



WHEELS INDIA LIMITED

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

49TH ANNUAL REPORT

FACTORIES

PADI

CHENNAI – 600 050

TAMILNADU

22KM RAMPUR – TANDA ROAD

RAMPUR – 244 925, U.P.

PLOT NO C-1

RANJANGAON GROWTH CENTRE

KAREGAON VILLAGE, SHIRUR TALUK

PUNE DISTRICT – 412 210

MAHARASHTRA

PLOT NO 11-18, SECTOR 7

HSIDC GROWTH CENTER

BAWAL

REWARI DISTRICT - 123 501

HARYANA

SRIPERUMBUDUR

KANCHIPURAM DISTRICT – 602 105

TAMILNADU

PLOT NO.56, SECTOR 11

INTEGRATED INDUSTRIAL ESTATE IIE

PANTNAGAR – UDHAM SINGH NAGAR

UTTARKAND - 263 153

WEBSITE ADDRESS : www.wheelsindia.com

BANKERS

UNITED BANK OF INDIA

STATE BANK OF INDIA

STANDARD CHARTERED BANK

HDFC BANK LIMITED

AUDITORS

M/S SUNDARAM AND SRINIVASAN

CHARTERED ACCOUNTANTS

CHENNAI

STOCK EXCHANGE LISTING

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

MUMBAI

BOARD OF DIRECTORS

S RAM – Chairman & Managing Director

S VIJI

T T RANGASWAMY

J M A AKERS

SRIVATS RAM – Managing Director

T K SESHADRI

T S VIJAYARAGHAVAN

S PRASAD

AUDIT COMMITTEE

S PRASAD – Chairman

S VIJI

T T RANGASWAMY

T K SESHADRI

SHARE TRANSFER & INVESTOR RELATIONS COMMITTEE

T T RANGASWAMY – Chairman

S RAM

S VIJI

REMUNERATION COMMITTEE

T T RANGASWAMY – Chairman

T K SESHADRI

S PRASAD

PRESIDENT (FINANCE) & SECRETARY

S SRIVATHSAN

CONTENTS	PAGE
Notice to the Shareholders	2
Directors' Report	7
Auditors' Report	10
Balance Sheet	14
Profit & Loss Account	15
Schedules	16
Cash Flow Statement	34
Balance Sheet Abstract	35
Corporate Governance	37
Financial Summary	44

Notice to the Shareholders

NOTICE is hereby given that the Forty-Ninth Annual General Meeting of the Shareholders of the Company will be held on Thursday, **14th day of August, 2008**, at 11.00 a.m. at “**The Music Academy**”, 168 (Old No.306), T T K Road, Chennai 600 014, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March, 2008, and the reports of the Directors and Auditors thereon.
2. To record and confirm the interim dividends for the year ended 31st March, 2008.
3. To elect a Director in the place of Mr J M A Akers, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Mr T K Seshadri, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration. M/s Sundaram and Srinivasan, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS

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

RESOLVED that in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force, the approval of the members be and is hereby accorded to the reappointment of Mr S Ram, as Chairman and Managing Director of the Company, for a period of 2 (Two) years with effect from 01.05.2008, on the terms and conditions including remuneration as set out hereunder:

Salary : Rs.2,25,000 per month in the scale of pay Rs.2,25,000 – Rs.3,50,000 effective 1st May, 2008. Annual increase will be effective 1st May of every year and the quantum of increase will be decided by the Remuneration Committee constituted for this purpose.

Commission : Not exceeding 2% of net profits of the Company for each financial year or part thereof, computed in the manner laid down in the Companies Act, as may be decided by the Remuneration Committee constituted for this purpose.

Perquisites: As detailed in the Annexure I to the Explanatory Statement.

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

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

RESOLVED that, in modification of earlier resolutions passed in this regard and in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions



of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force, the approval of the members be and is hereby accorded to the appointment of Mr Srivats Ram, as Managing Director of the Company, for a period of 5 (five) years with effect from 01.05.2008, on the terms and conditions including remuneration as set out hereunder:

Salary : Rs.2,25,000/- per month in the scale of pay Rs.2,25,000 – Rs.3,50,000. Annual increase will be effective 1st April every year and the quantum of increase will be decided by the Remuneration Committee constituted for this purpose.

