</u>	<u>512.09</u>

9 TRADE RECEIVABLES

a) Unsecured - Considered good

Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
<u>868.23</u>	<u>706.00</u>
<u>868.23</u>	<u>706.00</u>

Trade receivable ageing schedule March 31, 2022

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables considered good*	679.90	183.62	3.29	1.42	-	-	868.23
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Disputed trade receivables considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Total	679.90	183.62	3.29	1.42	-	-	868.23

* it includes unbilled amount of Rs. 35.84 Crores.

Trade receivable ageing schedule March 31, 2021

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables* considered good*	592.78	102.21	7.97	2.70	0.30	0.04	706.00
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Disputed trade receivables considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Total	592.78	102.21	7.97	2.70	0.30	0.04	706.00

* it includes unbilled amount of Rs. 29.93 crores

	Rs. In Crores		Rs. In Crores	
	As at		As at	
	31.03.2022		31.03.2021	
10 CASH AND CASH EQUIVALENTS				
a i) Current Accounts	1.45		1.28	
ii) Cash on hand	0.02		0.06	
iii) Deposit with Banks towards Liquid assets requirement under Acceptance of Deposit rules, 2014	0.88		0.77	
	<u>2.35</u>		<u>2.11</u>	
b Bank Balances with more than three months maturity				
i) Fixed Deposits	0.13		0.13	
(as a Guarantee to Commercial Taxes Department)	0.34		0.38	
ii) Unclaimed Dividend Accounts	<u>0.47</u>		<u>0.51</u>	
11 CURRENT FINANCIAL ASSETS - OTHERS				
Advances to employees	2.41		2.19	
Duty Drawback Receivable	1.60		1.06	
Export Incentive License	2.76		0.56	
Interest accrued on deposits and investments	0.03		0.01	
	<u>6.80</u>		<u>3.82</u>	
12 OTHER CURRENT ASSETS				
Unsecured - Considered good				
a) Advances other than Capital Advances				
Advances to Vendors	3.62		4.39	
Other Advances	<u>3.31</u>	<u>6.93</u>	<u>1.84</u>	6.23
b) Balance with GST/ Central Excise authorities		113.49		85.35
c) VAT receivable		-		0.90
d) Export incentives receivable		6.88		8.73
e) GST refund receivable on Exports		16.49		13.75
f) Prepaid expenses		<u>27.46</u>		<u>11.10</u>
		<u>171.25</u>		<u>126.06</u>
13 EQUITY SHARE CAPITAL				
a) Authorised	50.00		50.00	
5,00,00,000 Equity Shares of Rs.10/- each				
b) Issued, Subscribed and Fully Paid-up				
2,40,64,558 Equity Shares of Rs.10/- each		<u>24.06</u>		<u>24.06</u>
c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
	31.03.2022		31.03.2021	
Equity Shares of Rs.10/- each	No. of	Rs. In	No. of	Rs. In Crores
	shares	Crores	shares	
Outstanding at the beginning of the year	2,40,64,558	24.06	2,40,64,558	24.06
Change in Equity Share Capital during the year	-	-	-	-
Outstanding at the end of the year	2,40,64,558	24.06	2,40,64,558	24.06
d) Rights, Preferences and restrictions				
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by e voting (remote e - voting/ e - voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.				
e) Shareholding of shareholders holding more than 5% of shares as at	31.03.2022		31.03.2021	
	(Number of shares)		(Number of shares)	
T V Sundram Iyengar & Sons Private Limited	-		49,11,028	
Southern Roadways Private Limited	-		22,32,628	
Sundaram Finance Holdings Limited	56,01,117		56,01,117	
Trichur Sundaram Santhanam & Family Private Limited	71,43,656		-	
f) Shareholding of Promoter and Promoter Group				
	31.03.2022	31.03.2022	31.03.2021	31.03.2021
	(Number of shares)	(Percentage of Total Shares)	(Number of shares)	(Percentage of Total Shares)
T V Sundram Iyengar & Sons Private Limited	-	-	49,11,028	20.41%
Southern Roadways Private Limited	-	-	22,32,628	9.28%
Sundaram Finance Holdings Limited	56,01,117	23.27%	56,01,117	23.27%
Trichur Sundaram Santhanam & Family Private Limited*	71,43,656	29.69%	-	-
India Motor Parts & Accessories Limited	10,98,655	4.57%	10,98,655	4.57%
* Refer note 50 (b)				

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
14 OTHER EQUITY		
a) Capital Reserves*	-	-
b) Securities Premium	70.10	70.10
c) General Reserves	413.28	413.28
d) Retained Earnings	171.59	94.21
e) Other Comprehensive Income Reserve	(3.92)	(2.33)
* Capital Reserve is Rs. 1713/-	<u>651.05</u>	<u>575.26</u>
Refer Note no. 37		

NON CURRENT FINANCIAL LIABILITIES**15 BORROWINGS****A. SECURED BORROWINGS**

a) Term Loans from Banks		
By first Charge by way of hypothecation of specific machinery	89.66	99.76
b) Term Loans from others		
By first Charge by way of hypothecation of specific machinery	24.66	49.21

B. UNSECURED BORROWINGS

a) Fixed Deposits	123.35	154.97
Includes Rs. 0.79 crores received from Directors (previous year Rs. 0.19 crores)		
	<u>237.67</u>	<u>303.94</u>

Terms of Repayment : Refer Note no.28

16 Lease Liabilities

Lease Liabilities*	17.01	15.00
(*Refer Note no. 46)	<u>17.01</u>	<u>15.00</u>

17 PROVISIONS

Provisions for employee benefits	5.64	5.82
	<u>5.64</u>	<u>5.82</u>

18 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities	55.29	55.89
Deferred Tax Assets	(4.90)	(5.15)
Minimum Alternate Tax credit entitlement	-	-
	<u>50.39</u>	<u>50.74</u>

Movement in Deferred Tax Assets and Liabilities

	Rs. In Crores 31.03.2022	Charge in Statement of Profit or Loss	Rs. In Crores 31.03.2021	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	53.42	0.02	53.39	2.40
ii) Export Incentives	1.73	(0.47)	2.20	0.45
iii) Remeasurement of Financial Liabilities	0.14	(0.16)	0.30	0.10
	<u>55.29</u>	<u>(0.61)</u>	<u>55.89</u>	<u>2.95</u>
Less:				
b) Deferred Tax Asset				
Expenses allowable on payment basis	4.90	(0.25)	5.15	1.36
c) Minimum Alternate Tax credit entitlement*		-		(0.84)
Net Deferred Tax Liability/ (Assets) (a-b-c)	<u>50.39</u>	<u>(0.36)</u>	<u>50.74</u>	<u>2.43</u>

Rs. In Crores
As at
31.03.2022

Rs. In Crores
As at
31.03.2021

CURRENT FINANCIAL LIABILITIES

20 BORROWINGS

A. SECURED BORROWINGS

a) Loans repayable on demand from Banks	295.74	133.54
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-progress, finished goods, consumable stores and spares, goods-in-transit and book debts.		

B. UNSECURED BORROWINGS

a) Loans repayable on demand from Banks	132.00	70.00
c) Fixed Deposits	8.75	10.64
(Includes Nil received from Directors)		
C. Current maturities of long-term debt (Refer Note no. 28)	136.90	91.06
(Includes Rs. 0.19 crores received from Directors (previous year Rs. 0.79 crores))		

573.39

305.24

21 TRADE PAYABLES

Dues to Micro Enterprises and Small Enterprises	74.03	46.34
Dues to Others	885.78	747.65
	959.81	793.99

(Refer Note no. 38 for details of dues to Micro Enterprises and Small Enterprises)

Trade payables ageing schedule March 31, 2022

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Payables						
Micro and Small Enterprises	74.03					74.03
Other than Micro and Small Enterprises	773.53	112.25				885.78
Disputed Trade Payables						
Micro and Small Enterprises		-	-	-	-	-
Other than Micro and Small Enterprises		-	-	-	-	-
Total	847.56	112.25	-	-	-	959.81

Trade payables ageing schedule March 31, 2021

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Payables						
Micro and Small Enterprises	46.28	0.04	0.02	-	-	46.34
Other than Micro and Small Enterprises	640.15	106.85	0.44	0.15	0.06	747.65
Disputed Trade Payables						
Micro and Small Enterprises		-	-	-	-	-
Other than Micro and Small Enterprises		-	-	-	-	-
Total	686.43	106.89	0.46	0.15	0.06	793.99

22 Lease Liabilities

Lease Liabilities*	9.68	5.58
(*Refer Note no. 46)	9.68	5.58

23 CURRENT FINANCIAL LIABILITIES - OTHERS

a) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs .1.88 crores (previous year Rs. 0.79 crores)	13.11	8.18
b) Interest accrued but not due on borrowings	13.25	9.13
c) Unclaimed Dividends	0.34	0.38
d) Trade Deposits	1.30	1.26
e) Recovery from Employees	2.00	1.52
f) Unclaimed matured deposits and interest accrued thereon	3.83	2.63
	33.83	23.10

24 OTHER CURRENT LIABILITIES

Advance from Customers	14.88	8.07
Statutory dues	107.94	71.43
Employee Benefits Payable	5.33	3.98
Provision for expenses	3.35	4.66
	131.50	88.14

	Rs. In Crores	Rs. In Crores
	As at	As at
	31.03.2022	31.03.2021
25 SHORT TERM PROVISIONS		
a) Provision for employee benefits	18.46	14.30
b) Provision for Warranty (Refer Note below)	6.21	5.72
c) Due to Directors	3.41	0.13
	<u>28.08</u>	<u>20.15</u>

i) **Provision for Warranty claims :**

Provision for warranty related costs is an estimate made by the management based on possible future outflow on servicing the customer for any corrective action when the product is sold to the customer. Initial Recognition is based on historical experience. The estimate of warranty related costs is reviewed annually.

ii) Movement in Provisions	As at 01st April, 2021	Additions	Amounts used	As at 31st March, 2022
Warranties	5.72	0.49	-	6.21

26 CURRENT TAX LIABILITIES

Provision for Taxation less Advance Tax and Tax deducted at Source	7.07	6.78
Less: Minimum Alternate Tax credit entitlement set off	-	-
	<u>7.07</u>	<u>6.78</u>

27 CONTINGENT LIABILITIES AND COMMITMENTS

Rs. In Crores
As at 31.3.2022 As at 31.3.2021

i) **Contingent Liabilities**

a) Bills discounted with Banks	2.21	38.08
b) Disputed amounts in respect of GST, Income Tax and Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. NIL (previous year Rs. 0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	5.71	6.75

ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for	39.64	22.50
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28 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS

The term loans and other loans are repayable over a period of 1 to 5 years as per the terms of agreement entered into with the Banks / others.

	Rs. In Crores 2021-22	Rs. In Crores 2020-21
29 OTHER INCOME		
a) Interest on deposits and advances	0.93	1.76
b) Dividend Received	-	0.36
c) Other non-operating income	2.97	2.07
d) Net Gain on foreign currency transactions and translation	10.48	-
	<u>14.38</u>	<u>4.19</u>

30 COST OF MATERIAL CONSUMED

Raw Material	2,364.73	1,222.96
Components	460.54	324.19
	<u>2,825.27</u>	<u>1,547.15</u>

	Rs. In Crores 2021-22	Rs. In Crores 2020-21
31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK - IN - PROGRESS		
a) Opening inventory of Finished Goods	63.95	52.20
Less: Closing inventory of Finished Goods	136.61	63.95
Net change in stock of Finished Goods	(72.66)	(11.75)
b) Opening inventory of Work - in - Progress	107.48	98.83
Less: Closing inventory of Work - in - Progress	178.41	107.48
Net change in stock of Work - in - Progress	(70.93)	(8.65)
Net change in Finished Goods and Work in Progress	(143.59)	(20.40)
32 EMPLOYEE BENEFIT EXPENSE		
a) Salaries, Wages, Bonus and Commission	306.95	240.23
b) Contribution to Provident and Other Funds	16.20	13.39
c) Staff Welfare expenses	28.98	20.98
	352.13	274.60
33 OTHER EXPENSES		
Consumption of Stores, tools and spare parts	107.96	66.40
Power and fuel	139.62	92.00
Rent including Lease Rent	13.17	13.34
Repairs to		
Buildings	11.44	7.57
Machinery	16.24	9.40
Insurance	5.43	4.82
Rates and taxes, excluding taxes on income	1.51	1.63
Directors sitting fees	0.17	0.14
Auditors' remuneration		
Statutory Audit	0.43	0.39
Tax Audit	0.07	0.06
Certification fees	0.13	0.10
Reimbursement of expenses	0.02	0.08
Expenditure on Corporate Social Responsibility (Refer - Note 48)	1.06	1.62
Freight	52.05	32.23
Net Loss on foreign currency transactions and translation	-	0.49
Miscellaneous expenses	53.33	41.29
	402.63	271.56
34 FINANCE COSTS		
a) Interest expense	63.76	51.41
b) Other borrowing costs	(0.66)	1.27
	63.10	52.68

	Rs. In Crores 2021-22		Rs. In Crores 2020-21
35 Income Tax Expenses			
A. Components of Income Tax Expense			
i) Tax Expenses recognised in Statement of Profit or Loss :			
(a) Current Tax			
- on Current year Tax Income	27.08		1.38
(b) Deferred Tax			
- on Origination and Reversal of Temporary Differences	(0.36)		1.59
	<u>26.72</u>		<u>2.97</u>
ii) Tax Expenses recognised in Other Comprehensive Income :			
(a) Current Tax on Remeasurement of Post Employment Benefit obligation	<u>0.29</u>		<u>0.50</u>
B. Reconciliation of Effective Tax Rate			
Total Comprehensive Income before tax	105.21		11.70
Income Tax Expense	26.48	25.17%	2.94
Income not chargeable to tax	0.62		(0.09)
Income Tax Incentives	(0.38)		(0.16)
Expenses not admissible	0.42		0.25
Others	(0.13)		0.53
Tax Expenses recognised in Profit or Loss Statement*	<u>27.01</u>	25.67%	<u>3.47</u>
			29.70%

	2021-22	2020-21
36 Earnings Per Share		
Net profit as per P&L account	79.79	6.75
Weighted Average Number of Shares	2,40,64,558	2,40,64,558
Nominal value per share - Rupees	10.00	10.00
Basic & Diluted earnings per share - Rupees	33.16	2.80

- 37 Dividend of Rs. _____ per equity share amounting to Rs. Crores for the Financial year 2021-22 recommended by Board of Directors which is subject to the approval of shareholders at the ensuing Annual General meeting is not recognised as liability as at the date of Balance sheet.

	Rs. In Crores 2021-22	2020-21
38 Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"		
Particulars		
a) The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	74.03	46.34
- Interest due on above	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information has been given in respect of such vendors to the extent they could be identified as 'Micro, Small and Medium Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.

39 Expenditure incurred on Scientific Research and Development **Rs. In Crores**

	2021-22	2020-21
a) Revenue Expenditure	16.18	14.55
b) Capital Expenditure	5.94	1.19

40 Employee BenefitsDefined Contribution Plan**a) Provident Fund**

In respect of the Employees Provident Fund Scheme, the Company has contributed Rs. 6.55 crores for the year ended 31st March 2022 (previous year Rs. 5.63 crores) to Provident fund Authorities.

b) Superannuation :

The Company has contributed Rs. 0.66 crores for the period 2021-22 (previous year Rs. 0.54 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

Defined Benefit Plan

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 3.73 crores for the year ended 31st March, 2022 (previous year Rs. 2.75 crores) to the Provident Fund Trust. The interest payable by trust to the beneficiaries of trust as per the rate notified by the Government is met by the trust with contribution from company for the previous year ended 31st March 2022 of Rs. 2.19 crores. (previous year - Rs. 1.87 Crores).

d) Gratuity and Leave Salary

In case of the above Defined Benefit Plans, the liability is determined on the basis of Actuarial Valuation and provided for in the Statement of Profit and Loss/ Other Comprehensive Income which are disclosed as below :

	Rs. in Crores			
	Gratuity (funded)		Leave Salary (Partly funded)	
	2021-22	2020-21	2021-22	2020-21
Change in defined benefit obligation				
Opening defined benefit obligation	26.55	27.45	9.62	9.20
Current service cost	3.60	3.90	-	-
Interest cost	1.74	1.71	0.57	0.54
Actuarial loss / (gain) due to change in demographic & financial Assumptions	(0.97)	(0.70)	(0.25)	(0.21)
Actuarial loss / (gain) arising from experience adjustments	0.73	(2.49)	2.98	2.12
Benefits paid	(2.80)	(3.32)	(2.36)	(2.03)
Closing defined benefit obligation	28.85	26.55	10.56	9.62
Change in fair value of assets				
Opening fair value of plan assets	26.08	22.41	3.65	3.43
Expected return on plan assets	1.72	1.56	0.24	0.23
Actuarial gain / (Loss) arising from return on plan assets	(0.09)	(0.09)	0.06	(0.01)
Contribution by employer	0.57	5.52	2.36	2.03
Benefits paid	(2.80)	(3.32)	(2.36)	(2.03)
Closing fair value of plan assets	25.48	26.08	3.95	3.65

	Rs. in Crores			
	Gratuity (funded)		Leave Salary (Partly funded)	
	2021-22	2020-21	2021-22	2020-21
Amount recognised in the Balance Sheet				
Present value of obligations at year end	28.85	26.55	10.56	9.62
Fair value of plan assets at year end	25.48	26.08	3.95	3.65
Net (liability) / asset recognised as on 31st March	(3.37)	(0.47)	(6.61)	(5.97)

Expenses recognised in the Profit & Loss Statement

Current Service cost	3.60	3.59	-	-
Interest on defined benefit obligation	1.74	1.71	0.57	0.54
Expected return on plan assets	(1.72)	(1.56)	(0.24)	(0.23)
Actuarial (gain)/ loss (on Leave Salary)	-	-	2.67	1.92
Expenses recognised in the Profit & Loss A/c	3.62	3.74	3.00	2.23

Remeasurement on the net defined benefit liability

Actuarial loss / (gain) due to change in demographic & financial Assumptions	(0.97)	(0.70)		
Actuarial loss / (gain) arising from experience adjustments	0.73	(2.49)		
Actuarial gain / (Loss) arising from return on plan assets	0.09	0.09		

Expenses recognised in Other Comprehensive Income

(0.15)	(3.10)	NA	NA
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Principal actuarial assumptions used	Gratuity		Leave Salary		Provident Fund	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Discount rate (p.a)	7.29%	6.91%	7.15%	6.76%	7.36%	6.95%
Attrition rate	1-3%	1-3%	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans						

Risk Exposure :

Through its defined benefit plans, the Company is, exposed to some of the general risks such as Investment Risk, Interest rate risk, Longevity risk and Salary escalation risk and having no entity specific risks .

The sensitivity analysis of the impact of changes in the above assumption is given in the below tables :

a) Gratuity

Assumptions	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	27.66	25.41	30.13	27.78
Salary escalation	0.50%	30.16	27.79	27.62	25.38
Mortality	5.00%	28.86	26.56	28.84	26.54
Attrition	5.00%	28.88	26.57	28.82	26.53

b) Leave Salary

	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	10.25	9.34	10.89	9.92
Salary escalation	0.50%	10.89	9.93	10.25	9.33
Mortality	5.00%	10.56	9.62	10.56	9.62
Attrition	5.00%	10.56	9.63	10.55	9.62

c) Provident Fund

	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	1.07	1.86	1.09	1.89
Shortfall	0.50%	1.09	1.92	1.06	1.86
Mortality	5.00%	1.08	1.87	1.08	1.88
Attrition	5.00%	1.08	1.87	1.08	1.88

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

41 Financial Instruments

A. Accounting classifications and fair values

The carrying amounts and fair value of financial instruments by class are as follows:

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
Financial Assets:		
Financial Assets measured at Cost:		
i. Investment in Equity shares	6.42	6.42
Financial assets measured at fair value:		
i. Investment measured at Fair value through other comprehensive income	5.73	8.17
ii. Investment measured at Fair value through profit or loss	2.09	2.09
iii. Derivative financial instruments	-	-
Financial assets measured at amortised cost:		
Trade receivables	868.23	706.00
Cash and cash equivalents	2.35	2.11
Bank balances other than Cash and cash equivalents	0.47	0.51
Other financial assets	26.77	22.86
Financial liabilities:		
Financial liabilities measured at fair value:		
Borrowings	-	-
Derivative financial instruments	-	-
Financial liabilities measured at amortised cost:		
Borrowings	811.06	609.18
Trade payables	959.81	793.99
Other financial liabilities	60.52	43.68

B. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximise the use of observable market data.

Level 3 hierarchy - Includes Financial Instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

As at March 31, 2022	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares			7.82
Derivative financial instruments		-	
Total			
Financial Liabilities :			
Derivative financial instruments			

As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares			10.26
Derivative financial instruments		-	
Financial Liabilities :			
Derivative financial instruments			

i) The Fair value of an Equity Instruments classified as at Fair value through profit or loss included under Level 3 Investments is determined using Cost approach.

ii) The Fair value of an Equity Instrument classified as at Fair value through Other Comprehensive Income included under Level 3 Investments is determined using Discounted Cash flow technique in the previous year and the same has been valued by Registered valuer taking a combination of comparable companies multiple method and Discounted cash flow method during the year.

iii) Valuation inputs are as follows :

	For the year ended	
Significant Unobservable Input :	31.03.2022	31.03.2021
a) Risk adjusted discount rate	* As per	9.58%
b) Earnings Growth rate	Valuation report	2.00%

* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company.

iv) There are no transfers between Level 2 and Level 3 during the year.

v) Trade Receivables, Trade Payables, Cash and Cash Equivalents and Other Financial Assets and B101Liabilities are stated at amortized cost which approximates their fair value.

C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities . In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

	Rs. In Crores		
	Payable within one year	More than one year	Total
As at 31st March, 2022			
Non-Derivative Liabilities			
Trade Payables	959.81	-	959.81
Borrowings	573.39	237.67	811.06
Other Financial Liabilities	43.51	17.01	60.52

	Rs. In Crores		
	Payable within one year	More than one year	Total
Derivative Liabilities			
Forward exchange contracts	-	-	-
As at 31st March, 2021			
Non-Derivative Liabilities			
Trade Payables	793.99	-	793.99
Borrowings	305.24	303.94	609.18
Other Financial Liabilities	28.68	15.00	43.68
Derivative Liabilities			
Forward exchange contracts	-	-	-

b) Management of market risk:

The Company is exposed to the following market risks which affects the value of the Financial instruments :

1. Currency risk
2. Interest rate risk

i) Foreign currency risk

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2022, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to **Rs. 241.88 Crores**

The Company manages currency exposures by continuously monitoring the Foreign currency rates with the transaction rate and takes steps to mitigate the risk using Forward/ Derivative contracts.