Commission : Not exceeding 2% of net profits of the company for each financial year or part thereof, computed in the manner laid down in the Companies Act, as may be decided by the Remuneration Committee constituted for this purpose.

Perquisites: As detailed in the Annexure II to the Explanatory Statement.

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

Regd. Office:
21, Patullos Road
Chennai - 600 002.
27th June, 2008

By order of the Board
S Srivathsan
President (Finance) & Secretary

Notes:

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of himself and such a proxy need not be a member. For appointment of a proxy to be effective, the proxy form (enclosed) shall be duly filled, stamped, executed and lodged with the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 07.08.2008 to 14.08.2008 (both days inclusive).
3. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 2001 and thereafter, which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2001, or any subsequent financial year are requested to make their claim to the Share Department of the Company at Padi, Chennai - 600 050. It may also be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie against the Fund or the Company in respect of such amount.

Encl : Proxy Form, Explanatory Statements.

Annexure to the Notice

Explanatory Statements under Section 173 of the Companies Act, 1956

SPECIAL BUSINESS :

Item No.6

The term of office of Mr S Ram as Chairman & Managing Director of the Company expired on 30.04.2008. The Board of Directors, at their meeting held on 17.04.2008 have thought fit to reappoint Mr S Ram as Chairman & Managing Director for a further period of two years with effect from 01.05.2008.

The appointment of Mr S Ram as Chairman & Managing Director of the Company and the payment of remuneration to him as detailed in the resolution as set out under Item No.6 of the notice require the consent of the members.

Interest of Directors

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

Mr S Viji, Director and Mr Srivats Ram, Managing Director are also deemed to be interested in the said resolution.

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

Item No.7

Mr Srivats Ram was appointed as Joint Managing Director of the Company for a period of five years with effect from 01.05.2005. The Board of Directors, at their meeting held on 17.04.2008 have thought fit to appoint him as Managing Director of the Company for a period of five years with effect from 01.05.2008.

The appointment of Mr Srivats Ram as Managing Director of the Company and the payment of remuneration to him as detailed in the resolution as set out under Item No.7 of the notice require the consent of the members.

Interest of Directors

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

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

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

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By order of the Board
S Srivathsan
President (Finance) & Secretary



ANNEXURE I

Details of perquisites payable to Mr S Ram, Chairman and Managing Director of the Company, referred to in the resolution No. 6

Company's contribution to Provident Fund and Gratuity Fund as applicable to other Senior Executives of the Company.

Perquisites and allowances like free furnished accommodation or house rent allowance including furniture, furnishings and other utilities, payment / reimbursement of medical expenses (for self and family), telephones, gas, electricity, water, payment of medical and personal accident premium, leave travel assistance, club fees (excluding admission and life membership fee), provision of chauffeur driven cars and such other allowances / perquisites / benefits and amenities as may be provided by the Company to other senior executives from time to time; the annual value of these will be limited to a ceiling of 100% of annual salary.

Provision of chauffeur driven Company car for official purposes shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

Payment of Company's contributions to Provident Fund / Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites. Where payment of special allowance in lieu of contribution to Superannuation Fund is made, as per the rules applicable to other senior executives of the Company, the same will be treated as perquisite, for the purpose of ceiling on perquisites and allowances as aforesaid.

ANNEXURE II

Details of perquisites payable to Mr Srivats Ram, Managing Director of the Company, referred to in the resolution No. 7

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

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

Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund as applicable to other Senior Executives of the Company.

Perquisites and allowances like free furnished accommodation or house rent allowance including furniture, furnishings and other utilities, payment / reimbursement of medical expenses (for self and family), telephones, gas, electricity, water, payment of medical and personal accident premium, leave travel assistance, club fees (excluding admission and life membership fee) provision of chauffeur driven cars and such other allowances / perquisites / benefits and amenities as may be provided by the Company to other senior executives from time to time; the annual value of these will be limited to a ceiling of 100% of annual salary.

Provision of chauffeur driven Company car for official purposes shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

Payment of Company's contributions to Provident Fund / Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.



Directors' Report to the Shareholders

Your Directors present their Forty Ninth Annual Report and the Audited Accounts for the year ended 31st March, 2008.

Financial Results

Sales for the year under review were Rs. 1130 crores compared to Rs. 1003 crores in the last year. The financial results of your Company for the year under review are as below:

	<u>2007-2008</u>	<u>2006-2007</u>
	(Rs. in Lakhs)	
Gross profit before interest and depreciation	10,170	8,593
Interest	3,069	2,052
Depreciation	3,127	2,672
Profit before tax for the year	3,974	3,869
Profit after tax for the year	2,586	2,603

Dividend

Two interim dividends totaling to 70% amounting to Rs.6,90,86,108/- were paid for the year ended 31st March, 2008. The Directors are not recommending any further dividend for the year ended 31st March, 2008.

Management Discussion and Analysis

In the last year, the Indian economy grew at 9%, slightly lower than the 9.4% growth in GDP in the preceding year. The latter part of the year, saw some slowdown in the momentum of growth, especially in the manufacturing sector which grew at 8.8% as against 12.1% in the previous year. A higher growth of 4.5% in the agriculture sector made up for the lower growth in industry and services.

The latter part of the year and the beginning of this year saw severe global inflationary trends in commodities, resulting in high inflation. The government has tried to restrict money supply to counter inflation. The combination of inflation and tighter money supply is likely to restrict growth in the coming year.

The medium and heavy commercial vehicle segment saw a decline of 2% in 2007-08 as against a growth of 35% in the previous year. Within this, the goods haulage segment saw a steep drop of 16%, which was partially offset by growth in buses and tippers. In light of the environment of economic uncertainty in the current year, we expect no growth in the commercial vehicle market. Similarly, in the light commercial vehicle segment, the last year saw growth slowing down to 10% from 33% in the previous year. We expect only a marginal growth in the coming year.

In the passenger car and utility vehicle segment, growth slowed down to 12% from 22% in the previous year. This growth is likely to further come down to 8% in the current year. The uncertainty caused by inflation and high fuel prices will curtail growth to some extent. The growth in the segment will come primarily from new models and export based programs of car manufacturers.

The agricultural tractor market declined in volume by 5%, after a positive growth of 20% in the previous year. In spite of reasonable growth in the agricultural sector, the tractor market declined partly due to excess capacity that had built in the previous year and partly due to tighter availability of money. While

the coming year is expected to have a good monsoon, issues of availability of finance is likely to result in only a marginal growth in the tractor market.

The mining and construction equipment industry grew in excess of 30% for the third consecutive year. In the coming year, availability of finance is likely to affect the lower end segments of the industry. At the same time, the commodity markets and export programs of equipment manufacturers will ensure growth at the higher end to maintain the growth in the current year. Your company is a major supplier to the international market in this industry. In the international market, while all customers are looking at double digit growth, Asia-Pacific, where we have a significant share, is likely to grow at 20% in the coming year.

In the last fiscal, the company's performance mirrored the various industry segments. In addition to the segments covered, we did double our sales in air suspension systems as public transport corporations across the country looked at buses with factory fitted air suspension. We expect this trend to continue in the current year.

In the last fiscal, we had successfully filed for anti-dumping duty against Chinese truck wheel imports. This along with cost escalations in China, will stand the company in good stead, as our capacities come on stream later on in the year.

In the current year, the availability and prices of steel are major concerns. The prices have increased by over 30% in the current fiscal. At the same time, availability of steel in the country is tight and our ability to manage the situation will be a critical factor in our growth in the coming year.

Our international business grew by 23% in the year under review and forms 18% of our business. This performance has been during a period in which the Indian Rupee has appreciated by almost 10%. We expect our export business growth trend to continue in the current year.