Sensitivity to risk

A 5% strengthening of the INR against foreign currencies to which the Company is exposed (net of hedge) would have led to approximately an additional Gain of **Rs. 12.10 Crores** in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2022 is "Nil" (31st March, 2021 - no contracts)

ii) Interest rate Risk

Interest rate is the risk that the Fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company has **Rs. 181.40 Crores** Borrowings at Floating rate of Interest as at 31st March, 2022 (previous year Rs. 200.84 Crores).

Sensitivity to risk

An increase in interest rate of 1% will likely to affect the profit negatively by **Rs. 1.81 crores** and a decrease of 1% would have led to an equal impact but with opposite effect.

c) Management of credit risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

i) Trade Receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are predominantly original equipment manufacturers (OEs). All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, provision for credit loss is not required to be created as per Expected credit loss (ECL) method. Refer Note (f) for accounting policy on Financial Instruments.

ii) Other Financial Assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2022 is the carrying value of each class of financial assets as on that date.

Rs. In Crores

42 Borrowing Costs in accordance with IndAS 23 :	2021-22	2020-21
Borrowing Costs capitalised during the year	2.69	5.38
Capitalisation rate used for Borrowing Costs	6.05%	5.39%

43 As per Ind AS 108 = "Operating Segments ", segment information has been provided under the Notes to Consolidated Financial Statements.

44 Disclosure on Accounting for revenue from customers in accordance with IndAS 115
Disaggregated revenue information

Rs. In Crores

a) Type of goods and service	31-Mar-22	31-Mar-21
a) Sale of products	3320.13	2003.26
b) Sale of services	31.45	25.71
c) Other operating revenues	335.11	182.78
Total operating revenue	3686.69	2211.75
In India	2,686.04	1,645.76
Outside India	1,000.65	565.99
b) Timing of revenue recognition	At a point of time	At a point of time
Sale of products and other operating income	3686.69	2211.75
c) Revenue recognised in relation to contract liabilities	Nil	Nil
d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price		
Revenue at contracted prices	3686.69	2211.75
Revenue from contract with customers	3686.69	2211.75
Difference	-	-
e) Unsatisfied or partially satisfied performance obligation	Nil	Nil

45 Related Party disclosures in accordance with IndAS 24 :

i) Subsidiary :

WIL Car Wheels Limited

ii) a) Associates:

Axles India Ltd.

b) Associates by virtue of their shareholding in Wheels India Limited :

T.V.Sundram Iyengar & Sons Private Ltd.(up to 04th February 2022)

Trichur Sundaram Santhanam & Family Private Limited (With effect from 04th February 2022)

Sundaram Finance Holdings Limited

iii) Other Related parties and the relationship where transaction exists :

a) Associate's Subsidiary

Sundaram Industries Private Limited (up to 04th February 2022)

The Associated Auto Parts Private Limited (up to 04th February 2022)

Sundaram Clayton Limited (up to 04th February 2022)

SI Air Springs Private Limited (up to 04th February 2022)

TVS Motors Limited (up to 04th February 2022)

TVS Electronics Ltd (up to 04th February 2022)

TVS Training & Services Ltd (up to 04th February 2022)

Lucas TVS Limited (up to 04th February 2022)

iv)

Key Managerial Personnel:

Mr. S. Ram

Mr. Srivats Ram

v)

Post Employment Benefit plan entity

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust

b) Subsidiary's Associate

Topy Industries Limited, Japan

Nature of transactions	Rs. in Crores 2021-22	Rs. in Crores 2020-21
Subsidiary		
Sale of goods	5.20	4.16
Purchase of goods	58.42	33.06
Rendering of Services	11.47	8.67
Receiving of Services	2.50	1.02
Sale of Assets	-	0.06
Balance Payable	12.04	6.09
Balance Receivable	2.28	1.94
Associates		
Dividend Received	-	0.36
Dividend paid	1.05	2.79
Purchase of goods	3.07	0.46
Receiving of Services	3.59	1.05
Rendering of Services	0.08	0.06
Sale of goods	3.40	21.43
Balance Payable	0.01	0.12
Balance Receivable	0.01	1.84
Associate's subsidiary		
Purchase of goods	21.99	11.88
Receiving of Services	1.34	1.89
Rendering of Services	-	-
Sale of goods	6.94	7.60
Balance Payable	5.03	4.56
Balance Receivable	0.59	1.18

	Rs. in Crores		Rs. in Crores	
Key Managerial Personnel	Mr. S. Ram	Mr. Srivats Ram	Mr. S. Ram	Mr. Srivats
a) Short term employee benefits				
Remuneration, Perquisites and Commission	1.14	4.30	0.13	1.14
Commission outstanding	1.14	2.27	0.13	-
b) Post Employment Benefits*		0.34		0.19
c) Others				
Interest on fixed deposits	-	0.08	-	0.08
Dividend paid during the year	-	0.01	-	0.01
Deposits balance outstanding	-	0.98	-	0.81

* As the Liabilities for defined benefit plans are provided on actuarial basis, the amounts pertaining to Key Managerial Personnel are not included.

	Rs. in Crores 2021-22		Rs. in Crores 2020-21	
Employees Benefit Plans	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	0.47	3.37	5.21	0.47
Wheels India Limited Staff Provident Fund	3.73	0.34	2.75	0.25
Wheels India Senior Officers Superannuation Trust	0.67	0.67	0.54	0.54

46 Disclosures relating to leases in accordance with Ind AS116 :

	Rs. in Crores	
a) Movement in Lease Liability	2021-22	2020-21
Balance as at 31st March 2021	20.58	9.27
Additions during the year	13.07	13.51
Modications to lease	(1.66)	(0.29)
Finance Cost Accrued during the year	1.44	1.12
Payment of Lease Liabilities	(6.74)	(3.03)
Balance as at 31st March 2022	26.69	20.58
Current Liability (Note no.22)	9.68	5.58
Non Current liabiliy (Note no. 16)	17.01	15.00
b) Maturity Analysis of Lease Liabilities	Rs. in Crores	
Particulars	2021-22	2020-21
Not later than 1 year	8.06	6.18
Later than 1 year and not later than 5 years	21.96	17.49
Total Undiscounted Lease Liability as at 31st March, 2022	30.02	23.67
c)Amount recognised in the statement of Profit or Loss		
Interest on Lease Liabilities	1.44	1.12
Expenses relating to short term leases	0.85	0.69
d)Amount recognised in the statement of cash flow		
Total Cash outflow for leases	6.74	3.72

47 Disclosure on Accounting for intangible assets in accordance with Ind AS 38

	Rs. In Crores	
	2021-22	2020-21
Computer software & Technical know how	Refer to Note no. 3	
Gross carrying amount at the beginning of the year	26.28	25.23
Acquired during the year	1.54	1.06
Deletion during the year	0.13	0.01
Gross carrying amount at the end of the year	27.69	26.28
Gross amortisation at the beginning of the year	23.01	20.66
Amortised during the year	2.05	2.36
Deletion during the year	0.10	0.01
Gross amortisation at the end of the year	24.96	23.01
Net carrying amount at the beginning of the year	3.27	4.57
Net carrying amount at the end of the year	2.73	3.27

48 Disclosures in relation to Corporate Social Responsibility

		Rs. In Crores	
		2021-22	2020-21
a)	Gross amount required to be spent by the company during the year	1.06	1.59
b)	Amount approved by the board to be spent during the year	1.06	1.59
c)	Contribution towards :		
	Promoting Education	0.66	0.40
	Rural Development Projects	0.14	0.09
	Health care	0.02	0.03
	National Heritage, Arts and	0.10	0.05
	PM Cares, State Disaster	0.49	1.05
	Management Authority &		
	Total	1.41	1.62
d)	Amount spent during the year on		
i)	Construction / acquisition of any other asset	-	-
ii)	on purposes other than (i) above	1.41	1.62
Details of excess CSR expenditure under Section 135 (5) of the Act :			
e)	Balance excess spent as at April 1, 2021 :	-	-
	Amount spent during the year	1.41	1.62
	Amount required to be spent during the	1.06	1.59
	Balance excess spent as at March 31,	0.35	0.03

49 Ratios

Ratio	Numerator	Denominator	31.03.2022	31.03.2021	Variance *
Current Ratio (times)	Current assets	Current liabilities	1.55	1.44	8%
Debt-equity ratio (times)	Debt	Equity	1.20	1.02	18%
Debt service coverage ratio	Earning for debt service	Debt service	1.46	0.78	87%
Return on equity ratio	Net profit after tax	Shareholder's funds	0.13	0.01	1010%
Inventory turnover ratio (times)	Consumption	Inventory	4.86	4.04	20%
Trade receivable turnover ratio (times)	Sales	Average Trade receivables	5.40	4.31	25%
Trade payables turnover ratio (times)	Purchases	Average Trade payables	4.71	3.62	30%
Net capital turnover ratio (times)	Total Income	Average Working capital	6.97	5.44	28%
Net profit ratio	Net profit after tax	Total income	2.16%	0.30%	608%
Return on capital employed	Earnings before interest and tax	Average Capital employed	11.06%	4.97%	123%
Return on investment	Dividend	Average Investments	-	2.16%	-100%

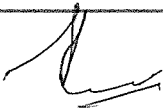
*** Reason for Variance**

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

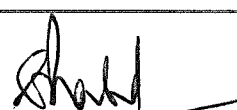
50 Other notes :

- a) The Board of Directors of the Company, at their meeting held on December 07, 2021, approved the scheme of amalgamation of Sundaram Hydraulics Limited with the Company and their respective shareholders. Based on receipt of 'No Objection Letter' dated February 10, 2022 from NSE / SEBI, the Company has filed an application with the Hon'ble NCLT, Chennai on March 16, 2022 and is awaiting necessary directions in this regard.
- b) Consequent to the approval of the composite scheme of amalgamation / arrangement, the holding of 71,43,656 equity shares have been transferred to / vested in M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL), effective February 04, 2022.
- c) During the year, the Company has borrowings from banks on the basis of security of current assets. Returns/Statements filed with the banks on a periodical basis are in agreement with the books of accounts.

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


S RAM
 Chairman
 DIN:00018309


SRIVATS RAM
 Managing Director
 DIN:00063415


S PRASAD
 Director
 DIN:00063667

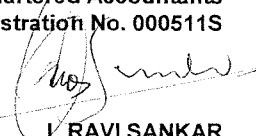

R. RAGHUNATHAN
 Chief Financial Officer

May 20, 2022


K.V.LAKSHMI
 Group Secretary

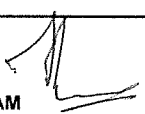
Per our report of even date
 for **BRAHMAYYA & Co.**
 Chartered Accountants
 Firm Registration No. 000511S

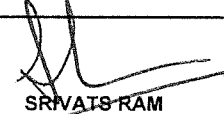



L RAVI SANKAR
 Partner
 Membership No. 025929

Statement of Cash Flows in accordance with Ind AS 7
Annexed to the Balance Sheet for the year ended 31st March, 2022
Rs. In Crores

	2021-22	2020-21
A Cash Flow from Operating Activities		
Total Comprehensive Income after tax	78.20	8.23
Add:		
Depreciation	95.02	80.63
Obsolescence	0.06	0.81
Lease Liabilities	0.85	0.69
Effect of Exchange Rate Change	(3.24)	2.89
Loss on Sale of Fixed Assets	0.59	0.02
Taxes on Income	27.01	3.47
Interest Expenses	63.10	52.68
	<u>183.39</u>	<u>141.19</u>
	<u>261.59</u>	<u>149.42</u>
Less:		
Interest Income	0.94	1.76
Gain/(Loss) on Fair Valuation of Investments	(2.44)	(0.02)
Dividend Income	0.00	0.36
	<u>(1.50)</u>	<u>2.10</u>
Cash flow from Operation before Working	<u>263.09</u>	<u>147.32</u>
Cash flow from Working Capital :		
Trade Receivables	(157.14)	(252.43)
Inventories	(257.49)	(123.97)
Advances & Other Current Assets	(58.32)	(47.28)
Trade Payables	163.91	354.90
Other Payables & Provisions	56.67	48.91
	<u>(252.38)</u>	<u>(19.87)</u>
Taxes paid	(27.12)	10.10
Net Cash Flow from Operating Activities (A)	<u>(16.41)</u>	<u>137.55</u>
B Investing Activities		
Purchase of Fixed Assets	(129.63)	(111.86)
Sale of Fixed Assets	13.29	0.62
Dividend Received	-	0.36
Interest Received	0.77	1.15
Net cash used in Investing Activities (B)	<u>(115.57)</u>	<u>(109.73)</u>
C Financing Activities		
Proceeds from Long Term Borrowings	71.97	166.30
Repayment of Long Term Borrowings	(92.40)	(123.41)
Increase in Working Capital Borrowings	213.21	(6.76)
Repayment of Lease Liabilities	(7.59)	(2.59)
Dividend paid	(2.45)	(6.41)
Interest paid	(60.82)	(54.19)
Net cash used in Financing Activities (C)	<u>121.92</u>	<u>(27.06)</u>
Net Increase in Cash & Cash Equivalents	(10.06)	0.76
Closing Cash & Cash Equivalents	(2.48)	7.58
Opening Cash & Cash Equivalents	7.58	6.82
Net Increase in Cash and Cash Equivalents	(10.06)	0.76
Closing Cash & Cash Equivalents as per Balance sheet	2.35	2.11
(Add) /Less: Cash Credit as at the end of the year	4.83	(5.47)
Cash & Cash Equivalents for the purpose of IndAS 7	<u>(2.48)</u>	<u>7.58</u>


S. RAM
Chairman
DIN:00018309


SRIVATS RAM
Managing Director
DIN:00063415

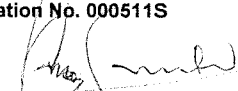

S PRABHAD
Director
DIN:00063667

Per our report of even date
for **BRAHMAYYA & Co.**
Chartered Accountants
Firm Registration No. 000511S


R. RAGHUNATHAN
Chief Financial Officer


K.V. LAKSHMI
Company Secretary




L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Wheels India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Wheels India Limited ("the Holding Company") and its subsidiary (together referred as "Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the financial statements of the Subsidiary and Associate, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate as at March 31, 2022, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group and its Associate in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 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 on the Consolidated Ind AS Financial Statements.

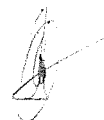
Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS 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 for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Consolidated Ind AS 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.
- b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management in Consolidated Financial Statements.



- d) 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 ability of the Group and its associate and 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 Consolidated Ind AS 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 Group and its associate to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, performance and opinion in respect of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.257.27 Crores as at March 31, 2022, total revenue from operations of Rs.340.25 Crores and net cash inflows amounting to Rs.1.10 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Holding company's share of net profit of Rs. 3.80 crores for the year ended March 31, 2022, in respect of one associate, whose financial statements have not been audited by us. These financial statements of the subsidiary and associate company have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.



Our opinion on the Consolidated Ind AS financial statements, and our report on other legal and regulatory legal requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the financial statements of subsidiary and associate, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS 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 of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies and associate company incorporated in India, none of the directors of the Holding Company, its subsidiary included in the group and its associate companies incorporated in India are 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 internal financial controls over financial reporting of the Group and its associate, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditors' report of the Holding Company, subsidiary company, associate companies incorporated in India.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to their directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position of Group in its Consolidated Ind AS financial statements.



- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been generally no delay in transferring amounts. required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) The respective Managements of the company and its subsidiary and associate which are companies incorporated in India, whose financial statements have been audited under the Companies Act, have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiary and associate to or in any other person or entity, including foreign entity ("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 or any of such subsidiary and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the company and its subsidiary and associate which are incorporated in India, whose financial statements have been audited under the Companies Act, have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary and associate from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary and associate 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;
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and the auditors of the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Companies Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
- (v) The final dividend declared and paid by the Parent Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

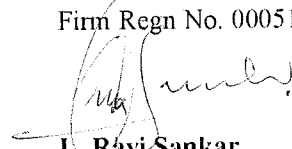


2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and reports of subsidiary company and associate company issued by the respective auditors and included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Place: Chennai

Date: May 20, 2022

For Brahmayya & Co.
Chartered Accountants
Firm Regn No. 000511S



L. Ravi Sankar
Partner

Membership No. 025929
UDIN - 22025929AJKDLH3640

“Annexure - A” to the Auditors’ Report

Referred to in Paragraph 1(f) under Report on Other Legal and Regulatory Requirements section of our report of even date

Report on the Internal Financial Controls over Financial Reporting with reference to aforesaid Consolidated Ind AS Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Group as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Wheels India Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company and its associate company which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the respective 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and associate company, which are companies incorporated in India in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

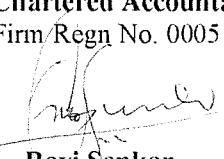
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

Place: Chennai

Date: May 20, 2022

For Brahmayya & Co.
 Chartered Accountants
 Firm/Regn No. 000511S


L. Ravi Sankar
 Partner
 Membership No. 025929
 UDIN - 22025929AJKDLH3640

CONSOLIDATED BALANCE SHEET AS AT

Rs. In Crores

PARTICULARS	Note No.	31st March 2022	31st March 2021
I ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	1	874.75	860.92
(b) Capital work-in-progress	2	125.51	113.86
(c) Other Intangible Assets	3	2.82	3.39
(d) Right of Use Assets	4	25.54	19.14
(e) Financial Assets			
i) Investments	5	24.50	23.14
iii) Others	6	21.18	20.15
(f) Other Non Current Assets	7	19.00	6.61
		1,093.30	1,047.21
2. Current assets			
(a) Inventories	8	799.88	547.87
(b) Financial Assets			
i) Trade receivables	9	891.34	740.98
ii) Cash and cash equivalents	10a	3.57	2.22
iii) Bank Balances other than (ii) above	10b	0.66	1.25
iv) Others	11	7.15	4.06
(c) Other current assets	12	178.06	132.71
		1,880.66	1,429.09
TOTAL		2,973.96	2,476.30
I EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	24.06	24.06
(b) Other Equity	14	709.63	636.63
Equity attributable to the owners of the Company		733.69	660.69
Non Controlling Interest	15	17.00	19.31
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	16	252.02	334.51
ii) Lease Liabilities	17	17.18	15.09
(b) Non Current Provisions	18	7.63	7.74
(c) Deferred tax liabilities (Net)	19	42.39	45.87
		319.22	403.21
2. Current liabilities			
(a) Financial Liabilities			
i) Borrowings	20	596.98	342.49
ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	21	74.60	46.89
B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,009.86	850.00
iii) Lease Liabilities	22	9.68	5.58
iv) Others	23	35.96	24.73
(b) Other current liabilities	24	142.14	95.43
(c) Short-term provisions	25	28.23	21.40
d) Current Tax Liabilities (Net)	26	6.60	6.57
		1,904.05	1,393.09
TOTAL		2,973.96	2,476.30
Significant Accounting Policies	B		

S. RAM
Chairman
DIN:00018309

SRIVATS RAM
Managing Director
DIN:00063415

S PRASAD
Director
DIN:00063667

R. RAGHUNATHAN
Chief Financial Officer

K.V.LAKSHMI
Company Secretary

Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S



L RAVI SANKAR
Partner
Membership No. 025929

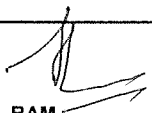
May 20, 2022

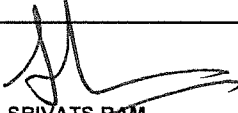
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH

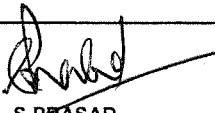
	Note no.	2022	Rs. In Crores	2021
REVENUE FROM OPERATIONS				
Sale of Products		3,591.62		2,201.11
Sale of Services		23.36		17.79
Other operating revenues		351.51		194.47
Revenue from Operations		3,966.49		2,413.37
Other income	29	12.41		2.36
TOTAL INCOME		3,978.90		2,415.73
EXPENSES				
Cost of materials consumed	30	3,044.73		1,697.43
Changes in inventories of finished goods, Work-in-progress	31	(142.85)		(20.81)
Employee benefit expense	32	379.05		299.51
Finance Costs	34	71.49		58.87
Depreciation and amortisation expenses	1,3 & 4	100.96		85.60
Other Expenses	33	430.94		294.24
TOTAL EXPENSES		3,884.32		2,414.84
Profit before exceptional items and tax		94.58		0.89
Exceptional items		-		-
Add: Share of Profit in Associate (Net of Tax)		3.22		(0.09)
Profit before tax		97.80		0.80
Tax expense:	35			
Current tax		27.08		1.38
Deferred tax		(3.46)		(0.70)
Profit for the year		74.18		0.12
Other Comprehensive Income				
<i>Items that will not be reclassified to profit or loss</i>				
- Changes in Fair valuation of Equity Instrument through Other Comprehensive Income		(2.45)		(0.02)
- Remeasurements of post employment defined benefit plan		1.06		2.15
- Income tax relating to the remeasurements		(0.27)		(0.54)
- Share of OCI in Associate (net of tax)		0.58		(0.04)
Total Comprehensive Income for the year		73.10		1.67
Profit for the year attributable to				
- Owners of the Company		76.47		1.82
- Non Controlling Interest		(2.29)		(1.70)
Other Comprehensive Income for the year attributable to				
- Owners of the Company		(1.06)		1.52
- Non Controlling Interest		(0.02)		0.03
Total Comprehensive Income attributable to				
- Owners of the Company		75.41		3.34
- Non Controlling Interest (NCI)		(2.31)		(1.67)
Earnings per equity share:	36			
1. Basic		31.78		0.76
2. Diluted		31.78		0.76

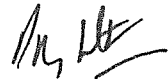
Significant Accounting Policies

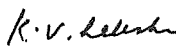
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S. RAM
 Chairman
 DIN:00018309

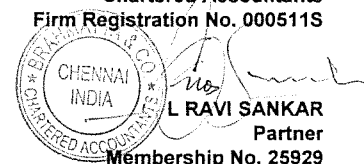

SRIVATS RAM
 Managing Director
 DIN:00063415


S. PRASAD
 Director
 DIN:00063667


R. RAGHUNATHAN
 Chief Financial Officer


K.V. LAKSHMI
 Company Secretary

Per our report of even date
 for BRAHMAYYA & Co.
 Chartered Accountants
 Firm Registration No. 000511S



L RAVI SANKAR
 Partner
 Membership No. 25929

May 20, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) EQUITY SHARE CAPITAL

Rs. In Crores

As at 31.03.2022

As at 31.03.2021

Balance at the beginning of the year	24.06	24.06
Changes in Equity share capital during the year	-	-
Balance at the end of the year	24.06	24.06

B) OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income (OCI)		Non Controlling Interest	Total
	Capital Reserve*	Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Instrument	Other items of OCI		
A. Balance as at 31st March,2020	-	131.52	411.28	101.83	2.04	(7.00)	20.98	660.65
Profit for the year				1.82			(1.70)	0.12
Remeasurement of defined benefit plans						1.54	0.03	1.57
Changes in Fair Valuation of Equity Instruments					(0.02)			(0.02)
B. Total Comprehensive Income for the year 2020-21	-	-	-	1.82	(0.02)	1.54	(1.67)	1.67
Final Dividend 2019-20				(6.38)				(6.38)
Transfer to General Reserve			2.00	(2.00)				-
C. Total	-	-	2.00	(8.38)	-	-	-	(6.38)
D. Balance as at 31st March,2021 (A+B+C)	-	131.52	413.28	95.27	2.02	(5.46)	19.31	655.94
Profit for the year				76.47			(2.29)	74.18
Changes in Fair valuation of Equity Instrument					(2.45)			(2.45)
Remeasurement of defined benefit plans						1.39	(0.02)	1.37
E. Total Comprehensive Income for the year 2021-22	-	-	-	76.47	(2.45)	1.39	(2.31)	73.10
Final Dividend 2020-21				(2.41)				(2.41)
Transfer to General Reserve								-
F. Total	-	-	-	(2.41)	-	-	-	(2.41)
G. Balance as at 31st March,2022 (D+E+F)	-	131.52	413.28	169.33	(0.43)	(4.07)	17.00	726.63

* Capital Reserve is Rs. 1713/-

S. RAM
Chairman
DIN:00018309

SRIVATS RAM
Managing Director
DIN:00063415

S PRASAD
Director
DIN:00063667

R. RAGHUNATHAN
Chief Financial Officer

K. V. LAKSHMI
K.V.LAKSHMI
Company Secretary

Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S



L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

A. Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Wheels India Limited ('the Company') and the Company's subsidiary and the share of profit in its associate (jointly considered as "Group" hereinafter). The CFS have been prepared on the following basis:

a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the CFS from the date on which control is acquired until the date on which control ceases to exist. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent (WIL) and its Subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of profit and loss, Consolidated statement of changes in equity and balance sheet respectively

b) Associates

The CFS include the Share of profit of an associate company which have been accounted for using equity method as per "Accounting Standard (IndAS) 28 Investments in Associates and Joint Ventures" in CFS. Accordingly, the share of profit of the associate company has been added to the cost of investments.