In the last year, your company commenced production at a new plant at Sriperumbudur for manufacture of large earthmover wheels for mining trucks. The plant was commissioned in a record period of 9 months and we expect the plant to break even in the latter part of the coming year. In the coming year, we will commission our plant at Pantnagar in Uttarkhand.

Your company has started a new company, Sundaram Hydraulics Ltd, along with Sundaram Finance Ltd (your company will hold a 49% stake) for manufacture of hydraulic cylinders for the construction equipment industry. We believe that there is a tremendous opportunity to develop, manufacture and market this product to a number of our existing customers.

It has been through the team work and efforts of your Company's employees that we have been able to manage our operations in these difficult times.

Inflation compounded by slow growth is a major challenge that your company has to face in the coming year. In line with this, we are actively looking at cost rationalization exercises at all our plants to improve our competitiveness.

Your company has an adequate system of internal control commensurate with the size and nature of the Company's business. The internal auditors conduct periodical audits to ensure adequacy of internal control systems, adherence to management policies besides ensuring compliance with laws and regulations of the country. We are in the process of implementing the ERP package SAP to improve the internal controls and responsiveness of your organization.



Directors

Under Article 94(3) of the Company, Mr J M A Akers and Mr T K Seshadri, retire from office by rotation, and being eligible, offer themselves for re-appointment.

Corporate Governance

In pursuance to Clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report is given elsewhere and forms part of this Report.

Directors responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March, 2008 and of the profit of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv. the annual accounts have been prepared on a going concern basis.

Auditors

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai retire at the conclusion of the Forty Ninth Annual General Meeting and are eligible for re-appointment. The Directors recommend their re-appointment.

Particulars of Employees

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

General

Particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are enclosed in the annexure and form part of this report.

The Directors wish to thank United Bank of India, State Bank of India, Standard Chartered Bank and HDFC Bank Limited for their continued support.

Your Company continues to enjoy the full co-operation of all its employees. The Directors wish to place on record their appreciation of the good work done by them.

Chennai
27th June, 2008

On behalf of the Board of Directors
S Ram
Chairman & Managing Director

Report of the Auditors' to the Shareholders

We have audited the attached Balance Sheet of Wheels India Limited as at 31st March, 2008, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we enclose in the annexure a statement on the matters specified in the said order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. As per information furnished to us, no Director of the Company is disqualified as on 31st March, 2008 from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

for SUNDARAM AND SRINIVASAN
Chartered Accountants
K. Srinivasan
Partner
Membership No.5809

Chennai
27th June, 2008



Annexure to the Report of Auditors

- I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
(c) The Company has not disposed of substantial part of fixed assets during the year.
- II. (a) Physical verification of inventory has been conducted at reasonable intervals by the Management
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- III. The company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, the clauses (iii) (b) to (g) of the order are not applicable.
- IV. There is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. There is no continuous failure to correct major weaknesses in internal control system.
- V. (a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under the section.
(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- VII. The company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. The company has made and maintained the accounts and records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and we have broadly reviewed the same.

- IX. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (b) There were no disputed tax dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty, Value Added Tax and Cess.
- X. The Company has no accumulated losses and has not incurred cash losses during this financial year or in the immediately preceding financial year.
- XI. The company has not defaulted in repayment of dues to a financial institution or bank.
- XII. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the order is not applicable to the company.
- XIV. The company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The term loans were applied for the purpose for which the loans were obtained.
- XVII. Based on the balance sheet and fund flow statement of the company in our opinion the funds raised on short term basis have not been used for long term investments.
- XVIII. The company has not made any preferential allotment of shares during the year.
- XIX. The company has not issued any debentures during the year.
- XX. The company has not raised any money by way of public issues during the year.
- XXI. No fraud on or by the company has been noticed or reported during the year.

for SUNDARAM AND SRINIVASAN
Chartered Accountants
K. Srinivasan
Partner
Membership No.5809