The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the CFS as Goodwill or Capital Reserve as the case may be.

The financial statements of an Associate and Subsidiary used in the CFS are drawn upto the same reporting date as that of the Company i.e. 31st March, 2022

The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Following entities have been considered in the preparation of the Consolidated Financial Statements:

Name of the Entity	Relationship	Country of Incorporation	% of Holding and Voting power
WIL Car Wheels Limited	Subsidiary	India	74.00%
Axles India Limited *	Associate	India	9.51%

* By virtue of Articles of Association of Axles India Limited

B. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of Preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015.

The financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently for all the periods presented in the financial statements.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The Assets and Liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group's normal operating cycle has been ascertained as 12 months based on the nature of products and the time between acquisition of assets for processing and their realisation in cash or cash equivalents.

b) These financial statements are prepared under the historical cost convention unless otherwise indicated.

c) Property, Plant and Equipment

a) Property, plant and equipment is stated at acquisition cost net of GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any.

b) Depreciation on Property, Plant and Equipment has been provided under the Straight Line Method in accordance with Schedule II of the Companies Act 2013.

c) Leasehold Land: Premium paid on Leasehold Land is amortised over the lease period.

d) The expenditure during construction period relating to the new project till the commencement of commercial production is capitalised and allocated to the relevant equipments.

e) In accordance with IndAS 23, the borrowing costs attributable to the qualifying assets that necessarily takes substantial period to get ready for its intended use are capitalised.

f) Grants received for Investment in Property Plant & Equipment are recognized in Statement of Profit or Loss on a systematic basis over the useful life of the asset.

g) The cost of software relating to ERP is amortised over the estimated useful life viz., 5 years. The cost of other intangible assets are amortised over the estimated useful life viz., 3 years.

h) Upon first time adoption of IndAS, the carrying value of all the assets as at Transition date i.e. 01st April 2016 has been considered as its Deemed cost.

d) Inventories

The stock of raw materials, work-in-progress, stores, loose tools and goods in transit are valued at cost (net of GST credits) on weighted average basis.

The stock of finished goods are valued at cost (net of GST credits including appropriate overheads) or net realisable value whichever is lower.

e) **Financial instruments**

i) **Financial assets:**

Financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss, its transaction cost is recognised in the Statement of profit and loss. In other cases, the acquisition cost of the financial assets is net of the attributable transaction cost.

Financial assets are subsequently classified and measured at:

- i) Amortised cost or
- ii) Fair Value through profit and loss (FVTPL)
- iii) Fair Value through other comprehensive income (FVTOCI)

Trade receivables and Loans:

Trade receivables and Loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using Effective Interest Rate method net of any expected credit losses. The Effective Interest Rate is the rate that discounts estimated future cash receipts through the expected life of financial instrument.

Investments:

All investments in equity instruments (other than in Subsidiaries and Associates) classified under financial assets, are initially measured at fair value. Fair Value changes on an Equity instruments is recognised in the Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

ii) **Financial liabilities:**

Financial liabilities are initially measured at amortised cost. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost using Effective Interest Rate method.

f) **Provisions and Contingent liabilities:**

Provisions are recognised when the Group has a present obligation as a result of an event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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 Group or a present obligation that arises from past events where it is either not probable that a outflow of resources will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

g) **Revenue recognition:**

Revenue from the sale of goods is recognised when the control over the goods have been transferred to customers. Service income is recognised once the obligations are performed. Interest income is recognised at Effective Interest Rate method. Dividend income is recognised when right to receive the payment is established. Export incentives are recognised as revenue as and when exports are made.

h) **Employee Benefits**

Provident Fund:

Eligible employees receive benefits from Provident Fund which is defined contribution plan. Both, the employees and the Group make monthly contributions to the regional provident fund authorities/ Wheels India Employees Provident Fund Trust. The Group has an obligation to make good the shortfall, if any between the return from the investments made from the trust and the notified interest rate accrued to the employees account.

Gratuity:

The gratuity plan provides for a lump sum payment to vested employees eligible for gratuity at the time of retirement, death, incapacity or termination of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as at the Balance Sheet date based upon which the Group contributes all the ascertained liabilities to LIC, which is the administrator of the plan.

Unencashed Leave Salary:

Unencashed leave salary is accounted on actuarial valuation and the Group contributes part of the ascertained liabilities to SBI Life Insurance Group Limited, which is the administrator of the plan.

Others:

Contributions to defined contribution schemes such as Employees State Insurance, Superannuation are charged as expenses based on the amount of contribution required to be made. These benefits are classified as defined contribution schemes as the Group has no obligation beyond what has been recognised as expense in the Statement of profit and loss.

i) **Research & Development expenses:**

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

j) **Operating Leases:**

The Group has applied IND AS 116 using modified retrospective approach. The Lease liability is initially measured at the present value of remaining payments as at the commencement date discounted using the lessee's incremental borrowing rate. The cost of Right of Use Assets shall comprise of amount of initial measurement of lease liability adjusted for any payments made after or before the commencement of lease term less any lease incentive received. The Leased Assets are depreciated on straight line basis over the period of lease.

k) **Foreign Currency Transactions**

Transactions in Foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date.

l) **Derivative contracts:**

Forward contracts are entered to hedge the foreign currency risk. The profit/loss arising on these contracts is accounted for as income/expenditure on the date of settlement of the contract.

The outstanding contracts are Marked to Market on the reporting date and the net loss/gain arising therefrom is recognised in the Statement of Profit and Loss.

m) **Earnings per share:**

Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year

n) **Income taxes**

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised using the Balance sheet approach. Deferred tax assets and liabilities are recognised for temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Rs. In Crores

Description	Gross Block at cost				Depreciation/Amortisation				Net Block	
	As At 31.03.2021	Additions (including Borrowing Cost Capitalised)	Deletions	As At 31.03.2022	As At 31.03.2021	Additions	Deletions	As At 31.03.2022	As At 31.03.2022	As At 31.03.2021
1. TANGIBLE ASSETS										
Land (Free hold)	14.45	-	-	14.45	-	-	-	-	14.45	14.45
Land (Lease hold)	27.50	-	1.81	25.69	1.21	0.27	0.24	1.24	24.45	26.29
Buildings	175.64	39.21	12.57	202.28	56.34	6.42	5.05	57.71	144.57	119.30
Plant and Equipment	1428.28	76.88	22.04	1483.12	736.45	83.69	16.56	803.58	679.54	691.83
Furniture and Fixtures	7.06	2.60	0.48	9.18	5.13	0.49	0.44	5.18	4.00	1.93
Vehicles	0.14	0.01	0.04	0.11	0.10	-	0.04	0.06	0.05	0.04
Office Equipment	24.37	3.15	2.31	25.21	17.29	2.42	2.19	17.52	7.69	7.08
	1677.44	121.85	39.25	1760.04	816.52	93.29	24.52	885.29	874.75	860.92
3. INTANGIBLE ASSETS										
Computer Software	21.53	1.44	0.13	22.84	18.95	1.33	0.10	20.18	2.66	2.58
Technical Know-how	5.65	0.16	-	5.81	4.84	0.81	-	5.65	0.16	0.81
	27.18	1.60	0.13	28.65	23.79	2.14	0.10	25.83	2.82	3.39
Total	1704.62	123.45	39.38	1788.69	840.31	95.43	24.62	911.12	877.57	
Previous year	1506.87	203.65	5.90	1704.62	763.04	81.68	4.41	840.31		864.31

4. RIGHT OF USE ASSETS

Rs. In Crores

Description	Gross Block at cost			Depreciation/Amortisation					Net Block		
	As At 31.03.2021	Additions	Deletions	As At 31.03.2022	As At 31.03.2021	Additions	Additions	Deletions	As At 31.03.2022	As At 31.03.2022	As At 31.03.2021
Leased Assets	24.20	11.69		35.89	5.06	5.53		0.24	10.35	25.54	19.14
Total	24.20	11.69	-	35.89	5.06	5.53		0.24	10.35	25.54	
Previous year	10.32	14.18	0.30	24.20	1.16	3.92	0.00	0.01	5.06		19.14

2. CAPITAL WORK IN PROGRESS

31.03.2022 31.03.2021

a) Buildings 13.81 28.10

b) Plant and Machinery* 111.70 85.76

125.51 113.86

* Includes Machinery in Transit of Rs. .Nil (Previous year - Rs. 30 Crs)

Ageing OF CWIP as on March 31, 2022

	Amount in Capital work in progress				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	83.66	9.99	28.11	3.75	125.51

Ageing OF CWIP as on March 31, 2021

	Amount in Capital work in progress				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	37.13	41.07	33.76	1.90	113.86



CONSOLIDATED - NOTES ON ACCOUNTS

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
NON CURRENT ASSETS		
5 INVESTMENTS		
Unquoted Investment in Equity Instruments		
i) In Associate Company at Equity Method		
Axles India Limited	2.72	2.72
24,24,661 Equity Shares of Rs.10/- each fully paid-up		
(includes Goodwill on Acquisition of shares of Rs.0.97 crores)		
Add: Share of profit	<u>13.96</u>	<u>10.16</u>
	16.68	12.88
ii) In Other Entity at Fair Value through Other Comprehensive Income		
Sundaram Hydraulics Limited	7.15	7.15
71,50,000 Equity Shares of Rs.10/- each fully paid up		
Add/(Less): Change due to Fair Valuation*	(1.42) 5.73	1.02 8.17
* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company for the period ending 31st March, 2022..		
iii) In Other Entities at Fair Value through Profit or Loss		
MEFCO Engineers Private Limited	0.20	0.20
20,000 Equity Shares of Rs.100/- each fully paid up		
Siva Electric Generation Private Limited	0.16	0.16
1,62,172 Equity shares of Rs.10/- each fully paid up		
Gamma Green Power Private Limited		
12,00,062 Equity shares of Rs.10/- each fully paid up	1.20	1.20
Beta Wind Farm Private Limited		
2,25,370 Equity Shares of Rs. 10/- each fully paid up	0.43	0.43
Siva Green Energy India Private Limited		
95,000 Equity Shares of Rs. 10/- each fully paid up	0.10 2.09	0.10 2.09
	<u>24.50</u>	<u>23.14</u>
6 NON CURRENT FINANCIAL ASSETS - OTHERS		
a) Security Deposits (unsecured - considered good)	20.56	19.58
b) Advances to employees	0.62	0.57
	<u>21.18</u>	<u>20.15</u>
7 OTHER NON CURRENT ASSETS		
a) Advances for Capital goods	18.60	5.93
b) Prepaid expenses	0.40	0.68
	<u>19.00</u>	<u>6.61</u>
CURRENT ASSETS		
8 INVENTORIES		
a) Raw Materials	374.86	284.49
(Includes Goods in Transit- Rs. 28.52 crs) (previous year - 15.93 Crs)		
b) Work - in Progress	180.72	109.96
c) Finished goods	140.07	67.94
d) Stores and Spares	60.28	55.36
e) Loose tools	43.95	30.12
	<u>799.88</u>	<u>547.87</u>

9 TRADE RECEIVABLES

a) Unsecured - Considered good

Rs. In Crores
As at
31.03.2022Rs. In Crores
As at
31.03.2021891.34891.34740.98740.98**Trade receivable ageing schedule March 31, 2022**

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	705.85	179.93	4.10	1.46	-	-	891.34
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Disputed trade receivables							
considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Total	705.85	179.93	4.10	1.46	-	-	891.34

* it includes unbilled amount of Rs. 37.04 Crores.

Trade receivable ageing schedule March 31, 2021

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	618.08	111.65	8.21	2.70	0.30	0.04	740.98
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Disputed trade receivables							
considered good		-	-	-	-	-	-
which have significant increase in credit risk		-	-	-	-	-	-
credit impaired		-	-	-	-	-	-
Total	618.08	111.65	8.21	2.70	0.30	0.04	740.98

* it includes unbilled amount of Rs. 39.36 crores

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
10 CASH AND CASH EQUIVALENTS		
a i) Current Accounts	2.66	1.38
ii) Cash on hand	0.03	0.07
iii) Fixed Deposits	0.88	0.77
	<u>3.57</u>	<u>2.22</u>
b Bank Balances with more than three months maturity		
i) Fixed Deposits (as a Guarantee to Commercial Taxes Department)	0.13	0.13
ii) Unclaimed Dividend Accounts	0.34	0.38
iii) Earmarked Fixed Deposit Balances - Margin money for Guarantee availed	0.19	0.74
	<u>0.66</u>	<u>1.25</u>
11 CURRENT FINANCIAL ASSETS - OTHERS		
Advances to employees	2.74	2.41
Duty Drawback Receivable	1.60	1.06
Export Incentive License	2.76	0.56
Interest accrued on deposits and investments	0.05	0.03
	<u>7.15</u>	<u>4.06</u>
12 OTHER CURRENT ASSETS		
Unsecured - Considered good		
a) Advances other than Capital Advances		
Advances to Vendors	3.64	4.41
Other Advances	<u>3.31</u>	<u>1.84</u>
b) Balance with GST/ Central Excise authorities	118.65	90.60
c) VAT receivable	-	0.90
d) Export incentives receivable	7.12	8.95
e) GST refund receivable on Exports	16.49	13.75
f) Prepaid expenses	<u>28.85</u>	<u>12.26</u>
	<u>178.06</u>	<u>132.71</u>
	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
13 EQUITY SHARE CAPITAL		
a) Authorised	50.00	50.00
5,00,00,000 Equity Shares of Rs.10/- each		
b) Issued, Subscribed and Fully Paid-up	<u>24.06</u>	<u>24.06</u>
2,40,64,558 Equity Shares of Rs.10/- each		
c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
	31.03.2022	31.03.2021
Equity Shares of Rs.10/- each	No. of shares	No. of shares
Outstanding at the beginning of the year	2,40,64,558	2,40,64,558
Change in Equity Share capital During the year	-	-
Outstanding at the end of the year	2,40,64,558	2,40,64,558
d) Rights, Preferences and restrictions		
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by e voting (remote e - voting/ e - voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.		
e) Shareholding of shareholders holding more than 5% of shares as at	31.03.2022 (Number of shares)	31.03.2021 (Number of shares)
T V Sundram Iyengar & Sons Private Limited	-	49,11,028
Southern Roadways Private Limited	-	22,32,628
Sundaram Finance Holdings Limited	56,01,117	56,01,117
Trichur Sundaram Santhanam & Family Private Limited	71,43,656	-
f) Shareholding of Promoter and Promoter Group		
	31.03.2022 (Number of shares)	31.03.2021 (Number of shares)
T V Sundram Iyengar & Sons Private Limited	-	49,11,028
Southern Roadways Private Limited	-	22,32,628
Sundaram Finance Holdings Limited	56,01,117	56,01,117
Trichur Sundaram Santhanam & Family Private Limited *	71,43,656	-
India Motor Parts & Accessories Limited	10,98,655	10,98,655
Refer Note no. 50 (b)		
	31.03.2022 (Percentage of Total Shares)	31.03.2021 (Percentage of Total Shares)
T V Sundram Iyengar & Sons Private Limited	-	20.41%
Southern Roadways Private Limited	-	9.28%
Sundaram Finance Holdings Limited	23.27%	23.27%
Trichur Sundaram Santhanam & Family Private Limited *	29.69%	-
India Motor Parts & Accessories Limited	4.57%	4.57%

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
14 OTHER EQUITY		
a) Capital Reserves*	-	-
b) Securities Premium	131.52	131.52
c) General Reserves	413.28	413.28
d) Retained Earnings	169.33	95.27
e) Other Comprehensive Income Reserve	(4.50)	(3.44)
* Capital Reserve is Rs. 1713/- Refer Note no. 37	<u>709.63</u>	<u>636.63</u>

15 Non Controlling Interest	Ownership Interest held by Non Controlling Interest (%)		
Name of the Subsidiary	Place of Incorporation	31.03.2022	31.03.2021
WIL Car Wheels Limited (WCWL)	India	26%	26%

NON CURRENT FINANCIAL LIABILITIES**16 BORROWINGS****A. SECURED BORROWINGS****a. Term Loans from Banks**

By first Charge by way of hypothecation of specific machinery and fixed assets of the group at Mambattu, Andhra Pradesh and freehold land at Vanod, Gujarat.

104.01 130.33

b. Term Loans from others

By first Charge by way of hypothecation of specific machinery

24.66 49.21

B. UNSECURED BORROWINGS**a. Fixed Deposits**

123.35 154.97

Includes Rs. 0.79 crores received from Directors (previous year Rs. 0.19 crores)

252.02 334.51

Terms of Repayment : Refer Note no.28

17 Lease Liabilities**Lease Liabilities***

17.18 15.09

(*Refer Note no. 46)

17.18 15.09

18 PROVISIONS

Provisions for employee benefits

7.63 7.74

7.63 7.74

19 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

63.26 61.83

Deferred Tax Assets

(20.39) (15.48)

Minimum Alternate Tax credit entitlement

(0.48) (0.48)

42.39 45.87

Movement in Deferred Tax Assets and Liabilities

	Rs. In Crores		Rs. In Crores	
	31.03.2022	Charge in Statement of Profit or Loss	31.03.2021	Charge in Statement of Profit or Loss
a) Deferred Tax Liability				
i) Depreciation	61.39	2.08	59.33	3.85
ii) Export Incentives	1.73	(0.47)	2.20	0.45
iii) Remeasurement of Financial Liabilities	0.14	(0.16)	0.30	0.10
	<u>63.26</u>	<u>1.45</u>	<u>61.83</u>	<u>4.40</u>
Less:				
b) Deferred Tax Asset				
i) Expenses allowable for tax purpose on payment basis	4.90	(0.25)	5.15	1.12
ii) Unabsorbed depreciation under the Income Tax Act, eligible for set off in subsequent financial years	15.18	5.14	10.04	3.65
iii) Expenses not admissible	0.31	0.02	0.29	0.28
c) Minimum Alternate Tax credit entitlement	0.48	-	0.48	(0.84)
Net Deferred Tax Liability/ (Assets) (a-b-c)	<u>42.39</u>	<u>(3.46)</u>	<u>45.87</u>	<u>0.19</u>

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
CURRENT FINANCIAL LIABILITIES		
20 BORROWINGS		
A. SECURED BORROWINGS		
a) Loans repayable on demand from Banks	297.63	150.48
Hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-progress, finished goods, consumable stores and spares, goods-in-transit and book debts.		
B. UNSECURED BORROWINGS		
a) Loans repayable on demand from Banks	137.45	74.06
b) Fixed Deposits	8.75	10.64
Includes NIL received from Directors (previous year - NIL)		
C. Current maturities of long-term debt (Refer Note no. 28)	153.15	107.31
(Includes Rs. 0.19 crores received from Directors (previous year Rs. 0.79 crores))		
	596.98	342.49

21 TRADE PAYABLES

Dues to Micro Enterprises and Small Enterprises	74.60	46.89
Dues to others	1,009.86	850.00
	1,084.46	896.89

(Refer Note no.38 for details of dues to Micro Enterprises and Small Enterprises)

Trade payables ageing schedule March 31, 2022

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Payables						
Micro and Small Enterprises	74.25	0.35				74.60
Other than Micro and Small Enterprises	793.92	215.91	0.01	0.02		1,009.86
Disputed Trade Payables						
Micro and Small Enterprises		-	-	-	-	-
Other than Micro and Small Enterprises		-	-	-	-	-
Total	868.17	216.26	0.01	0.02	-	1,084.46

Trade payables ageing schedule March 31, 2021

Particulars	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Payables						
Micro and Small Enterprises	46.23	0.64	0.02	-	-	46.89
Other than Micro and Small Enterprises	644.93	204.36	0.48	0.17	0.06	850.00
Disputed Trade Payables						
Micro and Small Enterprises		-	-	-	-	-
Other than Micro and Small Enterprises		-	-	-	-	-
Total	691.16	205.00	0.50	0.17	0.06	896.89

22 Lease Liabilities

Lease Liabilities*	9.68	5.58
(*Refer Note no. 46)	9.68	5.58

23 CURRENT FINANCIAL LIABILITIES - OTHERS

a) Creditors for capital goods (includes due to Micro enterprises and Small enterprises Rs .1.88 crores (previous year Rs. 0.79 crores)	13.53	8.80
b) Interest accrued but not due on borrowings	13.58	9.29
c) Unclaimed Dividends	0.34	0.38
d) Trade Deposits	1.47	1.39
e) Recovery from Employees	3.21	2.24
f) Unclaimed matured deposits and interest accrued thereon	3.83	2.63
	35.96	24.73

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
24 OTHER CURRENT LIABILITIES		
Advance from Customers	14.88	8.07
Statutory dues	113.28	76.31
Employee Benefits Payable	5.33	3.98
Provision for expenses	8.65	7.07
	<u>142.14</u>	<u>95.43</u>

25 SHORT TERM PROVISIONS

a) Provision for employee benefits	18.61	15.55
b) Provision for Warranty (Refer Note below)	6.21	5.72
c) Due to Directors	3.41	0.13
	<u>28.23</u>	<u>21.40</u>

i) Provision for Warranty claims :

Provision for warranty related costs is an estimate made by the management based on possible future outflow on servicing the customer for any corrective action when the product is sold to the customer. Initial Recognition is based on historical experience. The estimate of warranty related costs is reviewed annually.

ii) Movement in Provisions	As at 01st April, 2021	Additions	Amounts used	As at 31st March, 2022
Warranties	5.72	0.49	-	6.21

26 CURRENT TAX LIABILITIES

Provision for Taxation less Advance Tax and Tax deducted at Source	6.60	6.57
Less: Minimum Alternate Tax credit entitlement set off	-	-
	<u>6.60</u>	<u>6.57</u>

27 CONTINGENT LIABILITIES AND COMMITMENTS

Rs. In Crores
As at 31.3.2022 As at 31.3.2021

i) Contingent Liabilities

a) Bills discounted with Banks	2.91	38.08
b) Disputed amounts in respect of GST, Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs. NIL (previous year Rs. 0.34 crores) paid under protest appears under other current assets in the Balance Sheet)	5.71	6.75

ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	44.89	24.48
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28 TERMS OF REPAYMENT OF TERM LOANS AND OTHER LOANS

The term loans and other loans are repayable over a period of 1 to 5 years as per the terms of agreement entered into with the Banks / others.

	Rs. In Crores 2021-22	Rs. In Crores 2020-21
29 OTHER INCOME		
a) Interest on deposits and advances	0.97	1.82
b) Profit on sale of fixed assets (Net)	0.06	-
c) Dividend Received	-	0.36
d) Other non-operating income	0.90	0.18
e) Net Gain on foreign currency transactions and translation	10.48	-
	<u>12.41</u>	<u>2.36</u>

	Rs. In Crores 2021-22	Rs. In Crores 2020-21
30 COST OF MATERIAL CONSUMED		
Raw Material	2,578.12	1,367.33
Components	466.61	330.10
	<u>3,044.73</u>	<u>1,697.43</u>
31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK - IN - PROGRESS		
a) Opening inventory of Finished Goods	67.98	55.91
Less: Closing inventory of Finished Goods	140.07	67.98
Net change in stock of Finished Goods	<u>(72.09)</u>	<u>(12.07)</u>
b) Opening inventory of Work - in - Progress	109.96	101.22
Less: Closing inventory of Work - in - Progress	180.72	109.96
Net change in stock of Work - in - Progress	<u>(70.76)</u>	<u>(8.74)</u>
Net change in Finished Goods and Work - in - Progress	<u>(142.85)</u>	<u>(20.81)</u>
32 EMPLOYEE BENEFIT EXPENSE		
a) Salaries, Wages, Bonus and Commission	330.95	262.41
b) Contribution to Provident and Other Funds	17.31	14.50
c) Staff Welfare expenses	30.79	22.60
	<u>379.05</u>	<u>299.51</u>
33 OTHER EXPENSES		
Consumption of Stores, tools and spare parts	115.92	71.98
Power and fuel	151.43	101.79
Rent including Lease Rent	13.51	13.44
Repairs to		
Buildings	11.89	7.80
Machinery	16.64	9.75
Insurance	5.89	5.13
Rates and taxes, excluding taxes on income	1.70	1.92
Directors' sitting fees	0.20	0.17
Auditors' remuneration		
Statutory Audit	0.52	0.48
Tax Audit	0.09	0.08
Certification fees	0.14	0.11
Reimbursement of expenses	0.02	0.09
Expenditure on Corporate Social Responsibility (refer Note - 48)	1.06	1.62
Freight	53.77	33.78
Net Loss on foreign currency transactions and translation	-	0.53
Miscellaneous expenses	58.16	45.57
	<u>430.94</u>	<u>294.24</u>
34 FINANCE COSTS		
a) Interest expense	72.15	57.60
b) Other borrowing costs	(0.66)	1.27
	<u>71.49</u>	<u>58.87</u>

	Rs. In Crores 2021-22		Rs. In Crores 2020-21	
35 Income Tax Expenses				
A. Componets of Income Tax Expense				
i) Tax Expenses recognised in Statement of Profit or Loss :				
(a) Current Tax				
- on Current year Tax Income	27.08		1.38	
(b) Deferred Tax				
- on Origination and Reversal of Temporary Differences	(3.46)		(0.70)	
	<u>23.62</u>		<u>0.68</u>	
ii) Tax Expenses recognised in Other Comprehensive Income :				
(a) Current Tax on Remeasurement of Post Employment Benefit obligation	<u>0.27</u>		<u>0.54</u>	
B. Reconciliation of Effective tax Rate				
Total Comprehensive Income before tax	96.99		2.89	
Less: Share of Profit of an Associate	3.80		(0.13)	
Total Comprehensive Income before tax (excluding Share of an Associate)	<u>93.19</u>		<u>3.02</u>	
Income Tax Expense	23.46	25.17%	0.76	25.17%
Income not chargeable to tax	0.62		(0.09)	
Income Tax Incentives	(0.38)		(0.16)	
Expenses not admissible	0.42		0.21	
Others	(0.23)		0.50	
Tax Expenses recognised in Profit or Loss Statement*	<u>23.89</u>	25.63%	<u>1.22</u>	40.38%
		2021-22		2020-21
36 Earnings Per Share				
Net profit as per P&L account	76.47		1.82	
Weighted Average Number of Shares	2,40,64,558		2,40,64,558	
Nominal value per share - Rupees	10.00		10.00	
Basic & Diluted earnings per share - Rupees	31.78		0.76	
37 Dividend of Rs.8.30 Per equity share amounting to Rs. 19.97 Crores for the Financial year 2020-21 recommended by Board of Directors which is subject to the approval of shareholders at the ensuing Annual General meeting is not recognised as liability as at the date of Balance sheet.				
			Rs. In Crores	
			2021-22	2020-21
38 Disclosures required under the "Micro, Small and Medium Enterprises Act, 2006"				
Particulars				
a) The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year				
- Principal amount due to micro and small enterprises			74.60	46.89
- Interest due on above			-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year			-	-
c) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006			-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and			-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.			-	-

This information has been given in respect of such vendors to the extent they could be identified as 'Micro, Small and Medium Enterprises' on the basis of information available with the Group on which the Auditors have relied upon.

Rs. In Crores

39 Expenditure incurred on Scientific Research and Development

	2021-22	2020-21
a) Revenue Expenditure	16.18	14.55
b) Capital Expenditure	5.94	1.19

40 Employee Benefits

Defined Contribution Plan

a) Provident Fund

In respect of the Employees Provident Fund Scheme, the Group has contributed Rs. 7.36 crores for the year ended 31st March 2022 (previous year Rs. 6.42 crores) to Provident fund Authorities. The Group has no obligation towards the Interest accumulation thereon.

b) Superannuation :

The Group has contributed Rs. 0.66 crores for the period 2020-21 (previous year Rs. 0.54 Crores) to the Superannuation trust and the same is recognised in Statement of Profit and Loss under the head Employee benefit expenses.

Defined Benefit Plan

c) In respect of Employees Provident Fund managed through Trust, the Company has contributed Rs. 3.73 crores for the year ended 31st March, 2022 (previous year Rs. 2.75 crores) to the Provident Fund Trust. The interest payable by trust to the beneficiaries of trust as per the rate notified by the Government is met by the trust with contribution from company for the previous year ended 31st March, 2021 of Rs. 2.19 crores. (previous year - Rs. 1.87 crores).

d) Gratuity and Leave Salary

In case of the above Defined Benefit plans, the liability is determined on the basis of actuarial valuation and provided for in the Statement of Profit and Loss/ Other Comprehensive Income which are disclosed as below :

	Rs. in Crores			
	Gratuity (funded)		Leave Salary (Partly funded)	
	2021-22	2020-21	2021-22	2020-21
Change in defined benefit obligation				
Opening defined benefit obligation	28.99	30.04	11.09	10.40
Current service cost	3.78	4.10	-	-
Interest cost	1.91	1.87	0.57	0.61
Actuarial loss / (gain) due to change in demographic & financial assumptions	(1.08)	(0.78)	(0.25)	(0.24)
Actuarial loss / (gain) arising from experience adjustments	0.90	(2.57)	2.98	2.63
Benefits paid	(2.91)	(3.67)	(2.36)	(2.31)
Closing defined benefit obligation	31.59	28.99	12.03	11.09
Change in fair value of assets				
Opening fair value of plan assets	27.92	24.34	3.65	3.43
Expected return on plan assets	1.85	1.68	0.24	0.23
Actuarial gain / (Loss) arising from Return on plan assets	(0.11)	(0.10)	0.06	(0.01)
Contribution by employer	0.75	5.67	2.36	2.31
Benefits paid	(2.91)	(3.67)	(2.36)	(2.31)
Closing fair value of plan assets	27.50	27.92	3.95	3.65
Amount recognised in the Balance Sheet				
Present value of obligations at year end	31.59	28.99	12.03	11.09
Fair value of plan assets at year end	27.50	27.92	3.95	3.65
Net (liability) / asset recognised as on 31st March	(4.09)	(1.07)	(8.08)	(7.44)
Expenses recognised in the Profit & Loss Statement				
Current Service cost	3.78	3.79	-	-
Interest on defined benefit obligation	1.91	1.87	0.57	0.61
Expected return on plan assets	(1.85)	(1.68)	(0.24)	(0.23)
Benefits transferred	-	-	-	-
Actuarial gain/ loss (on Leave Salary)	-	-	2.67	2.40
Expenses recognised in the Profit & Loss A/c	3.84	3.98	3.00	2.78
Remeasurement on the net defined benefit liability				
Actuarial loss / (gain) due to change in demographic & financial assumptions	(1.08)	(0.78)		
Actuarial loss / (gain) arising from experience adjustments	0.90	(2.57)		
Actuarial gain / (Loss) arising from Return on plan assets	0.11	0.10		
Expenses recognised in Other Comprehensive Income	(0.07)	(3.25)	NA	NA

Principal actuarial assumptions used	Gratuity (funded)		Leave Salary		Provident Fund	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Discount rate (p.a)	7.29%-7.34%	6.91%-6.96%	7.15%	6.76%-6.84%	7.36%	6.95%
Attrition rate	1-3%	1-3%	1-3%	1-3%	1-3%	1-3%
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Mortality Rate is IALM (2006-08) Ultimate constantly for both the plans						

Risk Exposure :

Through its defined benefit plans, the Group is, exposed to some of the general risks such as Investment Risk, Interest rate risk, Longevity risk and Salary escalation risk and having no entity specific risks .

The sensitivity analysis of the impact of changes in the above assumption is given in the below tables :

a) Gratuity

Assumptions	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	30.27	27.73	33.02	30.36
Salary escalation	0.50%	33.05	30.36	30.23	27.70
Mortality	5.00%	31.61	29.00	31.59	28.98
Attrition	5.00%	31.63	29.01	31.56	28.97

b) Leave Salary

	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	10.25	10.75	10.89	11.44
Salary escalation	0.50%	10.89	11.45	10.25	10.74
Mortality	5.00%	10.56	11.08	10.56	11.08
Attrition	5.00%	10.56	11.09	10.55	11.08

c) Provident Fund

	Change in Assumption	Rs. in Crores			
		Increase in Assumption		Decrease in Assumption	
		2021-22	2020-21	2021-22	2020-21
Discount	0.50%	1.07	1.86	1.09	1.89
Shortfall	0.50%	1.09	1.92	1.06	1.86
Mortality	5.00%	1.08	1.87	1.08	1.88
Attrition	5.00%	1.08	1.87	1.08	1.88

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

41 Financial Instruments

A. Accounting classifications and fair values

The carrying amounts and fair value of financial instruments by class are as follows:

	Rs. In Crores As at 31.03.2022	Rs. In Crores As at 31.03.2021
Financial Assets:		
Financial assets measured at Cost:		
i. Investment in Equity shares	16.68	12.88
Financial assets measured at fair value:		
i. Investment measured at Fair value through other comprehensive income	5.73	8.17
ii. Investment measured at Fair value through profit or loss	2.09	2.09
iii. Derivative financial instruments	-	22.65
Financial assets measured at amortised cost:		
Trade receivables	891.34	718.33
Cash and cash equivalents	3.57	2.22
Bank balances other than Cash and cash equivalents	0.66	1.25
Other financial assets	28.33	24.21
Financial Liabilities:		
Financial Liabilities measured at fair value:		
Borrowings	-	-
Derivative financial instruments	-	-
Financial Liabilities measured at amortised cost:		
Borrowings	849.00	677.00
Trade payables	1,084.46	896.89
Other financial liabilities	62.82	45.40

B. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximise the use of observable market data.

Level 3 hierarchy - Includes Financial Instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

As at March 31, 2022	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares			7.82
Derivative financial instruments		-	
Total			
Financial Liabilities :			
Derivative financial instruments		-	

As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets :			
Equity shares			10.26
Derivative financial instruments		22.65	
Financial Liabilities :			
Derivative financial instruments			

i) The Fair value of an Equity Instruments classified as at Fair value through profit or loss included under Level 3 Investments is determined using Cost approach.

ii) The Fair value of an Equity Instrument classified as at Fair value through Other Comprehensive Income included under Level 3 Investments is determined using Discounted Cash flow technique in the previous year and the same has been valued by Registered valuer taking a combination of comparable companies multiple method and Discounted cash flow method during the year.

iii) Valuation inputs are as follows :

	For the year ended	
Significant Unobservable Input :	31.03.2022	31.03.2021
a) Risk adjusted discount rate	* As per Valuation report	11.52%
b) Earnings Growth rate		2.00%

* Valuation as per the registered valuer, for the purpose of Scheme of Amalgamation of Sundaram Hydraulics Ltd. and Wheels India Ltd. has been taken as fair value of equity shares held by the company.

iv) There are no transfers between Level 2 and Level 3 during the year.

v) Trade Receivables, Trade Payables, Cash and Cash Equivalents and Other Financial Assets and Liabilities are stated at amortized cost which approximates their fair value.

C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

	Rs. In Crores		
	Payable within one year	More than one year	Total
As at 31st March, 2022			
Non-Derivative Liabilities			
Trade payable	1,084.46	-	1,084.46
Borrowings	596.98	252.02	849.00
Other Financial liabilities	45.64	17.18	62.82
Derivative Liabilities			
Forward exchange contracts	-	-	-

As at 31st March, 2021

Non-Derivative Liabilities

Trade payable	896.89	-	896.89
Borrowings	342.49	334.51	677.00
Other Financial liabilities	30.31	15.09	45.40
Derivative liabilities			
Forward exchange contracts	-		-

b) Management of Market risk:

The Company is exposed to the following market risks which affects the value of the Financial instruments :

1. Currency risk;
2. Interest rate risk

i) Foreign currency risk

Foreign currency risk is the risk that the fair value of or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. As at 31st March, 2022, the net un-hedged exposure to the Company on holding such financial assets and liabilities amounts to Rs. 241.88 Crores

The Company manages currency exposures by continuously monitoring the Foreign currency rates with the transaction rate and takes steps to mitigate the risk using Forward/ Derivative contracts.

Sensitivity to risk

A 5% strengthening of the INR against foreign currencies to which the Company is exposed (net of hedge) would have led to approximately an additional Gain of Rs. **12.10 Crores** in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal impact but with opposite effect.

The Foreign exchange forward contracts as at 31st March, 2022 is "Nil" (31st March, 2021 - no contracts)

ii) Interest rate Risk

Interest rate is the risk that the Fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company has Rs. 181.40 Crores Borrowings at Floating rate of Interest as at 31st March, 2022 (previous year Rs. 200.84 Crores).

Sensitivity to risk

An increase in interest rate of 1% will likely to affect the profit negatively by Rs. 1.81 crores and a decrease of 1% would have led to an equal impact but with opposite effect.

c) Management of Credit risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

i) Trade receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are predominantly original equipment manufacturers (OEs). All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, provision for credit loss is not required to be created as per Expected credit loss (ECL) method. Refer Note (f) for accounting policy on Financial Instruments.

ii) Other financial assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks. The Company's maximum exposure to credit risk as at 31st March, 2022 is the carrying value of each class of financial assets as on that date.

	Rs. In Crores	
42 Borrowing Costs in accordance with IndAS23 :	2021-22	2020-21
Borrowing Costs capitalised during the year	3.89	8.67
Capitalisation rate used for Borrowing Costs	6.53%	5.39%

43 Segment information for the year ended 31st March, 2022 in accordance with Ind AS 108 - Operating Segments'

- (i) The Group primarily operates in Automotive components segment. The Group also manufactures industrial components segment which includes components and structures for windmill, railways and thermal power plants. Accordingly the reportable segments are
- Automotive Components and
 - Industrial Components
- The segment information is provided to and reviewed by Chief Operating Decision Maker (CODM).

Segment wise Revenue, Results, Assets and Liabilities for the year ended

	Rs. In Crores	
Particulars	2021-22	2020-21
1. Segment Revenue		
(a) Automotive Components	3,214.86	2,014.84
(b) Industrial Components	751.63	398.53
Total	3,966.49	2,413.37
Less: Inter Segment Revenue	-	-
Revenue from Operations	3,966.49	2,413.37
2. Segment Results (Profit / (Loss) before tax and interest from each segment)		
(a) Automotive Components	134.44	19.84
(b) Industrial Components	34.85	38.53
Total	169.29	58.37
Less:		
(i) Interest	71.49	58.87
(ii) other unallocable income	-	(1.30)
Total Profit Before Tax	97.80	0.80
3. Capital Employed		
Segment Assets		
(a) Automotive Components	2,257.18	2,001.33
(b) Industrial Components	666.40	432.31
(c) unallocated	50.38	42.66
Total	2,973.96	2,476.30
Segment Liabilities		
(a) Automotive Components	1,047.14	925.05
(b) Industrial Components	217.28	108.82
(c) unallocated	975.85	781.74
Total	2,240.27	1,815.61
4. Capital Expenditure		
(a) Automotive Components	79.63	86.50
(b) Industrial Components	55.64	33.30
5. Depreciation & Amortization expense		
(a) Automotive Components	86.13	71.54
(b) Industrial Components	14.83	14.06

(ii) Geographical Information:

Particulars	Rs. In Crores	
	2021-22	2020-21
1. Revenue from Operations		
within India*	2,965.50	1,843.25
Outside India	1,000.99	570.12
Total	3,966.49	2,413.37
2. Non Current Assets		
within India	1,093.30	1,047.21
Outside India	-	-
Total	1,093.30	1,047.21

44 Disclosure on Accounting for revenue from customers in accordance with IND AS 115
Disaggregated revenue information

	Rs. In Crores	
a) Type of goods and service	31-Mar-22	31-Mar-21
a) Sale of products	3591.62	2201.11
b) Sale of services	23.36	17.79
c) Other operating revenues	351.51	194.47
Total operating revenue	3966.49	2413.37
In India	2965.50	1843.25
Outside India	1000.99	570.12
b) Timing of revenue recognition	At a point of time	At a point of time
Sale of products and other operating income	3966.49	2413.37
c) Revenue recognised in relation to contract liabilities	Nil	
d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price		
Revenue at contracted prices	3966.49	2413.37
Revenue from contract with customers	3966.49	2413.37
Difference	-	-
e) Unsatisfied or partially satisfied performance obligation	Nil	Nil

45 Related Party disclosures in accordance with Ind AS 24 :
i) a) Associates:

Axles India Ltd.

b) Associates by virtue of their shareholding in Wheels India Limited :

T.V.Sundram Iyengar & Sons Private Ltd.(up to 04th February 2022)

Trichur Sundaram Santhanam & Family Private Limited (With effect from 04th February 2022)

Sundaram Finance Holdings Limited

ii) Other Related parties and the relationship where transaction exists :
a) Associate's Subsidiary

Sundaram Industries Private Limited (up to 04th February 2022)

The Associated Auto Parts Private Limited (up to 04th February 2022)

Sundaram Clayton Limited (up to 04th February 2022)

SI Air Springs Private Limited (up to 04th February 2022)

TVS Motors Limited (up to 04th February 2022)

TVS Electronics Ltd (up to 04th February 2022)

TVS Training & Services Ltd (up to 04th February 2022)

Lucas TVS Limited (up to 04th February 2022)

iii) Key Managerial Personnel:

Mr. S Ram

Mr. Srivats Ram

iv) Post Employment Benefit plan entity

Wheels India Employees Gratuity Trust

Wheels India Limited Staff Provident Fund

Wheels India Senior Officers Superannuation Trust

b) Subsidiary's Associate

Topy Industries Limited, Japan

Nature of transactions	Rs. in Crores	Rs. in Crores
	2021-22	2020-21
Associates		
Dividend Received	-	0.36
Dividend paid	1.05	2.79
Purchase of goods	3.07	0.46
Receiving of Services	3.59	1.05
Rendering of Services	0.08	0.06
Sale of goods	3.40	21.43
Royalty Paid	2.81	1.73
Balance Payable	4.10	2.52
Balance Receivable	0.01	1.84
Associate's subsidiary		
Purchase of goods	21.99	11.88
Receiving of Services	1.34	1.89
Rendering of Services	-	-
Sale of goods	6.94	7.60
Balance Payable	5.03	4.56
Balance Receivable	0.59	1.18

Key Managerial Personnel	Rs. in Crores		Rs. in Crores	
	Mr. S. Ram	Mr. Srivats Ram	Mr. S. Ram	Mr. Srivats Ram
a) Short term employee benefits				
Remuneration, Perquisites and Commission	1.14	4.30	0.13	1.14
Commission outstanding	1.14	2.27	0.13	-
b) Post Employment Benefits*		0.34		0.19
c) Others				
Interest on fixed deposits	-	0.08	-	0.08
Dividend paid during the year	-	0.01	-	0.01
Deposits balance outstanding	-	0.98	-	0.81

* As the Liabilities for defined benefit plans are provided on actuarial basis, the amounts pertaining to Key Managerial Personnel are not included.