Chennai
27th June, 2008

ACCOUNTS 2007 - 2008

		Schedule		Rs. in Lakhs	
				As at 31.03.2007	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	I	986.94		986.94	
b) Reserves and Surplus	II	16,781.12		15,003.12	
			17,768.06		15,990.06
2. Loan Funds					
a) Secured loans	III	20,816.17		17,970.57	
b) Unsecured loans	IV	7,919.55		6,022.22	
			28,735.72		23,992.79
3. Deferred Tax Liabilities (Net)					
	V		2,883.00		2,586.00
			49,386.78		42,568.85
II APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	VI	50,149.30		41,460.46	
b) Less: Depreciation		22,072.26		19,199.14	
c) Net Block		28,077.04		22,261.32	
d) Add: Capital Work-in-Progress	VII	5,035.93		3,183.17	
			33,112.97		25,444.49
2. Investments					
	VIII		742.36		742.36
3. Current Assets, Loans and Advances					
a) Inventories	IX	16,153.77		11,544.02	
b) Sundry Debtors	X	14,361.10		14,353.11	
c) Cash and Bank Balances	XI	80.51		83.23	
d) Other current assets	XII	22.60		0.14	
e) Loans and Advances	XIII	8,428.92		5,159.02	
			39,046.90		31,139.52
Less: Current Liabilities and Provisions					
a) Liabilities	XIV	23,053.58		14,659.84	
b) Provisions	XV	461.87		97.68	
			23,515.45		14,757.52
Net Current Assets					
			15,531.45		16,382.00
			49,386.78		42,568.85
Notes on Accounts					
	XVI				

S RAM Chairman & Managing Director	S VIJI Director	T T RANGASWAMY Director	SRIVATS RAM Managing Director	As per our report attached For SUNDARAM AND SRINIVASAN Chartered Accountants K SRINIVASAN Partner Membership No. 5809
T K SESHADRI Director	J M A AKERS Director	T S VIJAYARAGHAVAN Director	S PRASAD Director	S SRIVATHSAN Secretary

Chennai
27th June, 2008

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2008**



	Schedule	Rs. in Lakhs	
		2006-07	
Sales - Gross		127,378.60	114,171.59
Less: Excise Duty		14,357.93	13,844.72
Sales - Net		113,020.67	100,326.87
Other Income	XVII	1,760.70	1,234.66
		114,781.37	101,561.53
Raw Materials, Work-in-Process and Finished Goods	XVIII	79,814.64	70,839.45
Salaries and Wages, Stores consumed and other expenses	XIX	24,796.44	22,129.03
Interest on			
Fixed Loans		1,114.42	1,101.09
Others		1,954.28	950.67
Depreciation		3,068.70	2,051.76
		3,127.32	2,672.25
		110,807.10	97,692.49
Net Profit for the year		3,974.27	3,869.04
Less: Provision for Taxation - Incometax		1,036.00	932.00
Provision for Taxation - Deferred Tax		297.00	286.00
Provision for Taxation - Fringe Benefit Tax		55.00	48.00
Profit after tax for the year		2,586.27	2,603.04
Add: Balance transferred from previous year		604.66	533.11
Less:			
Dividend (Ist Interim) - Paid		296.08	296.08
Dividend (IInd Interim) - Payable		394.78	-
Dividend (IInd Interim) - Paid		-	345.43
Dividend Tax - (Ist Interim) - Paid		50.32	41.53
(IInd Interim) - Payable		67.09	-
(IInd Interim) - Paid		-	48.45
Transfer To General Reserve		1,800.00	1,800.00
		2,608.27	2,531.49
Balance Transferred To Balance Sheet		582.66	604.66
Earnings Per Share		26.20	26.37

S RAM Chairman & Managing Director	S VIJI Director	T T RANGASWAMY Director	SRIVATS RAM Managing Director	As per our report attached For SUNDARAM AND SRINIVASAN Chartered Accountants K SRINIVASAN Partner Membership No. 5809
T K SESHADRI Director	J M A AKERS Director	T S VIJAYARAGHAVAN Director	S PRASAD Director	S SRIVATHSAN Secretary