Employees Benefit Plans	2021-22		2020-21	
	Contribution	Payable	Contribution	Payable
Wheels India Employees Gratuity Trust	0.47	3.37	5.21	0.47
Wheels India Limited Staff Provident Fund	3.73	0.34	2.75	0.25
Wheels India Senior Officers Superannuation Trust	0.67	0.67	0.54	0.54

46 Disclosures relating to leases in accordance with IndAS116 :

	Rs. in Crores	
	2021-22	2020-21
a) Movement in Lease Liability		
Opening Balance	20.67	9.46
Additions during the year	13.24	13.51
modifications to lease	(1.66)	(0.29)
Finance Cost Accrued during the year	1.45	1.13
Payment of Lease Liabilities	(6.84)	(3.14)
Closing Balance	26.86	20.67
Current Liability (Note no.24)	9.68	5.58
Non Current liability (Note no. 19)	17.18	15.09
b) Maturity Analysis of Lease Liabilities		
Particulars		
Not later than 1 year	8.10	6.23
Later than 1 year and not later than 5 years	22.11	17.49
Total Undiscounted Lease Liability	30.22	23.72
c) Amount recognised in the statement of Profit or Loss		
Interest on Lease Liabilities	1.45	1.13
Expenses relating to short term leases	0.97	0.79
d) Amount recognised in the statement of cash flow		
Total Cash outflow for leases	6.84	3.83

47 Disclosure on Accounting for intangible assets in accordance with Ind AS 38 :

	Rs. In Crores	
	2021-22	2020-21
Computer software & Technical know how	Refer to Note no. 3	
Gross carrying amount at the beginning of the year	27.18	26.13
Acquired during the year	1.60	1.06
Deletion during the year	0.13	0.01
Gross carrying amount at the end of the year	28.65	27.18
Gross amortisation at the beginning of the year	23.79	21.19
Amortised during the year	2.14	2.61
Deletion during the year	0.10	0.01
Gross amortisation at the end of the year	25.83	23.79
Net carrying amount at the beginning of the year	3.39	4.94
Net carrying amount at the end of the year	2.82	3.39

48 Disclosures in relation to Corporate Social Responsibility

	Rs. In Crores	
	2021-22	2020-21
a) Gross amount required to be spent by the company during the year	1.06	1.59
b) Amount approved by the board to be spent during the year	1.06	1.59
c) Contribution towards :		
Promoting Education	0.66	0.40
Rural Development Projects	0.14	0.09
Health care	0.02	0.03
National Heritage, Arts and Culture	0.10	0.05
PM Cares, State Disaster	0.49	1.05
Management Authority & Disaster		
Total	1.41	1.62
d) Amount spent during the year on		
i) Construction / acquisition of any other asset	-	-
ii) on purposes other than (i) above	1.41	1.62
Details of excess CSR expenditure under		
Section 135 (5) of the Act :		
e) Balance excess spent as at April 1, 2021 :	-	-
Amount spent during the year	1.41	1.62
Amount required to be spent during the year	1.06	1.59
Balance excess spent as at March 31, 2022	0.35	0.03

49 Additional Information , as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint ventures

Rs. In Crores

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive	Amount
2021-22								
Parent: Wheels India Limited	89.07%	668.63	107.53%	79.77	-137.04%	1.48	111.15%	81.25
I. Subsidiary								
Indian:								
WIL Car Wheels Limited	6.45%	48.38	-8.79%	(6.52)	293.52%	(3.17)	-13.25%	(9.69)
Non Controlling Interest in Subs	2.26%	17.00	-3.09%	(2.29)	-2.78%	0.03	-3.09%	(2.26)
II. Associates: (Investments as per Equity me								
Indian:								
Axles India Limited	2.23%	16.68	4.35%	3.22	-53.71%	0.58	5.20%	3.80
Total	100.00%	750.69	100.00%	74.18	100.00%	(1.08)	100.00%	73.10

2020-21								
Parent: Wheels India Limited	87.19%	592.90	5625.00%	6.75	83.43%	1.48	492.81%	8.23
I. Subsidiary								
Indian:								
WIL Car Wheels Limited	8.08%	54.91	-4033.33%	(4.84)	10.85%	0.08	-285.03%	(4.76)
Non Controlling Interest in Subs	2.84%	19.31	-1416.67%	(1.70)	3.92%	0.03	-100.00%	(1.67)
II. Associates: (Investments as per Equity method)								
Indian:								
Axles India Limited	1.89%	12.88	-75.00%	-0.09	1.80%	-0.04	-7.78%	(0.13)
Total	100.00%	680.00	100.00%	0.12	100.00%	1.55	100.00%	1.67

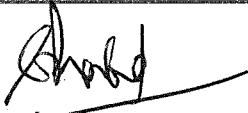
50 Other notes :

- a) The Board of Directors of the Company, at their meeting held on December 07, 2021, approved the scheme of amalgamation of Sundaram Hydraulics Limited with the Company and their respective shareholders. Based on receipt of 'No Objection Letter' dated February 10, 2022 from NSE / SEBI, the Company has filed an application with the Hon'ble NCLT, Chennai on March 16, 2022 and is awaiting necessary directions in this regard.
- b) Consequent to the approval of the composite scheme of amalgamation / arrangement, the holding of 71,43,656 equity shares have been transferred to / vested in M/s. Trichur Sundaram Santhanam & Family Private Limited (TSSFPL), effective February 04, 2022.
- c) During the year, the Company has borrowings from banks on the basis of security of current assets. Returns/Statements filed with the banks on a periodical basis are in agreement with the books of accounts.

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


S. RAM
 Chairman
 DIN:00018309


SRIVATS RAM
 Managing Director
 DIN:00063415


S PRASAD
 Director
 DIN:00063667


R. RAGHUNATHAN
 Chief Financial Officer


K.V.LAKSHMI
 Company Secretary

May 20, 2022

Per our report of even date
 for BRAHMAYYA & Co.
 Chartered Accountants
 Firm Registration No. 000511S


L RAVI SANKAR
 Partner
 Membership No. 025929

Consolidated Statement of Cash Flows in Accordance with Ind AS 7

Annexed to the Balance Sheet for the year ended 31st March, 2022

Rs. In Crores

	2021-22	2020-21
A Cash Flow from Operating Activities		
Total Comprehensive Income after tax	73.10	1.67
Add:		
Depreciation	100.96	85.60
Obsolescence	0.10	0.84
Lease Liabilities	0.85	0.79
Effect of Exchange Rate Change	(3.24)	2.88
Loss on Sale of Fixed Assets	0.53	0.02
Taxes on Income	23.88	1.22
Interest Expenses	71.49	58.87
	<u>267.68</u>	<u>151.89</u>
Less:		
Share of an Associate	3.79	(0.13)
Interest Income	0.98	1.83
Gain/(Loss) on Fair Valuation of Investments	(2.44)	0.14
Dividend Income	-	0.36
	<u>2.33</u>	<u>2.20</u>
Cash flow from Operation before Working Capital Changes	<u>265.35</u>	<u>149.69</u>
Cash flow from Working Capital :		
Trade Receivables	(137.22)	(266.60)
Inventories	(251.99)	(136.20)
Advances & Other Current Assets	(58.40)	(46.53)
Trade Payables	177.84	387.20
Other Payables & Provisions	59.25	50.08
	<u>(210.51)</u>	<u>(12.04)</u>
Taxes paid	<u>(27.23)</u>	<u>10.55</u>
Net Cash Flow from Operating Activities (A)	<u>27.61</u>	<u>148.20</u>
B Investing Activities		
Purchase of Fixed Assets	(135.27)	(119.80)
Sale of Fixed Assets	14.13	0.62
Dividend Received	-	0.36
Interest Received	0.77	1.21
Net cash used in Investing Activities (B)	<u>(120.37)</u>	<u>(117.61)</u>
C Financing Activities		
Proceeds from Long Term Borrowings	71.97	166.30
Repayment of Long Term Borrowings	(108.62)	(137.03)
Increase in Working Capital Borrowings	199.55	9.41
Repayment of Lease Liabilities	(7.59)	(2.69)
Dividend paid	(2.45)	(6.41)
Interest paid	(69.05)	(59.53)
Net cash used in Financing Activities (C)	<u>83.81</u>	<u>(31.08)</u>
Net Increase in Cash & Cash Equivalents	<u>(8.95)</u>	<u>(0.49)</u>
Closing Cash & Cash Equivalents	<u>(1.26)</u>	<u>7.69</u>
Opening Cash & Cash Equivalents	<u>7.69</u>	<u>8.18</u>
Net Increase in Cash and Cash Equivalents	<u>(8.95)</u>	<u>(0.49)</u>
Closing Cash & Cash Equivalents as per Balance sheet	<u>3.57</u>	<u>2.22</u>
(Add)/ Less: Cash Credit as at the end of the year	<u>4.83</u>	<u>(5.47)</u>
Cash & Cash Equivalents for the purpose of IndAS 7	<u>(1.26)</u>	<u>7.69</u>

S RAM
Chairman
DIN:00018309

R. RAGHUNATHAN
Chief Financial Officer

SRINATH RAM
Managing Director
DIN:00063415

K.V. LAKSHMI
Group Secretary

S PRASAD
Director
DIN:00063667

Per our report of even date
for BRAHMAYYA & Co.
Chartered Accountants
Firm Registration No. 000511S

CHENNAI
INDIA

L RAVI SANKAR
Partner
Membership No. 025929

May 20, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Sundaram Hydraulics Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Sundaram Hydraulics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "Ind AS Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022 and its Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") 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 Ind AS 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 (ICAI), together with the independence requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of 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 statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we 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 Ind AS Financial Statements

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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Ind AS.

This responsibility also includes 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 frauds and other irregularities ; selection and application of appropriate accounting policies ; making judgements 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 the Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditors' Responsibility for Audit of Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the Ind AS 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 financial controls 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 system 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 auditors' report to the related disclosures in the Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto 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 Ind AS Financial Statements, including the disclosures and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.



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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order
2. As required by the 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, the Statement of Cash Flows and the Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account ;
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Company (Indian Accounting Standard Rules 2015) ;
 - e) On the basis of the written representations received from the Directors as on 31st March 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022, from being appointed as a Director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" to this report ;
 - g) The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 - h) 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, 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 Ind AS Financial Statements - Refer Note No.25(i) to the Ind AS Financial Statements.



S P V R AND ASSOCIATES
CHARTERED ACCOUNTANTS

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Adyar, Chennai 600 020.
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shenbagaca@gmail.com
Vijiramaswamy22@gmail.com

- ii. The Company does not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv.
 - a) The management has represented that, to the best of it's knowledge and belief, (other than 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 person(s) or entity(ies), 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
 - b) the management has represented, that, to the best of it's knowledge and belief, (other than as disclosed in the notes to the accounts,) no funds have been received by the company from any person(s) or entity(ies), 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; 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/paid any Dividend during the year

Place: Chennai
Date: 23.05.2022

For S P V R and Associates
Chartered Accountants
Firm Registration No. 016918S
M. Shenbagapriya
M. Shenbagapriya
Partner
Membership No. 212806
UDIN: 22212806AJLOOP2380



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of Sundaram Hydraulics Limited on the Financial Statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.

(B) The company is maintaining proper records showing full particulars of Intangible Assets
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable
- (c) The Company does not own any immovable property in its own name. Therefore reporting under clause 3 (1)(c) of the order are not applicable to the Company.
- (d) The Company has not revalued its Property Plant and equipment (including Right of Use assets) or Intangible assets during the year.
- (e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no proceedings have been initiated or are pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Management has conducted Physical Verification of Inventory at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory. In respect of discrepancies which are less than 10% in aggregate for each class of inventory, such discrepancies have been properly dealt with in the books of accounts
- (b) During the year, the company had availed working capital limits in excess of Rs. Five Crores from banks on the basis of security of current assets. The quarterly returns and the statements submitted to lenders are in agreement with the books of accounts.



S P V R AND ASSOCIATES
CHARTERED ACCOUNTANTS

New No.27, Old No.14
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Adyar, Chennai 600 020.
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shenbagaca@gmail.com
Vijiramaswamy22@gmail.com

- (iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, clauses (iii) (a), (b) (c), (d), (e) and (f) of the order are not applicable
- (iv) The company has not granted any loans, made any investment and provided any guarantee or security as envisaged under provisions of Section of 185 and 186 of the act.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) The maintenance of cost records by the Company has not been specified by the Central Government pursuant to sub-section (1) of Section 148 of the Act
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it during the year with appropriate authorities.

(b) Disputed Sales Tax and Value Added Tax aggregating to Rs.1.21 Lakhs has not been deposited on account of disputes which are contested and appeal is pending with Sales Tax Appellate Tribunal
- (viii) Based on our examination of books of accounts and other records of the company and based on information and explanation provided by the management, the company has not surrendered or disclosed any transaction not recorded in the books of accounts as income during the year in the tax assessments under the Income tax Act 1961.
- (ix) a) Based on our examination of the books of accounts and other records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, the company has not been declared as a willful defaulter by any bank, financial institution or any other lender.

c) The term loans were applied for the purpose for which the loans were obtained.

d) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no funds raised on short term basis have been utilized for long term purposes.



- e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or Associate companies.
- (x) a) The Company has not raised monies by way of Initial Public Offer or Further Public Offer during the year.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year
- (xi) a) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no case of fraud by the company and fraud on the company has been noticed or reported during the year.
- b) No report under sub section (12) of Section 143 of the Act in form ADT-4 was filed as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- c) The provisions regarding Whistle-blower under the Act are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Hence, clauses 3(xii)(a),(b),(c) of the Order are not applicable.
- (xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) a) The company has an Internal Audit System commensurate with the Size and Nature of its business
b) We have considered the Reports of Internal Auditors for the year under audit.
- (xv) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year.

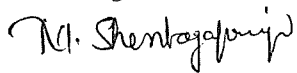


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Vijiramaswamy22@gmail.com

- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities, hence the provision of this clause is not applicable
- c) The company is not a Core Investment Company, hence reporting under clause 3(xvi)(c) is not applicable
- d) The Group does not have any Core Investment Companies, hence reporting under clause 3(xvi)(d) is not applicable
- (xvii) The company has not incurred cash losses during the year and in the immediately preceding financial year
- (xviii) There has been no case of resignation of Statutory Auditor during the year.
- (xix) On the basis of our evaluation of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and our knowledge of Board of Directors and Management plans, we are of the opinion that, no material uncertainty exists as on the date of Audit Report that company is 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
- (xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company
- (xxi) As the company is not required to prepare the consolidated financial statements, the reporting under this clause is not applicable.

Place: Chennai
Date: 23.05.2022

For **S P V R and Associates**
Chartered Accountants
Firm Registration No. 016918S

M. Shenbagapriya
Partner
Membership No. 212806
UDIN: 22212806AJLOOP2380



**"ANNEXURE B" to the Independent Auditor's Report referred to in paragraph 2 (f) of our Report of
 Even Date**

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of
 Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting with reference to financial statements of Sundaram Hydraulics Limited, Chennai ("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 with reference to Financial Statements

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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 issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls



over financial reporting 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.

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 over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting with reference to financial statements includes those policies and procedures that;

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. 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
- III. 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.



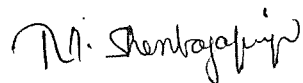
Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S P V R and Associates
Chartered Accountants
Firm Registration No. 016918S



M. Shenbagapriya
Partner
Membership No. 212806
UDIN: 22212806AJLOOP2380

Place: Chennai
Date: 23.05.2022



BALANCESHEET AS AT

(Rs.in lakhs)

PARTICULARS	Note No	As at 31.03.2022		As at 31.03.2021	
I. ASSETS					
1 Non-Current Assets					
a) Property, Plant, Equipment					
i) Tangible Assets	1	2,557.35		2,640.50	
ii) Right of use asset (Lease)		43.87		46.84	
iii) Intangible assets		-		-	
iv) Capital Work in progress	2	54.22		22.02	
b) Deferred Tax Asset (Net)	3	649.02		767.12	
c) Financial Asset					
i) Others	4A	37.82		40.41	
d) Other Non current Assets	4B	93.27		38.97	
			3,435.55		3,555.86
2 Current Assets					
a) Inventories	5	3,330.88		2,428.82	
b) Financial Assets					
i) Trade Receivables	6	1,048.48		1,007.89	
ii) Cash and Cash equivalents	7	0.42		1.51	
iii) Bank Balances other than (ii) above	8	10.67		9.77	
iv) Others	9A	70.74		20.49	
c) Other current assets	9B	124.78		360.56	
			4,585.97		3,829.04
TOTAL			8,021.52		7,384.90
II. EQUITY AND LIABILITIES					
A EQUITY					
a) Share Capital	10	4,375.13		4,375.13	
b) Other Equity	11	(3888.98)		(4129.48)	
			486.15		245.65
B LIABILITIES					
1 Non-Current Liabilities					
a) Financial Liabilities					
i) Borrowings	12	312.86		614.62	
ii) Lease Liabilities		50.45		51.23	
b) Provisions	13	9.34		5.37	
			372.65		671.22
2 Current Liabilities					
a) Financial Liabilities					
i) Borrowings	14	2,406.71		1,656.30	
ii) Lease Liabilities		0.78		0.57	
iii) Trade Payables	15	-		-	
A) total outstanding dues of micro enterprises and small enterprises		907.43		590.90	
B) total outstanding dues of creditors other than micro enterprises and small enterprises		3,526.37		4,068.33	
iv) Others		-		-	
b) Other Current Liabilities	16	317.55		150.24	
c) Provisions	17	3.88		1.69	
			7,162.72		6,468.03
TOTAL			8,021.52		7,384.90
Company Overview and Significant accounting policies	A				

SRIVATS RAM
Chairman and Managing Director
DIN: 00063415

SRINIVAS ACHARYA
Director
DIN: 00017412

As per our report attached
For S P V R & Associates
Chartered Accountants
(Registration No.:0169185)

May 23, 2022
Chennai

G.SATHYA
Chief Financial Officer

SAI GANESH K
Company Secretary

M. SHENBAGAPRIYA
Partner
Membership No.212806

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

(Rs. in lakhs)

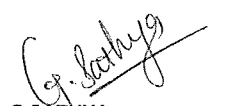
Particulars	Note No.		As at 31.03.2022		As at 31.03.2021	
I Revenue from Operations						
Sale of products		S1	10,905.26		5,636.95	
Sale of services		S2	121.29		4.40	
Other Operating Revenues		S3	217.22		106.67	
Revenue from Operations-Gross				11,243.77		5,748.02
II Other income	18			7.94		1.83
III Total Income (I + II)				11,251.71		5,749.85
IV Expenses						
Cost of materials consumed	19			9,323.94		4,416.07
Changes in inventories of work in progress	20			(503.15)		(95.38)
Employee Benefit Expenses	21			760.32		315.95
Finance Cost	22			289.61		190.26
Depreciation and amortization expense	1&2			211.92		214.21
Other expenses	23			807.73		486.04
Total Expenses				10,890.37		5,527.15
V Profit/ (Loss) before exceptional items and tax (III - IV)				361.34		222.70
VI Exceptional items				-		-
VII Profit/ (Loss) before tax (V + VI)				361.34		222.70
VIII Tax expense						
- Current Tax				-		-
- Deferred Tax		DTA	(118.81)	(118.81)	(147.04)	(147.04)
IX Profit/(Loss) after tax for the year (VIII + IX)				242.53		75.66
Other Comprehensive Income						
Item that will not be reclassified to profit or loss						
Remeasurements of post employment defined benefit plan				(2.74)		(2.07)
Less: Income tax relating to remeasurements				0.71		0.54
X Total Comprehensive income for the year				240.50		74.13
XI Earnings Per Equity Share	24					
1.Basic						
2.Diluted				0.55		0.17


SRIVATS RAM
Chairman and Managing Director
DIN: 00063415

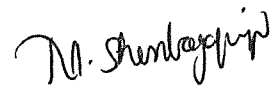

SRINIVAS ACHARYA
Director
DIN: 00017412

As per our report attached
For S P V R & Associates
Chartered Accountants
(Registration No.:0169185)

May 23, 2022
Chennai


G.SATHYA
Chief Financial Officer


SAI GANESH K
Company Secretary


M. SHENBAGAPRIYA
Partner
Membership No.212806

Sundaram Hydraulics Limited
21, Pattulos Road, Chennai - 600002

Statement of Changes in Equity as at 31st Mar 2022

Rs. In Lakhs

A)Equity Share capital	2021-22	2020-21
Balance at the beginning of the year	4,375.13	4,375.13
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital during the year	-	-
Balance at the end of the current reporting period	4,375.13	4,375.13

B) Other Equity (2021-22) - period ended 31 St March 2022

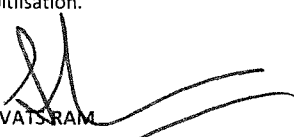
	Share application money pending allotment	Equity Component of compound financial instruments	Reserves and Surplus		Money received against share warrants	Total
			Retained Earnings	OCI		
Balance as at 1 April 2021 (A)	-	-	(4,127.64)	(1.84)	-	(4,129.48)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Profit/ (Loss) for the period	-	-	242.53	-	-	242.53
Remeasurement benefit of defined benefit plans	-	-	-	(2.03)	-	(2.03)
Total Comprehensive Income for the year ended 31st March 2022(B)	-	-	242.53	(2.03)	-	240.50
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total	-	-	(3,885.11)	(3.87)	-	(3,888.98)
Balance as at March 31,2022	-	-	(3,885.11)	(3.87)	-	(3,888.98)

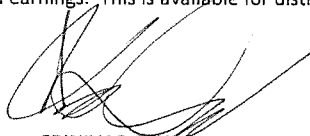
B) Other Equity (2020-21) - period ended March 31,2021

	Share application money pending allotment	Equity Component of compound financial instruments	Reserves and Surplus		Money received against share warrants	Total
			Retained	OCI		
Balance as at 1 April 2020 (A)	-	-	(4,203.30)	(0.31)	-	(4,203.61)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Profit/ (Loss) for the period	-	-	75.66	-	-	75.66
Remeasurement benefit of defined benefit plans	-	-	-	(1.53)	-	(1.53)
Total Comprehensive Income for the year ended 31st March 2021(B)	-	-	75.66	(1.53)	-	74.13
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total	-	-	(4,127.64)	(1.84)	-	(4,129.48)
Balance as at March 31,2021	-	-	(4,127.64)	(1.84)	-	(4,129.48)

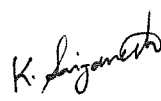
Nature and purpose of reserves:

The surplus/ (deficit) in the statement of profit and loss is part of retained earnings. This is available for distribution to shareholders as dividend and capitilisation.