Chennai
27th June, 2008

		<i>Rs. in Lakhs</i>	
		As at 31.03.2008	As at 31.03.2007
I	CAPITAL		
	Authorised		
	2,00,00,000 Equity Shares of Rs 10/- each	2,000.00	2,000.00
	Issued, Subscribed and Paid-up		
	98,69,444 Equity Shares of Rs. 10/- each	986.94	986.94
	Includes		
	a) 3,02,250 Equity Shares of Rs 10/- each issued and allotted for consideration other than cash		
	b) 80,99,444 Bonus Equity shares of Rs 10/- each allotted by capitalisation of General Reserve to the extent of Rs.8,07,39,028/- and Share Premium Account of Rs 2,55,412/-		
II	RESERVES AND SURPLUS		
	a) Capital Reserve		
	As per last Balance Sheet	0.02	0.02
	b) General Reserve		
	As per last Balance Sheet	14,398.44	12,598.44
	Additions during the year	1,800.00	1,800.00
		16,198.44	14,398.44
	c) Surplus		
	Balance in Profit & Loss account	582.66	604.66
		16,781.12	15,003.12



<i>Rs. in Lakhs</i>		
	As at 31.03.2008	As at 31.03.2007
III SECURED LOANS		
a) Term Loans from Banks (Note 1 (a) of Schedule XVI)	11,730.59	8,166.91
b) Cash Credit from Banks (Note 1 (b) of Schedule XVI)	9,085.58	9,803.66
	<hr/> 20,816.17 <hr/>	<hr/> 17,970.57 <hr/>
IV UNSECURED LOANS		
a) Fixed Deposits	3,740.19	3,046.70
b) From State Government under Interest free Salestax Deferral Scheme	975.91	975.52
c) Term Loans from banks	3,203.45	2,000.00
	<hr/> 7,919.55 <hr/>	<hr/> 6,022.22 <hr/>
V DEFERRED TAX LIABILITIES (NET)		
(a) DEFERRED TAX LIABILITY Depreciation and Others	2,983.00	2,691.00
(b) DEFERRED TAX ASSET Expenses allowable for tax purposes when paid	100.00	105.00
	<hr/> 2,883.00 <hr/>	<hr/> 2,586.00 <hr/>

VI FIXED ASSETS

Rs. in Lakhs

Description	Land		Build-ings	Plant and Machi- nery	Furni- ture & Fixtures	Vehi- cles	Total	
	(Free hold)	(Lease- hold)					As at 31.03.2008	As at 31.03.2007
COST OF ASSETS								
At the beginning of the year	175.68	195.17	3789.49	36086.47	1145.87	67.78	41,460.46	36,113.48
Additions	-	-	1049.33*	7543.13*	399.31	4.02	8,995.79	5,476.80
Sales / transfers	-	-	-	298.79	8.16	-	306.95	129.82
Total	175.68	195.17	4838.82	43330.81	1537.02	71.80	50,149.30	41,460.46
DEPRECIATION								
At the beginning of the year	-	18.01	1039.54	17262.84	822.52	56.23	19,199.14	16,617.58
For the year	-	1.65	125.59	2813.93	182.45	3.70	3,127.32	2,672.25
Deduction on Sales / Transfers	-	-	-	246.67	7.53	-	254.20	90.69
Total	-	19.66	1165.13	19830.10	997.44	59.93	22,072.26	19,199.14
Written down Value								
As at 31.03.2008	175.68	175.51	3673.69	23500.71	539.58	11.87	28,077.04	
As at 31.03.2007	175.68	177.16	2749.95	18823.63	323.35	11.55		22,261.32

* includes expenditure during construction period relating to new projects capitalised during the year amounting to Rs.4.24 lakhs and Rs.148.88 lakhs respectively.

VII CAPITAL WORK IN PROGRESS - At cost

a) Buildings*	1,159.07	660.98
b) Plant and Machinery*	3,876.86	2,522.19
	5,035.93	3,183.17

* includes expenditure during construction period relating to new projects capitalised during the year amounting to Rs.107.68 lakhs and Rs.1040.80 lakhs respectively.