SRIVATS RAM
Chairman and Managing Director
DIN: 00063415


SRINIVAS ACHARYA
Director
DIN: 00017412


G.SATHYA
Chief Financial Officer


SAI GANESH K
Company Secretary

As per our report attached
For S P V R & Associates
Chartered Accountants
(Registration No.:0169185)


M. SHENBAGAPRIYA
Partner
Membership No.212806

May 23, 2022
Chennai

A. SIGNIFICANT ACCOUNTING POLICIES

Company Overview:

Sundaram Hydraulics Limited (SHL) was incorporated under the Companies Act, 1956 on December 07, 2007 as a Public Limited Company domiciled in India. The Company is primarily into the business of design, manufacture and distribution of hydraulic cylinders for the domestic and global MCE industry. The company also diversified into manufacturing of axle shafts for dump trucks, cylinders for windmills, and sub-contracting of excavator cylinders for overseas companies. SHL has also been supplying tools and components for air suspension devices and also undertaking job work.

The registered office of the Company is situated at No.21, Patullos Road, Chennai – 600 002 and manufacturing facility is located at Sriperumbudur.

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015.

The financial Statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently for all the periods presented in the financial statements.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that impact the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The Company's normal operating cycle has been ascertained as 12 months based on the nature of products and the time between acquisition of assets for processing and their realization in cash or cash equivalents.

b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

c) Property, Plant and Equipment:

Property, Plant and Equipment is stated at acquisition cost net of Cenvat, VAT, GST credits as reduced by accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amount or recognized 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they were incurred.

Depreciation on Fixed Assets other than Intangibles and Plant and Machinery is provided based on Straight Line basis on the useful life of the asset as provided in the Schedule II of Companies Act 2013.

With respect to Plant and Machinery the company has reassessed the useful life of the asset based on the technical assessment by an external expert and depreciation has been provided on Straight Line basis on such reassessed useful life.

The cost of software relating to ERP is amortized over the estimated useful life viz. 5 years. The cost of other intangible assets are amortized over the estimated useful life viz. 3 years.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

d) Inventories:

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

e) Financial instruments

i) Financial assets:

"Financial asset is recognized at fair value. In case of financial assets which are recognized at fair value through profit and loss, its transaction cost are recognized in the statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial assets.

Financial assets are subsequently classified as measured at:

- i) Amortized cost
- ii) Fair Value through profit and loss
- iii) Fair Value through other comprehensive income"

ii) Trade receivables and loans:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using Effective Interest Rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iii) Investments:

All investments in equity instruments (other than in Subsidiaries and Associates) classified under financial assets, are initially measured at fair value. Fair Value changes on an equity instruments are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

iv) Financial liabilities:

Financial liabilities are initially measured at amortized cost. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost using effective interest rate method.

f) Provisions and Contingent liabilities:

Provisions are recognized when the Company has a present obligation as a result of an event, and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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 the obligation or a reliable estimate of the amount cannot be made.

g) Revenue Recognition:

Revenue from Sale of Products

Revenue from sale of products is recognized at the point in time when control of the promised goods (an asset) is transferred to the customer, generally when the products are dispatched or appropriated in accordance with the terms of sale. With respect to revenue from sale of wheels, the Company operates predominantly on credit basis. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. There are no significant accounting judgements, estimates and assumptions relating to determination of the time of revenue from contracts with customers are involved as the contract with customers explicitly states the point in time at which the customer obtains control of the promised goods. The Contract with customers involves performance of a single obligation, the amount stated in the contract is the transaction price allocated to the performance obligation. Incremental Cost incurred to obtain or fulfil a contract with the customers not recognized as an asset, as the amortization period of the assets is less than one year. Revenue is reduced for customer returns, commissions, rebates and discounts, and other similar allowances.

Contract balances:

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Other Operating Revenue:

Other operating revenue comprises of income from ancillary activities incidental to the operations of the Company and is recognized when the right to receive the income is established as per the terms of the contract.

Interest Income

Interest income is recognized on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Dividend income is recognized when rights to receive payment is established.

h) Employee Benefits:

Provident Fund

Eligible employees receive benefits from provident fund which is defined contribution plan, Both the employees and the company makes monthly contribution to the provident fund authorities, equal to specified percentage of eligible covered employees' salary. The company has no other obligations than the monthly contributions.

Gratuity

The gratuity plan provides for a lump sum payment to vested employees at the time of retirement, death, incapacity or termination of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation as at the Balance Sheet date based upon which the Company contributes all the ascertained liabilities to SBI Life Insurance Co. Ltd. who are the administrators of the plan.

Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in the Other Comprehensive Income. The actual return of the portfolio of plan assets, in excess of the yield, computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.

Unencashed Leave Salary

Unencashed leave salary is accounted on actuarial valuation.

Others

Contributions to defined contribution schemes such as employees state insurance, labour welfare fund, etc., are charged as expenses based on the amount of contribution required to be made. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond what has been recognized as expense in the Statement of Profit and Loss.

i) Foreign Currency Transactions

Transactions in foreign currencies are accounted at the rates of exchange prevailing as on the date of the transaction. Exchange differences arising on the settlement of such transactions are recognized in the Statement of Profit and Loss.

Monetary assets and Liabilities denominated in foreign currency are reinstated at the rate of exchange prevailing on the reporting date.

j) Impairment of tangible and intangible assets

At the end of each reporting period, the Company determines whether there is any indication that its tangible, intangible assets carried at cost have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment loss is recognized, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the 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

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) will be increased to the revised estimate of its recoverable amount, but so however increased carrying amount will not exceed the original carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

k) Income Taxes:

Income tax comprises current and deferred tax. It is recognized in the Statement of profit and loss or to an item recognized directly in Equity or in Other Comprehensive Income.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on net basis.

Deferred Tax

Deferred Income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

l) Leases:

Where the Company is lessee

All outstanding leases as on the date of inception of Ind AS 116 have been recognized as per the Modified Retrospective Method. Lease liability is measured at the present value of the remaining lease payments, discounted at incremental borrowing rate as on the date of initial application. Right of use on leased assets is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. For all leases entered into subsequently, Lease Liability is measured on the lease commencement date, on a similar basis as mentioned above. Right of use on leased asset is measured at the value of lease liability, adjusted for (i) prior lease payments, (ii) lease incentives, (iii) initial direct costs incurred by lessee & (iv) estimated removal / dismantling cost of the underlying asset.

After the commencement date, the amount of lease liability is measured by adding the amount interest cost and reducing the amount of lease payments to the value of lease liability. The amount of Right of use on leased asset is depreciated over the life of the underlying asset on a straight line basis. Short term leases and leases with low value of underlying assets are not considered for lease accounting.

Where the Company is lessor

The Company's leased out assets are in the nature of operating leases and lease payments received are recognized as income on accrual basis during the lease term.

m) Earnings per share

Earnings per share (EPS) is computed by dividing net profit/(loss) after tax for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

Sundaram Hydraulics Limited
21, Patullous Road, Chennai - 600002

NOTES ON ACCOUNTS (CONT'D)
NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION				NETBLOCK	
	As on 01.04.2021	Additions	Total Additions	Deletions	As on 31.03.2022	As on 01.04.2021	For the Year	Deleti ons	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
1 a) TANGIBLE ASSETS											
1.Buildings	764.92	22.60	22.60	-	787.52	332.19	24.62	-	356.81	430.71	432.73
2.Plant and Equipment	3,727.76	98.00	98.00	-	3,825.76	1,532.57	182.03	-	1,714.60	2,111.16	2,195.19
3.Furniture and Fixtures	27.08	4.09	4.09	-	31.17	16.42	1.36	-	17.78	13.39	10.66
4.Office Equipment	7.46	1.23	1.23	-	8.69	6.26	0.40	-	6.66	2.03	1.21
5.Motor vechile	3.54	-	-	2.29	1.25	2.83	0.54	2.18	1.19	0.06	0.71
Total-Tangible Assets	4,530.76	125.92	125.92	2.29	4,654.39	1,890.27	208.95	2.18	2,097.04	2,557.35	2,640.50
INTANGIBLE ASSETS											
Computer Software	28.76	-	-	-	28.76	28.76	-	-	28.76	-	-
Right of use asset(Lease)	52.79	-	-	-	52.79	5.95	2.97		8.92	43.87	46.84
TOTAL	4,612.31	125.92	125.92	2.29	4,735.94	1,924.98	211.92	2.18	2,134.72	2,601.22	2,687.34

b) i) Company has not carried out any revaluation of property, plant and equipment and Intangible assets during the year ended March 31, 2022.

ii) There are no proceedings that have been initiated or pending against the company for holding any Benami Property under the Benami transactions (Prohibition) Act, 1998 and rules made there under.

	31.03.2022	31.03.2021
2 Capital Work in progress-Less than 1 year	54.22	22.02

For the period ended March 31,2021

PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION				NETBLOCK	
	As on 01.04.2020	Additions	Total Additions	Deletions	As on 31.03.2021	As on 01.04.2020	For the Year	Deleti ons	As on 31.03.2021	As on 31.03.2021	As on 31.3.2020
1 TANGIBLE ASSETS											
1.Buildings	764.92	-	-	-	764.92	300.93	31.26	-	332.19	432.73	463.99
2.Plant and Equipment	3,634.03	93.73	93.73	-	3,727.76	1,355.85	176.72	-	1,532.57	2,195.19	2,278.18
3.Furniture and Fixtures	27.08	-	-	-	27.08	15.32	1.11	-	16.42	10.66	11.76
4.Office Equipment	7.46	-	-	-	7.46	5.96	0.30	-	6.26	1.21	1.51
5.Motor vechile	1.02	2.52	2.52	-	3.54	0.97	1.86		2.83	0.71	0.05
Total-Tangible Assets	4,434.51	96.25	96.25	-	4,530.76	1,679.02	211.24	-	1,890.27	2,640.50	2,755.49
INTANGIBLE ASSETS											
Computer Software	28.76	-	-	-	28.76	28.76	-	-	28.76	-	-
Right of use asset(Lease)	52.79	-	-	-	52.79	2.98	2.97		5.95	46.84	49.81
TOTAL	4,516.06	96.25	96.25	-	4,612.31	1,710.76	214.21	-	1,924.98	2,687.34	2,805.30

	31.03.2021	31.03.2020
2 Capital Work in progress-Less than 1 year	22.02	25.09

NOTES ON ACCOUNTS (CONT'D)

3 DEFERRED TAX ASSET (NET)	As at 31.03.2022	As at 31.03.2021
Deferred Tax Asset	1,016.35	1,136.13
Deferred Tax Liability	367.33	369.01
Net Deferred Tax Asset	649.02	767.12

Movement in Deferred Tax Assets/ (Liabilities)

	As at 31/03/2021	Recognised in Profit & Loss	Recognised in / reclassified from OCI	As at 31/03/2022
As at March 31,2022				
Deferred tax assets / (Liabilities) in relation to Plant,Property and Equipment	(368.43)	1.29	-	(367.14)
Loans accounted on EIR under INDAS	(0.58)	0.40	-	(0.18)
Expenses deductible on payment basis	9.84	2.77	0.71	13.32
Unabsorbed Depreciation	683.07	0.00	-	683.07
Business Loss	443.22	(123.68)	-	319.54
Others	-	0.41	-	0.41
Net deferred tax assets / (liabilities)	767.12	(118.81)	0.71	649.02

Movement in Deferred Tax Assets/ (Liabilities)

	As at 31/03/2020	Recognised in Profit & Loss	Recognised in / reclassified from OCI	As at 31/03/2021
As at March 31,2021				
Deferred tax assets / (Liabilities) in relation to Plant,Property and Equipment	(369.48)	1.05	-	(368.43)
Loans accounted on EIR under INDAS	(1.14)	0.56	-	(0.58)
Expenses deductible on payment basis	7.07	2.23	0.54	9.84
Unabsorbed Depreciation	681.90	1.17	-	683.07
Business Loss	595.26	(152.05)	-	443.22
Others	-	-	-	-
Net deferred tax assets / (liabilities)	913.61	(147.04)	0.54	767.12

4A NON-CURRENT FINANCIAL ASSETS - OTHERS

Unsecured-Considered Good

a) Security Deposits	23.80	26.39
b) Bank deposits with more than 12 months maturity	-	-
c)Other deposits	14.02	14.02
	37.82	40.41

4B OTHER NON CURRENT ASSETS

a) Advance for Capital Goods	74.85	27.74
b) Advance Tax, Tax Deducted at Source less provision for tax	18.42	9.97
c) Prepaid Expenses-Others	-	1.26
	93.27	38.97

5 INVENTORIES - AS CERTIFIED BY CHAIRMAN & MANAGING DIRECTOR

a) Raw Materials	1,206.68	859.33
b) Work-in-Progress	1,787.71	1,284.56
c) Stores and Spares	289.66	243.26
d) Loose Tools	46.83	41.67
	3,330.88	2,428.82

6 TRADE RECEIVABLES

a)Unsecured-Considered Good	1,051.05	1,007.89
Less:Allowance for expected credit loss	2.57	-
	<u>1,048.48</u>	<u>1,007.89</u>

Ageing As at 31st March,2022	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months-1 year	1-2 years	2-3 years	>3years	Total
1.Undisputed Trade receivables-Considered good	1,047.77	0.71	-	-	-	1,048.48
2.Undisputed Trade Receivables-Which have significant increase in credit risk	-	-	-	-	-	-
3.Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
4. Disputed Trade Receivables-Considered good	-	-	-	-	-	-
5. Disputed Trade Receivables-Which have significant increase in credit risk.	-	-	-	-	-	-
6. Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-
	Total					1,048.48

Ageing As at 31st March,2021	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months-1 year	1-2 years	2-3 years	>3years	Total
1.Undisputed Trade receivables-Considered good	981.28	2.56	8.41	10.77	2.83	1,005.85
2.Undisputed Trade Receivables-Which have significant increase in credit risk	1.00	-	-	-	1.05	2.05
3.Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
4. Disputed Trade Receivables-Considered good	-	-	-	-	-	-
5. Disputed Trade Receivables-Which have significant increase in credit risk.	-	-	-	-	-	-
6. Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-
	Total					1,007.89

7 CASH AND CASH EQUIVALENTS

a) Balances with Banks		
i) Current accounts	0.16	1.20
b) Cash on hand	0.26	0.31
	<u>0.42</u>	<u>1.51</u>

8 BALANCES WITH BANK OTHER THAN CASH AND CASH EQUIVALENTS

ii Fixed Deposits (as Guarantee to Sales Tax Department)	10.67	9.77
	<u>10.67</u>	<u>9.77</u>

9A OTHER CURRENT FINANCIAL ASSETS

Unsecured - Considered Good		
a) Advances to Employees	3.61	2.73
b) Other Advances	67.13	17.76
	<u>70.74</u>	<u>20.49</u>

9B OTHER CURRENT ASSETS

a) Balances with GST authorities	41.26	333.48
b) Advances to Vendors	72.49	23.53
c) Prepaid Expenses	11.03	3.55
	<u>124.78</u>	<u>360.56</u>

(Rs. in Lakhs)

NOTES ON ACCOUNTS (CONT'D)

10 SHARE CAPITAL

	As at 31.03.2022	As at 31.03.2021
Authorised Share Capital		
4,65,00,000 (Previous year: 4,65,00,000) Equity shares of Rs 10/- each.	4650.00	4,650.00
7,00,000 (Previous year: 7,00,000) Cumulative redeemable Preference shares of Rs 100/- each.	700.00	700.00
	<u>5350.00</u>	<u>5,350.00</u>

Issued, Subscribed and Fully Paid-up Share Capital

4,37,51,300 (Previous year: 4,37,51,300) Equity shares of Rs 10/- each	4375.13	4,375.13
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a.Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	2021-22		2020-21	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Equity Shares of Rs.10/- each				
Outstanding as at the beginning of the year:	43751300	4,375.13	43751300	4,375.13
Add: Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	<u>43751300</u>	<u>4,375.13</u>	<u>43751300</u>	<u>4,375.13</u>

b.Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.

C.Details of shareholders holding more than 5% shares in the Company as on :-

	As at 31.03.2022	As at 31.03.2021
Equity Shares of Rs.10/- each	No. of Shares Held	No. of Shares Held
Wheels India Limited	7150000	7150000
Sundaram Finance Holdings Ltd	11250000	11250000
Maham Holdings Limited	7745967	7745967
Mr. S.Ram	4926686	4926686
Ms. Gita Ram	2751850	2751850
Mr. Srivats Ram	5841480	5841480
Total	<u>39665983</u>	<u>39665983</u>

D.Details of share holding by Promoters:-

	As at 31.03.2022			As at 31.03.2021		
Equity Shares of Rs.10/- each						
Promotor Name	No. of Shares Held	% of total shares	% of change during the year	No. of Shares Held	% of total shares	% of change during the year
Wheels India Limited	7150000	16.34	-	7150000	16.34	-
Sundaram Finance Holdings Ltd	11250000	25.71	-	11250000	25.71	-
Total	<u>18400000</u>			<u>18400000</u>		

11 OTHER EQUITY

Surplus/(deficit) in the statement of profit and loss

Total opening reserves	(4,129.48)	(4,203.61)
Add: Additions during the year	240.50	74.13
Closing balance	<u>(3,888.98)</u>	<u>(4,129.48)</u>

(Refer statement of Changes in Equity)

NON-CURRENT LIABILITIES**12 FINANCIAL LIABILITIES-AT AMORTISED COST****A. SECURED BORROWINGS**

i) a)Term loan from Bank	312.86	539.79
Secured by hypothecation of all the present &future movable assets including all fixed assets and secured by equitable mortgage on lease hold land on pari passu basis .		

b)Term loan from Bank	-	74.83
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Exclusive charge on the assets purchased with the loan and pari-passu first charge on the movable assets of the company(Excluding where it is exclusively charged).

B. OTHERS

Lease liability	50.45	51.23
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363.31	665.85
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C. Terms of Repayment : Refer Note No.26**13 PROVISIONS**

Provision for Employee Benefits	9.34	5.37
	9.34	5.37

FINANCIAL LIABILITIES**14 A. SECURED BORROWINGS**

a) Current maturities of long term borrowings	489.12	547.35
b) Interest accrued but not due	9.19	7.93
c)Loans repayable on demand from Banks *		
i) Cash Credit Facility	698.26	487.50
ii) Working Capital Demand Loan	1,077.92	500.00
iii) Other-Working capital facility	132.22	113.52

Secured by hypothecation of raw materials, stock-in-process, finished goods, consumables & spares, receivables and other current assets of the Company and second charge over the fixed assets of the Company. The above facilities are also secured by second charge on lease hold land.

2,406.71	1,656.30
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B.OTHER FINANCIAL LIABILITIES

Lease liabilities	0.78	0.57
	0.78	0.57

15 TRADE PAYABLES

a) Dues to Micro, Small and Medium Enterprises	907.43	590.90
b) Dues to others	3,526.37	4,068.33
	4,433.80	4,659.23

Ageing As at 31st March,2022	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	>3years	Total
1.MSME	907.39	(0.03)	0.07	-	907.43
2.Others	3,525.44	0.06	0.03	0.83	3,526.37
3.Disputed dues-MSME	-	-	-	-	-
4.Disputed dues-Others	-	-	-	-	-
Total					4,433.80

Ageing As at 31st March,2021	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	>3years	Total
1.MSME	588.40	2.49	-	-	590.90
2.Others	4,058.39	4.09	(2.15)	8.00	4,068.33
3.Disputed dues-MSME	-	-	-	-	-
4.Disputed dues-Others	-	-	-	-	-
Total					4,659.23

16 OTHER CURRENT LIABILITIES

Statutory dues	13.48	10.49
Creditors for capital goods	-	2.53
Provision for expenses	304.07	137.22
	317.55	150.24

17 SHORT- TERM PROVISIONS

Provision for Employee Benefits	3.88	1.69
	3.88	1.69

Sundaram Hydraulics Limited
21, Patullous Road, Chennai - 600002

		(Rs. in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
18	OTHER INCOME		
a)	Interest income on Deposits and Advances	2.49	1.83
b)	Profit on sale of Property, Plant and Equipment	5.45	-
		<u>7.94</u>	<u>1.83</u>
19	COST OF MATERIALS CONSUMED		
a)	Raw Materials	7,442.55	2,255.33
b)	Components	1,881.39	2,160.74
		<u>9,323.94</u>	<u>4,416.07</u>
20	CHANGES IN INVENTORIES OF WORK-IN-PROGRESS		
a)	Opening Inventory of Work-in-Progress	1,284.56	1,189.18
	Less: Closing inventory of Work-in-Progress	1,787.71	1,284.56
	Net (increase) / decrease of Work in Progress	<u>(503.15)</u>	<u>(95.38)</u>
21	EMPLOYEE BENEFIT EXPENSES		
a)	Salaries and Wages	703.84	276.22
b)	Contribution to Provident Funds & Other funds	42.25	29.70
c)	Staff welfare expenses	14.23	10.03
		<u>760.32</u>	<u>315.95</u>
22	FINANCE COST		
a)	Interest expense	219.88	170.80
b)	Interest expense - Right to use asset	5.23	5.29
c)	Interest expense - others	61.50	12.17
d)	Other Borrowing cost	3.00	2.00
		<u>289.61</u>	<u>190.26</u>
23	OTHER EXPENSES		
a)	Consumption of Stores, tools and Spare parts	245.09	147.62
b)	Power & Fuel	157.48	116.43
d)	Insurance	27.72	11.68
e)	Rates & Taxes	12.32	6.82
f)	<u>Repairs</u>		
	Repairs to Plant&Machinery	100.45	107.00
g)	<u>Payment to Auditors</u>		
	Statutory Audit fees	4.00	3.00
	Tax Audit fees	1.50	1.50
	GST audit fees	0.50	0.80
	Certification fees	2.53	1.43
	Reimbursement of expenses	-	-
h)	Directors' Sitting Fees	2.85	2.25
i)	Director Remuneration-Non.Ex	12.00	-
j)	Freight Outward	194.57	30.19
k)	Miscellaneous Expenses	45.28	57.45
l)	Net loss on foreign currency translations & transactions other than considered as finance cost	1.44	(0.13)
		<u>807.73</u>	<u>486.04</u>

Notes forming part of special purpose financial statements

	As at 31.03.2022	As at 31.03.2021
24 Earning per Share (EPS)		
Net profit as per Statement of Profit and Loss	242.53	75.66
Weighted Average number of shares	43751300	43751300
Nominal value per share - Rupees	10.00	10.00
Basic and Diluted Earnings per share - Rupees	0.55	0.17

25 CONTINGENT LIABILITIES AND COMMITMENTS

i)Contingent Liabilities

a)Disputed amounts in respect of Central Sales Tax,Value Added Tax which are contested in appeal and not provided for (of which a sum of Rs.13.93 Lakhs (PY: 13.93 Lakhs)paid under protest appears under Other Non current Financial assets in the balancesheet.

15.14 15.14

ii)Commitments

Estimated amount of contracts remaining to be executed on

321.71 19.91

capital accounts and not provided for

Arrears of Dividend on 9% Cumulative Redeemable Preference Shares

313.09 313.09

Arrears of Dividend on 7% Cumulative Redeemable Preference Shares

44.69 44.69

Bank gurantee from IDFC First Bank towards tools taken on returnable from BEML Ltd

3.50 -

26 TERMS OF REPAYMENT OF LONG-TERM BORROWINGS &SHORT TERM BORROWINGS

a) Secured Borrowings - Term Loan from Bank

Terms of repayment of Borrowings

Institution	Amount Outstanding as on March 31, 2022	Type of Security	Interest Rate	Total Installmen t	No of installments remaining	Repayable from	Repayable to
HDFC TERM LOAN	1,45,21,068	Secured by hypothecation of all the present &future movable assets including all fixed assets and secured by equitable mortgage on lease hold land on pari passu basis .	8.35%	57	7	Feb'2018	Oct'2022
HDFC-TL-CAPEX	49,88,202		8.10%	16	4	July'2018	Jan'2023
HDFC-TL-CAPEX	24,94,006		8.10%	16	4	Apr'2019	Jan'2023
FEDERAL BANK	83,01,960		8.70%	38	8	Oct'2019	Nov'2022
FEDERAL BANK	57,17,335		8.70%	33	3	Oct'2019	Sep'2022
FEDERAL BANK-GECL WC	3,05,84,783		8.50%	36	31	Nov'2021	Oct'2024
IDFC BANK-CAPEX	1,35,92,785		8.40%	16	16	Aug'2021	July'2026

b) Secured Borrowings - Short term borrowings from Bank

i) During the year the company has availed additional working capital facility of Rs.8.07 Cr from three bankers under consortium basis . The existing working capital facility, Bill discounting facility and the new facility availed are repayable on demand.

27 Financial Instruments Rs. In Lakhs

A. Accounting classifications and fair values

	As at 31.03.2022	As at 31.03.2021
Financial assets:		
Financial assets measured at fair value:		Nil
Investments measured at		Nil
i. Fair value through other comprehensive income	-	-
ii. Fair value through profit or loss	-	-
iii. Derivative financial instruments	-	-
Financial assets measured at amortised cost:		
Trade receivables	1,048.48	1,007.89
Cash and cash equivalents	0.42	1.51
Bank balances other than cash and cash equivalents	10.67	9.77
Loans		
Other financial assets	70.74	20.49
Financial liabilities:		
Financial liabilities measured at fair value:		
Lease Liabilities	51.23	51.80
Financial liabilities measured at amortised cost:		
Long term Borrowings	811.17	1,169.90
Short term Borrowings (less than 12 months)	1,908.40	1,101.02
Trade payables	4,433.80	4,659.23
Other financial liabilities	-	-

The carrying amounts of trade receivables, trade payables, deposits, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature and insignificant change in interest rate

28 Income Tax Expense	31.03.2022	31.03.2021
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A Components of Income Tax Expense

- | | | |
|---|-----------------|-----------------|
| i) Tax Expense recognised in Statement of Profit and Loss | | |
| a) Current Tax | | |
| on current year tax income | - | - |
| b) Deferred Tax Liability/ (Asset) | | |
| on origination and reversal of temporary difference | (118.81) | (147.04) |
| | <u>(118.81)</u> | <u>(147.04)</u> |
| ii) Tax Expenses recognised in other comprehensive income | 0.71 | 0.54 |

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	31.03.2022	31.03.2021
Accounting Profit/ (loss) before income tax	361.34	222.70
Enacted tax rate in India (%)	26%	26%
Computed expected tax expense	93.95	57.90
Effect of		
Expenses (net) that are not deductible in determining taxable income	18.88	5.81
True-up of tax provisions related to previous years	5.98	83.33
Income tax expense recognised in the statement of profit and loss	118.81	147.04

29 Disclosures required under the "Micro, Small and Medium Enterprises Particulars		31.03.2022	31.03.2021
a.	The Principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	935.26	335.87
	- Interest due on above	4.58	4.85
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	54.82	37.70
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	138.75	76.95
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	88.51	44.10
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information has been given in respect of such vendors to the extent they could be identified as 'Micro, Small and Medium Enterprises' on the basis of information available with the Company on which the Auditors have relied upon.

30 Employee Benefits

Brief Description of the plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity and Earned Leave Encashment. The company contributes gratuity amount to SBI life Insurance Co Ltd. Both the employees and the company make monthly contributions to the provident fund authorities, equal to specified percentage of eligible covered employees salary. The Company has no further obligation than the monthly contributions. The liability in respect of leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for accordingly.

In respect of the Employees Provident Fund Scheme, the fund is being maintained with Regional Provident Fund Commissioner and hence the company has no obligations towards this interest contribution.

The liability in respect of Gratuity is determined on the basis of actuarial valuation and provided for in the Statement of Profit and Loss as on 31/03/2022 are disclosed as below:

	Rs. In lakhs	
	Gratuity (funded) 31.03.2022	Gratuity (funded) 31.03.2021
Change in defined benefit obligation		
Opening defined benefit obligation	10.07	6.04
Interest Cost	0.72	0.43
Current service cost	2.04	1.53
Actuarial loss / (gain)	2.00	2.07
Benefits paid	-	-
Closing defined benefit obligation	14.83	10.07
Change in fair value of assets		
Opening fair value of plan assets	8.59	3.12
Expected return on plan assets	0.61	0.40
Actuarial gain / (Loss) arising from Return on plan assets	(0.74)	-
Other adjustments	-	-
Contribution by employer	-	5.06
Benefits paid	-	-
Closing fair value of plan assets	8.46	8.58
Amount recognised in the Balance Sheet		
Present value of obligations at year end	14.83	10.07
Fair value of plan assets at year end	8.46	8.58
Amount now recognised as (liability)/ asset	(6.37)	(1.49)
Net (liability) / asset recognised as on 31st March	(6.37)	(1.49)

Expenses recognised in the Profit & Loss Statement	Gratuity (funded) 31.03.2022	Gratuity (funded) 31.03.2021
a) Interest on defined benefit obligation	0.72	0.43
b) Current service cost	2.04	1.53
c) Expected return on plan assets	(0.61)	(0.40)
d) Benefits transferred	-	-
e) Actuarial Gain/Loss	-	-
f) Net actuarial loss / (gain) recognised in the current year	-	-
Remeasurement on the net defined benefit liability		
g) Actuarial loss / (gain) due to Change in Demographic & Financial Assumptions	(1.17)	(0.55)
h) Actuarial loss / (gain) due to experience adjustments	3.17	2.62
i) Actuarial gain / (Loss) arising from Return on plan assets	0.74	-
Grand Total	4.89	3.63
Expenses recognised in the Profit & Loss A/c	2.15	1.56
Expenses recognised in Other Comprehensive Income	2.74	2.07
Principal actuarial assumptions used		
Discount rate (p.a)	7.62%	7.15%
Expected rate of return on plan assets (p.a)	7.15%	0.00%
Attrition rate	1.00%	1.00%
Salary escalation	5.00%	5.00%
Mortality Rate is IALM (2012-14) Ultimate constantly for both the plans		

Risk Exposure :

Through its defined benefit plans, the Company is exposed to some of the general risks such as Interest rate risk, Longevity risk and Salary escalation risk, which are insignificant and not specific to the Company.

The Sensitivity Analysis of the Impact of Changes in the above assumption (by 1.0%) is given in the below tables :

a) Gratuity	Rs. in Lakhs			
	Change in Assumption	Increase in Assumption	Decrease in Assumption	
		2021-22	2021-22	Increase in Assumption 2020-21
	Discount	12,36,965.00	17,91,308.00	12,24,581.00
	Salary escalation	17,95,645.00	12,30,565.00	8,30,369.00
	Mortality	14,85,098.00	NA	NA
	Attrition	15,54,295.00	14,01,748.00	9,62,966.00

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

31. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

32. Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans, deposits and FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since there is no short term borrowings during the year with variable interest rates, this does not arise.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Majority of the Company's revenue and expenses are in Indian Rupees. The risk with respect to exposure in Foreign Currency if any will be mitigated through hedging transactions.

Unhedged foreign currency

As at the balance sheet date, the Company's net foreign currency exposure that is not hedged is as follows:

Rs. in lakhs

Particulars	31.03.2022	31.03.2021
Trade Payables	(51.32)	7.46
Trade Receivables	-	-
Advance to suppliers	-	-

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

	Impact on profit/(Loss)	
Details	31.03.2022	31.03.2021
<i>USD sensitivity</i>	<i>In Rs. lakhs</i>	
INR/USD increases by 5%	(2.61)	0.33
INR/USD decreases by 5%	2.61	(0.33)
<i>South Korean Won Sensitivity</i>		
INR/SKW increases by 5%	0.04	0.04
INR/SKW decreases by 5%	(0.04)	(0.04)

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Management reviews the receivables outstanding frequently and hence there is a very minimal risk.

"The Company's credit period generally ranges from 30-90 days.

Provision for expected credit losses

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

The allowance for Expected Credit loss on Customer balance for the year ended 31st March 2022 is Rs.2,57,090.

Movement in Credit Loss Allowance

Particulars	31-03-2022	31-03-2021
Balance at the beginning	-	-
Impairment Loss recognised/(reversed)	2.57	-
Amounts written off	-	-
Balance at the end	2.57	-

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company's prime source of liquidity is cash and cash equivalents and the cash generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	> 1 year	Rs. In lakhs Total
As at 31.03.2022			
Long Term Borrowings	498.31	312.86	811.17
Short Term Borrowings	1,908.40	-	1,908.40
Trade and other payables	4,433.80	-	4,433.80
Financial Liabilities - Others (Lease Liabilities)	0.78	50.45	51.23
	6,841.29	363.31	7,204.60
As at 31.03.2021			
Long Term Borrowings	555.28	614.62	1,169.90
Short Term Borrowings	1,101.02	-	1,101.02
Trade and other payables	4,659.23	-	4,659.23
Financial Liabilities - Others (Lease Liabilities)	0.57	51.23	51.80
	6,316.10	665.85	6,981.95

33 Segment information for the year ended March 31, 2022 in accordance with Ind AS 108:

- (i) Primary segments:
Hydraulic Cylinder is the only reportable segment of the company
- (ii) Revenue by Geographical Segment:

	2021-22			2020-21		
	India	Outside India	Total	India	Outside India	Total
External	11,251.71	-	11,251.71	5,749.85	-	5,749.85
Internal	-	-	-	-	-	-
Total	11,251.71	-	11,251.71	5,749.85	-	5,749.85
Carrying amount of segment assets	7,372.50	-	7,372.50	6,617.78	-	6,617.78
Additions to fixed assets	125.92	-	125.92	96.25	-	96.25

The geographical segments considered for disclosure are as follows:

a) Sales within India include Sales to customers located within India; and b) Sales outside India include Sales to customers located outside India

(iii) Information about major customers

Revenues from two major customers of the Company exceeding 10% of the Company's total revenue are Rs.7617.75 Lakhs and Rs.1542.21 Lakhs (Previous year Rs.3528.43 Lakhs and Rs.1069.44 lakhs)

34 Disaggregated revenue information

Rs. In Lakhs

A	Type of goods and service	31.03.2022	31.03.2021
	a) Sale of products		
	- Hydraulic Cylinder and Axle Shafts	10,905.26	5,636.95
	- Others		
	b) Sale of services	121.29	4.40
	c) Other operating revenues		
	- Scrap Sales	133.09	82.38
	- Packing and forwarding charges	6.29	4.54
	- others	85.78	21.58
	Total operating revenue	11,251.71	5,749.85
	In India	11,251.71	5,749.85
	Outside India	-	-
B	Timing of revenue recognition	At a point of time	Over a period of time
	Sale of products and other operating income	11,251.71	5,749.85
C	Contract Balances	31.03.2022	31.03.2021
	Trade receivables (Refer Note 6)	1,048.48	1,007.89
	(not interest bearing and are generally on terms of 30 to 90 days)		
D	Revenue recognised in relation to contract liabilities	Nil	Nil
E	Reconciliation of revenue recognised in the statement of profit and loss with the contracted price		
	Revenue at contracted prices	11,251.71	5,749.85
	Revenue from contract with customers	11,251.71	5,749.85
	Difference	-	-
F	Unsatisfied or partially satisfied performance obligation	Nil	Nil

35 Related Party disclosures in accordance with Ind AS 24 issued by ICAI**Associates:-**

i) Sundaram Finance Holdings Limited

Enterprises over which Key Managerial Personnel and his relatives are exercising significant influence.

i) Wheels India Limited

ii) Maham Holdings Private Limited

Key Managerial Personnel:-

Mr. Srivats Ram

Relatives of Key managerial personnel :-**Parents of Mr.Srivats Ram**

Mr. S. Ram

Mrs. Geetha Ram

Nature of transactions

Rs. in Lakhs

1. Transactions during the year

2021-22

2020-21

A. Enterprises over which Key Managerial Personnel and his relatives are exercising significant influence

Purchase of Goods

6,305.75

3,389.15

Sale of Goods

8,921.31

4,190.90

Rendering of Services

137.76

8.03

Receiving of Services

320.93

196.76

B Key managerial personnel & Relatives:-

-

-

2. Closing balances**A. Enterprises over which Key Managerial Personnel and his relatives are exercising significant influence)**

Balance due (payable)

3,482.72

3,778.29

Balance due (receivable)

572.68

53.36

B. Key managerial personnel & Relatives

Balance due (payable)

-

-

36 Disclosure on Accounting for intangible assets in accordance with Ind AS 38

Rs. In Lakhs

2021-22

2020-21

Computer software & Technical know how

Refer note no.1

Gross carrying amount at the beginning of the year

28.76

28.76

Acquired during the year

-

-

Gross carrying amount at the end of the year

28.76

28.76

Gross amortisation at the beginning of the year

28.76

28.76

Amortised during the year

-

-

Gross amortisation at the end of the year

28.76

28.76

Net carrying amount at the beginning of the year

-

-

Net carrying amount at the end of the year

-

-

37 Disclosures as under Ind AS 116

Depreciation Charge for right of use on leased assets

(i) Leased Land

2.97

2.97

Interest expenses on lease liabilities

5.23

5.29

Expenses relating to short-term leases

-

-

Expenses relating to leases of low-value assets

-

-

Expenses relating to variable lease payments

-

-

Income from subleasing right-of-use assets

-

-

Total cash outflow for leases

5.81

5.81

Additions to right-of-use assets

-

-

Gains or Losses arising from sale and leaseback transactions

-

-

Carrying amount of right-of use assets at the end of the Financial Year

(i) Leased Land

43.87

46.84

38 The net gain/ (loss) on foreign exchange transactions routed through statement of profit and loss is

1.44

(0.13)

39 Previous year figures have been regrouped wherever necessary to conform to current year classification

40 Ratio Disclosure

Sl. No.	Particulars	Basis	31 st March 2022	31 st March 2021	Variance	Reason for variance
1	Current ratio	Current Asset/Current Liabilities	0.64	0.59	8%	-
2	Debt-Equity ratio	Long term Debt/ Shareholders Equity	1.65	4.73	-65%	Repayment of loan and fresh borrowings and improvement in EBITDA.
3	Debt Service Coverage ratio	EBIDTA /Debt service (Long Term)	1.36	0.92	49%	Improvement in EBITDA
4	Return on Equity/Net worth ratio %	Net Income(PAT)/Average Networth	66%	36%	83%	Improvement in PAT
5	Inventory turnover ratio	Turnover/ Average Inventory	3.90	2.52	55%	Increase in Turnover
6	Trade Receivables turnover ratio	Turnover/Average receivable	10.94	7.03	55%	Increase in Turnover
7	Trade payables turnover ratio	Net Credit purchase / Average payables	2.02	0.93	117%	Increase in Net credit purchase
8	Net capital turnover ratio	Turnover/ Closing Networth	23.13	23.40	-1%	-
9	Net profit ratio %	PAT/Turnover	2%	1%	64%	Increase in PAT&Turnover
10	Return on capital employed %	EBIT / Share Holders Equity+Debt	20%	18%	12%	
11	Return on investment		-	-	-	-

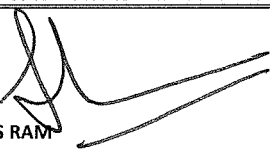
41 Other regulatory disclosures as required under Revised Schedule III of Companies Act, 2013

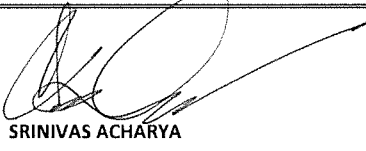
- I No Proceeding has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- II Company has not been declared as wilful defaulter by Bank or Financial institution or other lender
- III As per the information available with the company, the company has not transacted with any companies struck off under Section 248 of the Companies Act, 2013 or under Section 560 of the Companies Act, 1956
- IV There has been no charges yet to be registered with the Registrar of Companies (ROC) beyond the statutory period
- V Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources) to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall
(i) 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
(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- VI 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
(i) 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
(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- VII Company has not traded or invested in Crypto currency or virtual currency during the financial year ended March 31, 2022
- VIII The Company has not given any loans or advances in the nature of loans to Promoters, Directors, Key Managerial Personnel and Related parties, which are repayable on demand or without specifying any terms or period of repayment.
- IX During the year, the Company has borrowings from banks on the basis of security of current assets. Returns/Statements were filed with the banks on a periodical basis and the same are in agreement with the books of accounts.

42 The provisions of sec. 135 of the Companies Act, 2013 are not applicable to the Company during the year.

43 The Board of Director of the Company at their meeting held on 07.12.2021 approved the draft scheme of amalgamation of the Company with Wheels India Limited. The application before National Company Law Tribunal (NCLT) for their approval for the proposed amalgamation has been filed on 16.03.2022 and the approval is awaited

Signatories to Notes to Financial Statements

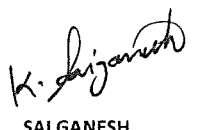

SRIVATS RAM
Chairman and Managing Director
DIN: 00063415

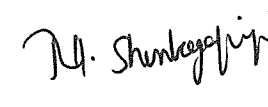

SRINIVAS ACHARYA
Director
DIN: 00017412

As per our report attached
For S P V R & Associates
Chartered Accountants
(Registration No.:0169185)

May 23, 2022
Chennai


G. SATHYA
Chief Financial Officer


SAI GANESH
Company Secretary


M. SHENBAGAPRIYA
Partner
Membership No.212806

Sundaram Hydraulics Limited
21, Pattulos Road,
Chennai - 600002

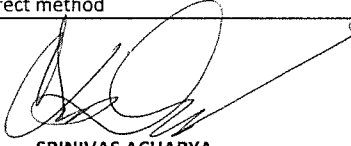
Cash Flow Statement in accordance with Ind AS 7 issued by ICAI

Annexed to the Balance Sheet for the period ending 31.03.2022

	As At March 31,2022	As At March 31, 2021
A Cash Flow from Operating Activities		
Net Profit before Tax and extraordinary items	361.34	222.70
Adjustment for:		
Depreciation	211.92	214.21
Gain/ (loss) on fair valuation of financial assets	(2.74)	(2.07)
(Profit) / Loss on sale of assets	(5.45)	-
Interest income	(7.94)	(1.83)
Finance costs	289.61	190.26
	485.40	400.57
Operating profit before working capital changes	846.74	623.27
Adjustments for:		
Trade Receivables	(40.59)	(381.60)
Advances and other current assets	132.92	22.54
Inventories	(902.06)	(298.63)
Trade Payables	(225.41)	(278.68)
Other payables and provisions	173.47	57.68
	(861.67)	(878.69)
Cash generated from operations	(14.93)	(255.42)
Taxes paid		-
Cash flow before extraordinary items	(14.93)	(255.42)
Net Cash from operating activities (A)	(14.93)	(255.42)
B Cash Flow from Investing Activities		
Purchase of fixed assets	(158.12)	(93.17)
Proceeds from sale of fixed assets	5.56	-
Interest received	7.94	1.83
Net cash used in investing activities (B)	(144.62)	(91.34)
C Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	187.59	300.00
Repayment of Long Term Borrowings	(547.58)	(564.60)
Increase/decrease in working capital	807.38	802.35
Finance costs	(288.93)	(190.48)
Net cash used in Financing activities (C)	158.46	347.27
Net increase in cash and cash equivalents (A+B+C)	(1.09)	0.51
Cash and cash equivalents at the beginning of the year	1.51	1.00
Cash and cash equivalents at the end of the year	0.42	1.51

The above statement of cash flow is prepared using indirect method


SRIVATS RAM
Chairman and Managing Director
DIN:00063415

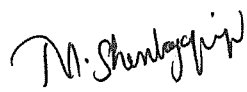

SRINIVAS ACHARYA
Director
DIN:00017412

As per our report attached
For S P V R & Associates
Chartered Accountants
(Registration No.:016918S)

May 23,2022
Chennai


G. SATHYA
Chief Financial Officer


SAI GANESH
Company Secretary


M. SHENBAGAPRIYA
Partner
Membership No.212806

Telephone Nos. :
 Regd. Office : (044) 28522745
 Factory : (044) 26234300
 (044) 26258511



Telefax : 044 - 26257121
 Web : www.wheelsindia.com

WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

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

Factory :
 Padi, Chennai - 600 050.

Report of the Board of Directors of Wheels India Limited pursuant to Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme of Amalgamation of Sundaram Hydraulics Limited with Wheels India Limited and their respective shareholders

1.0 Background

The Board of Directors of Wheels India Limited ('the Company') deliberated the draft Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 as amended from time to time (including any statutory modification(s) or reenactment(s) thereof), which involves the amalgamation of Sundaram Hydraulics Limited (Transferor Company) with Wheels India Limited (Transferee Company) and their respective shareholders.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining the effect of the Amalgamation on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders is required to be circulated to the shareholders, along with the notice convening the meeting.

Accordingly, this report has been prepared in compliance with the provisions of Section 232(2)(c) of the Companies 2013.

2.1 Share Exchange Ratio and Consideration

The Scheme envisages that shares shall be issued by Wheels India Limited to shareholders of Sundaram Hydraulics Limited pursuant to the Amalgamation in the ratio given below:

"151 (One Hundred and Fifty-One) equity shares in Transferee Company of the face value of Rs.10/- (Rupees Ten only) each, credited as fully paid-up for every 15,000 (Fifteen Thousand) Equity shares of Rs.10/- (Rupees Ten only) fully paid-up held in Transferor Company."



Further, a Valuation Report dated December 07, 2021 was issued by Mr. Niranjana Kumar. No special valuation difficulties were reported by Mr. Niranjana Kumar. Kunvarji Finstock Private Limited, Merchant banker has provided the Fairness Opinion dated December 07, 2021 on the above-mentioned Share Entitlement Ratio and has stated that the Scheme of Amalgamation is fair.

2.2 Effect of the Amalgamation on each class of shareholders, promoters and non-promoter shareholders

2.2.1 There is only one class of Shareholders viz., Equity Shareholders.

2.2.2 On Amalgamation of Sundaram Hydraulics Limited, the shareholders of Sundaram Hydraulics Limited would receive shares in Wheels India Limited.

2.2.3 There would be a minor change in the shareholding of the Promoter and Public shareholders of Wheels India Limited pursuant to issuance of shares to shareholders of Sundaram Hydraulics Limited.

2.3 Effect of the Amalgamation on Key Managerial Personnel of Wheels India Limited

The Scheme of Amalgamation does not affect the KMP's of Wheels India Limited in any manner.

Approved and adopted by the Board of Directors at their meeting held on December 07, 2021.

By order of the Board
For **Wheels India Limited**



S Ram

Chairman

DIN: 00018309

December 07, 2021
Chennai

Annexure - H

This is an Abridged Prospectus containing salient features of business of Sundaram Hydraulics Limited (“Transferor Company” or “SHL”) and Scheme of Amalgamation involving Wheels India Limited (“Transferee Company” or “WIL”) and SHL. You may download the Scheme of Amalgamation from the website of Wheels India Limited (wheelsindia.com), and the Stock Exchange where the equity shares of Wheels India Limited are listed (“Stock Exchange”), i.e. www.nseindia.com.

This Abridged Prospectus contains 8 pages. Please ensure that you have received all the pages.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS

SUNDARAM HYDRAULICS LIMITED

(Sundaram Hydraulics Limited was incorporated on December 07, 2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Chennai. The Corporate Identification Number of the Company is U71290TN2007PLC065658)

Regd. Office: No.21, Patullos Road, Chennai – 600 002, Tamil Nadu, India
Tel.: +91 044 262234474; e-mail: saiganesh_k@sundaramhydraulics.in
Contact Person: Mr. Sai Ganesh K

Promoters of Sundaram Hydraulics Limited are Sundaram Finance Holdings Limited (“SFHL”) and Wheels India Limited (“WIL”)

Please ensure that you also read the Scheme of Amalgamation which has been approved by the Board of Directors of Sundaram Hydraulics Limited at their meeting held on December 07, 2021. The shareholders are advised to retain a copy of the Abridged Prospectus for their future reference.

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF WIL ONLY

ABRIDGED PROSPECTUS

In the nature of an Abridged Prospectus containing salient features of the Scheme of Amalgamation involving **Wheels India Limited (“Transferee Company” or “WIL”) and Sundaram Hydraulics Limited (“Transferor Company” or “SHL”)** and their respective shareholders under Sections 230 to 232 and the rules made thereunder of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). This Abridged Prospectus discloses applicable information of the unlisted entity i.e. Sundaram Hydraulics Limited, in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular– SEBI/HO/CFD/DILI/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 (“SEBI Circular”) relating to the Scheme.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations,

2018”), to the extent applicable. The equity shares of WIL are listed on the National Stock Exchange of India Limited (“NSE”) and has been permitted for dealings on BSE Limited, Mumbai (BSE) under “Permitted Securities” Category (referred to as the “Stock Exchanges”). The Scheme involves, Amalgamation of Transferor Company with the Transferee Company – Part II of the Scheme. The requirements with respect to General Information Document are not applicable and this Abridged Prospectus should be read accordingly.

SHL ABSOLUTE RESPONSIBILITY

SHL, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to SHL and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

MERCHANT BANKER

Kunvarji Finstock Private Limited

Block B, First Floor, Siddhi Vinayak Towers, Off S.G. Highway Road, Mouje Makarba, Ahmedabad- 380051

CIN: U65910GJ1986PTC008979

Contact Person: Mr. Niraj Thakkar

Tel No.: +91 79 6666 9000 | **F:** +91 79 2970 2196

e-mail: niraj.thakkar@kunvarji.com

SEBI Reg. No.: MB/INM000012564

GENERAL INFORMATION

Sundaram Hydraulics Limited was incorporated on December 07, 2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Chennai. The Corporate Identification Number of the Company is U71290TN2007PLC065658.

Registered Office of SHL

Registered office of Sundaram Hydraulics Limited is situated at No.21, Patullos Road, Chennai – 600 002, Tamil Nadu, India

Registrar & Share Transfer Agent

Cameo Corporate Services Limited,
Subramanian Building,
No.1, Club House Road, Chennai - 600 002

Statutory Auditor

M/s. S P V R and Associates,
(Firm Registration No. 016918S)
New No.27, Old No.14,
7th Lane, Shastri Nagar,
Adyar, Chennai - 600 020

SCHEME DETAILS AND PROCEDURE

The Scheme of Amalgamation involves, Amalgamation of Transferor Company with the Transferee Company – Part II of the Scheme. NSE has granted approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Observation Letter dated February 10, 2022. As a consideration for the amalgamation, 151 (One Hundred and Fifty-One) Equity shares of WIL of face value Rs. 10.00/- each credited as fully paid share for every 15000 (Fifteen Thousand) share held in SHL of the face value Rs 10.00/- each fully paid.

Upon Part II of the Scheme becoming effective on the effective date SHL shall stand automatically dissolved as an integral part of this scheme, without being liquidated or wound – up and without requiring any further act, instrument or deed from SHL and / or the WIL.

ELIGIBILITY FOR THE ISSUE

Whether the company is compulsorily required to allot at least 75% of the net public offer to public, to qualified institutional buyers – Not Applicable

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from regulatory authorities, including the National Company Law Tribunal, Division Bench at Chennai (“NCLT”).

PROMOTERS OF SUNDARAM HYDRAULICS LIMITED

The Promoters of Sundaram Hydraulics Limited are

- **Sundaram Finance Holdings Limited (“SFHL”)** hold 25.72% and **Wheels India Limited (“WIL”)**, hold 16.34% of the total issued and paid-up share capital of Sundaram Hydraulics Limited.

Sundaram Finance Holdings Limited was incorporated on October 13, 1993, under the name of Sundaram Finance Securities Private Limited. Subsequently, our Company was converted into a public limited company and accordingly the name of our Company was changed to ‘Sundaram Finance Securities Limited’ with effect from November 22, 1993. In 2003, our Company’s main object was amended for engaging in insurance broking and accordingly, the name of our Company was changed to ‘Sundaram Insurance Broking Limited’ and a fresh certificate of incorporation was issued to us on May 21, 2003 by the Registrar of Companies. Thereafter, the name of our Company was changed to ‘Sundaram Finance Distribution Limited’ as it entered the business of distribution of financial products and a fresh certificate of incorporation was issued to us on December 5, 2003 by the Registrar of Companies. The name of our Company was changed to ‘Sundaram Finance Investments Limited’ as the main object of our Company was amended to engaging in all forms of investments and a fresh certificate of incorporation was issued to us on December 21, 2016 by the Registrar of Companies. Subsequently, the name of the Company was changed to ‘Sundaram Finance Holdings Limited’ and a fresh certificate of incorporation was issued to us on March 29, 2017 by the Registrar of Companies.

Pursuant to a scheme of arrangement and amalgamation between our Promoter, our Company, and certain other transferor companies, approved by the National Company Law Tribunal by way of an order dated January 12, 2018, certain identified shared services from our Promoter and Sundaram BPO India Limited and training services, noncore investments and identified immovable properties from our Promoter were transferred into and vested in our Company, as a going concern, with effect from April 1, 2016. The Company provide business process outsourcing services in the nature of information technology enabled services in areas of accounting, insurance, banking, human resources, telecom etc. and administrative, managerial, maintenance, document processing, data entry, reconciliation, training and orientation and other support services to our portfolio companies and to various third parties through our Subsidiary.

Wheels India Limited was incorporated in the state of Tamil Nadu in the name and style Wheels India Private Limited on June 13, 1960. On March 28, 1961, consequent upon conversion from Private Limited Company to Public Limited Company, its name was changed to Wheels India Limited. The Registered Office is situated at No.21, Patullos Road, Chennai – 600 002, Tamil Nadu, India. The equity shares of Wheels India Limited are listed on National Stock Exchange of India Limited (“NSE”). Wheels India Limited is engaged in the business of manufacturing of automotive and Industrial Components.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, shareholders must rely on their own examination of the Company and the Scheme including the risks involved. The equity shares being offered in the Scheme have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the Abridged Prospectus. The Scheme does not envisage any issue to the public at large. Shareholders are advised to refer the title “Internal Risk Factors” on Page No. 8 of the Abridged Prospectus before making an investment in this Scheme.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Overview

Sundaram Hydraulics Limited is engaged in the business of design, manufacture, and distribution of hydraulic cylinders for the domestic and global MCE industry.

The Board of Directors of Transferor Company and Transferee Company believe that the proposed Scheme would, inter alia, have the following benefits:

1. The amalgamation will enable product diversification and growth to the Transferee Company
2. This will facilitate expansion of the business of Transferor Company by using the customer base of the Transferee Company.
3. As a combined entity, the amalgamation will help in widening the product offering to the existing strategic customers of both the transferor as well as the transferee company.

4. Will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
5. Improves organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

BOARD OF DIRECTORS OF SHL

Sl. No.	Name, DIN and Address	Designation	Experience
1.	Mr. Srivats Ram DIN: 00063415 Address: Old No.29, New No.57, Prithivi Avenue, Chennai - 600 018	Chairman & Managing Director	Mr. Srivats Ram holds a bachelor's degree in Economics from the University of Madras and a Master's degree in Business Administration from Case Western Reserve University, USA. He has more than 27 years of experience in the industry and has been on Board since incorporation of the Company
2.	Mr. Srinivas Acharya DIN: 00017412 Address: "Srinivas", 3 rd Floor, Rukmini Road, Kalashetra Colony, Besant Nagar, Chennai - 600 090	Non-Executive Director	Mr. Srinivas Acharya is a Non-executive and Non-Independent Director of the Company. He holds a bachelor's degree in Science and a Certified Associate of Indian Institute of Bankers. He has more than three decades of experience in Banking and Financial Services and has been on Board since incorporation of the Company
3.	Mr. Badri Vijayaraghavan DIN: 00198817 Address: No. 4, Valliammai Achi Street, Kotturpuram, Chennai - 600 085	Independent Director	Mr. Badri Vijayaraghavan serving the Board as Non-Executive and Independent Director since January 24, 2020. He holds a master degree in Business Management and carries rich experience in auto components industry for more than three decades
4.	Mr. Srinivasan Srivathsan DIN: 01895659 Address: Flat 2C, Krishna Block, Jivan Bhima Enclave, Plot No. 12 - 17, Rajasekaran Street, Mylapore, Chennai - 600 004	Independent Director	Mr. Srinivasan Srivathsan is associated a Director of the Company since incorporation and serving the Board as an Independent Director since January 27, 2021. He is an Associate Member of the Institute of Chartered Accountants of India, the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He has more than three decades of rich experience in handling finance, secretarial and management.
5.	Mr. Tirumalachari Narayanan DIN: 00333841	Non-Executive Director	Mr. Tirumalachari Narayanan is associated with the Company since January 2015 and serving the Board as a Non-Executive Director

Sl. No.	Name, DIN and Address	Designation	Experience
	Address: Door No 1, I Block, Benco Colony, 1 st Cross Street, Besant Nagar, Chennai - 600 090		since January 01, 2021. He is an Associate Member of the Institute of Chartered Accountants of India, the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He has more than three decades of experience in handling Finance, Taxation, Secretarial and legal matters.
6.	Mr. Seshadri Suresh DIN: 06811356 Address: F11, PH-2, Jains Aashiana, 13, VA Koil Street, Virugambakkam, Chennai - 600 092	Non-Executive Director	Mr. Seshadri Suresh is serving the Board as a Non-executive and Non-Independent Director since February 13, 2014. He is a Mechanical Engineer and holds a master's degree in business administration. He has more than two decades of experience in manufacturing and marketing.

OBJECTS OF THE ISSUE

Sundaram Hydraulics Limited does not propose to raise any capital and its equity shares are unlisted.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the company in the preceding 10 years: Not Applicable

CAPITAL STRUCTURE OF SHL

PRE SCHEME

Authorised Share Capital	Rs.46,50,00,000 comprising of 4,65,00,000 equity shares of face value Rs. 10 each Rs.7,00,00,000 comprising of 7,00,000 Preference Shares of Rs. 100 each.
Issued, Subscribed and Paid up Capital	Rs.43,75,13,000 comprising of 4,37,51,300 equity shares of face value Rs. 10 each

POST SCHEME*

Authorised Share Capital	Not applicable
Issued, Subscribed and Paid up Capital	Not applicable

*Sundaram Hydraulics Limited will merge into WIL and shall dissolve without winding up pursuant to the Scheme, no post scheme authorised and issued and paid-up capital has been shown.

Based on the above, the pre and post Scheme shareholding pattern of SHL would be as under:

Sr. No.	Particulars	Pre-Scheme (number of shares)	Pre-Scheme (%age holding)	Post Scheme* (number of shares)	Post Scheme (%age holding)
1	Promoter and Promoter Group	1,84,00,000	42.06	-	-
2	Public	2,53,51,300	57.94	-	-
3	Custodians / Non-Public Non-promoter shareholders	-	-	-	-
	Total	4,37,51,300	100.00	-	-

SUMMARY OF AUDITED FINANCIALS OF SUNDARAM HYDRAULICS LIMITED

(Rs. in Crores)

Particulars	Audited for Six Months period ended Sep 30, 2021 ¹	FY 2020-21 ¹	FY 2019-20 ¹	FY 2018-19 ¹
Total income (net) ²	50.65	57.50	51.92	53.32
Net Profit / (Loss) after tax ³	0.79	0.76	(5.36)	(4.20)
Paid up Equity Share Capital	43.75	43.75	43.75	41.00
Other Equity (excluding revaluation reserves)	(40.51)	(41.29)	(42.04)	(36.66)
Net worth ⁴	3.25	2.46	1.72	4.34
Basic earnings per share (in Rs.)	0.18	0.17	(1.30)	(1.16)
Diluted earnings per share (in Rs.)	0.18	0.17	(1.30)	(1.16)
Return on net worth (%) ⁵	24.31	30.90	(311.63)	(96.77)
Net asset value per share (in Rs.) ⁶	0.74	0.56	0.39	1.06

Note 1: Summary for the six months period ended September 30, 2021, financial years ended on March 31, 2021, March 31, 2020 and March 31, 2019 has been extracted from audited financial statements prepared based on Ind-AS (notified under Companies (Indian Accounting Standards) Rules, 2015).

Note 2: Total income includes revenue from operations and other income.

Note 3: Net Profit / (Loss) after tax is income before other comprehensive income.

Note 4: 'Net Worth' means means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Note 5: Return on net worth (%) has been arrived at by dividing Profit / (Loss) after tax by Net Worth.

Note 6: Net asset value per share has been derived by dividing Net Worth by the number of outstanding shares.

INTERNAL RISK FACTORS

1. The Scheme for Amalgamation is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
2. The Company is presently an unlisted Company, and its securities are presently not available for trading on any stock exchange.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

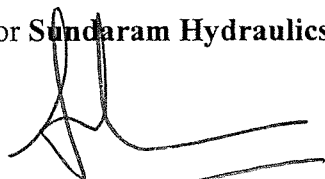
- A. Total number of outstanding litigations (in courts) against SHL and amount involved is as under: Nil
- B. Brief details of the top 5 material outstanding litigations (in courts) against SHL and amount involved: Nil
- C. Regulatory action, if any. Disciplinary action taken by SEBI or stock exchange against the Promoters in the last 5 years including outstanding action, if any: **Sundaram Finance Holdings Limited and Wheels India Limited are the promoters of Sundaram Hydraulics Limited. No regulatory / disciplinary action has been taken by SEBI or stock exchanges against Sundaram Finance Holdings Limited and Wheels India Limited in the last 5 years nor is any such matter pending for disposal.**
- D. Brief details of outstanding criminal proceedings against the Promoters: **There are no outstanding criminal proceedings against the Promoters.**

ANY OTHER MATERIAL INFORMATION OF SHL: NIL

DECLARATION BY SHL

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For **Sundaram Hydraulics Limited**



Srivats Ram
Chairman & Managing Director
 DIN: 00063415



Date: July 16, 2022
 Place: Chennai

To
The Board of Directors
Wheels India Limited,
 21, Patullos Road,
 Chennai – 600 002,
 Tamil Nadu.

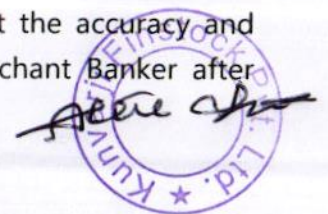
Dear Sir,

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the Sundaram Hydraulics Limited in the Abridged Prospectus in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular– SEBI/HO/CFD/DILI/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") for the purpose of Scheme of Arrangement between Sundaram Hydraulics Limited ("SHL"), and Wheels India Limited ("WIL") and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

We, M/s. Kunvarji Finstock Private Limited ("KFPL", "Kunvarji", "We" or "us"), a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012564 have been appointed by Board of Directors (the "Board") of Wheels India Limited (WIL) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Arrangement between Sundaram Hydraulics Limited ("SHL"), and Wheels India Limited ("WIL").

1. Scope and Purpose of the Certificate:

SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended, SEBI Master Circular– SEBI/HO/CFD/DILI/CIR/P/2020/249 dated December 22, 2020 read with SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") inter alia prescribed that the listed entity (in the present case Wheels India Limited ("WIL") shall include the applicable information pertaining to the unlisted entity involved in the scheme (in the present certificate, Sundaram Hydraulics Limited ("SHL")) in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.



Kunvarji Finstock Pvt. Ltd.

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

Phone: +91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com

Corporate Office : 05, Gr Floor, Summit Business Bay, Opp PVR Cinema,

Near Western Express Highway- Metro Station, Andheri (E), Mumbai-400093

CIN - U65910GJ1986PTC008979

000208/2022



This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

2. **Certification:**

We state and confirm as follows:

- 1) We have examined various documents and other materials made available to us by the management of WIL and SHL in connection with finalization of Abridged Prospectus dated July 16, 2022 pertaining to SHL, which will be circulated to the members of all the companies i.e. SHL and WIL at the time of seeking their consent to the Scheme of Arrangement between SHL and WIL as a part of explanatory statement to the notice.
- 2) On the basis of such examination and the discussion with the management of SHL and WIL, we confirm that:
 - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to SHL.
 - B. The Abridged Prospectus contains applicable information pertaining to SHL as required in terms of SEBI Circular, which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Arrangement.

3. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of SHL.
- Carrying out a market survey / financial feasibility for the Business of SHL.
- Financial and Legal due diligence of SHL.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of SHL and WIL.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

Kunvarji Finstock Pvt. Ltd.

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

Phone: +91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com

Corporate Office : 05, Gr Floor, Summit Business Bay, Opp PVR Cinema, Near Western Express Highway- Metro Station, Andheri (E), Mumbai-400093

CIN - U65910GJ1986PTC008979

000209/2022



We understand that the management of SHL and WIL, during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate.

The fee for our services is not contingent upon the result of the Scheme of Arrangement.

The management of SHL, WIL or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate.

Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties (holding companies/subsidiaries/associates etc.)

In no event, KFPL, its Directors and employees will be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Yours faithfully,

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Date: July 18, 2022

Place: Ahmedabad



E-VOTING INSTRUCTIONS:

The Company has extended the mandatory 'e-voting' facility through the Ministry of Corporate Affairs approved entity "CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED" (CDSL). Kindly follow the instructions for voting electronically provided as under:

- a) The remote e-voting period **begins** on Wednesday, **August 17, 2022 at 9:00 A.M. (IST)** and **ends** on Friday, **August 19, 2022 at 5:00 P.M. (IST)**. The remote E-voting module shall be disabled and thereafter, remote E-voting facility shall be automatically stalled.
- b) The Creditors should log on to the e-voting website www.evotingindia.com
- c) Click on Shareholders / Members.
- d) The Eight digit number mentioned as "SL. NO.:...." on the address label on the envelope, shall be entered as User ID#.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) The eight digit number mentioned as "FOLIO:...." on the address label on the envelope shall be entered as Password#.
- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Select the EVSN of "220716008 - Wheels India Limited" on which you choose to vote.
- i) 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.
- j) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- k) 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.
- l) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- m) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Note: Please take note of the Sl. No. and Folio. No. printed on the address label stuck on the envelope for your e-voting and attending the virtual meeting purposes.

for those unsecured creditors who have not registered their e-mail addresses with the Company

In case you could not retrieve your User ID / password, kindly contact our Registrar & Transfer Agent, M/s. Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002, e-mail ID: investor@cameoindia.com / Phone: 044-28460395 or the Company at investorservices@wheelsindia.com / Phone.: 044-26258511; Extn.: 2320, 044-26257121

In case you have any queries or issues regarding e-voting, write an email to helpdesk.evoting@cdslindia.com or contact 1800 22 55 33.