		<i>Rs. in Lakhs</i>	
		As at	As at
		31.03.2008	31.03.2007
VIII INVESTMENTS			
	Trade-Long term Un-Quoted Shares of Companies	Face Value	
	Axles India Limited 24,24,661 Equity Shares of Rs. 10/- each fully paid-up	242.47	272.36 272.36
	Arkay Energy (Rameswaram) Ltd 7,00,000 Equity Shares of Rs. 10/- each fully paid-up	70.00	70.00 70.00
	5.65% Rural Electrification Corporation Ltd Capital Gains Tax Exemption Bonds 4,000 numbers of Non Convertible Redeemable taxable Bonds in the nature of debentures of Rs. 10,000/- each		400.00 400.00
		742.36	742.36
IX INVENTORIES - As certified by Managing Director			
a)	Stores and Spares	1,230.13	1,025.87
b)	Loose Tools	491.16	358.45
c)	Raw Materials	9,373.96	6,517.79
d)	Work-in-Process	4,615.00	3,295.23
e)	Stock-in-Trade (Finished Goods)	410.38	223.77
f)	Goods-in-Transit	33.14	122.91
		16,153.77	11,544.02
X SUNDRY DEBTORS - Unsecured - Considered Good			
a)	Outstanding for a period exceeding six months	772.30	600.52
b)	Others	13,588.80	13,752.59
		14,361.10	14,353.11
XI CASH AND BANK BALANCES			
a)	Cash and Cheques on hand	9.54	4.67
b)	With Scheduled Banks in :		
i)	Current Accounts	50.39	45.24
ii)	Fixed Deposits	3.50	2.52
iii)	Unclaimed Dividend Accounts Balance with Banks - In Current Accounts	17.08	30.80
		80.51	83.23

		<i>Rs. in Lakhs</i>	
		As at 31.03.2008	As at 31.03.2007
XII	OTHER CURRENT ASSETS		
	Interest accrued on deposits and investments	22.60	0.14
XIII	LOANS AND ADVANCES - Unsecured -Considered good		
a)	Advances recoverable in cash or in kind or for value to be received * @ includes Advance for purchase of capital goods Rs.2,145.07 lakhs (Last year Rs.1,489.61 lakhs) and advance towards investments in equity shares of M/s Sundaram Hydraulics Limited Rs.396.90 lakhs (Last year - Nil)	5,308.17 [@]	3,581.67 [@]
b)	Advance tax and Tax deducted at source less provision for taxation	4.94	-
c)	Balance with Port Trust and Customs Authorities	-	0.14
d)	Balance with Central Excise Authorities	3,115.81	1,577.21
		8,428.92	5,159.02
	* Includes Rs.1.07 lakhs due from an officer of the Company (Last year Rs.1.10 lakhs) (Maximum balance due at any time during the year Rs.1.10 lakhs -Last year Rs.1.12 lakhs)		
XIV	CURRENT LIABILITIES		
a)	Sundry Creditors	22,640.88	14,277.27
b)	Due to Directors	147.45	133.00
c)	Interest accrued but not due on loans	265.25	249.57
		23,053.58	14,659.84
XV	PROVISIONS		
a)	For taxation less advance tax	-	97.68
b)	Proposed Dividend	394.78	-
c)	Dividend Tax	67.09	-
		461.87	97.68
XVI	NOTES ON ACCOUNTS		
1	SECURED LOANS		
a)	Term Loans from Banks Secured by first charge by way of hypothecation of specific machinery	11,730.59	8,166.91
b)	Cash Credit from Banks Secured by hypothecation by way of first charge on all movable assets present and future, consisting of stock of raw materials, work-in-process, finished goods, consumable stores and spares, goods-in-transit and book debts.	9,085.58	9,803.66



		<i>Rs. in Lakhs</i>			
		2007-08		2006-07	
2	a) Directors' Remuneration (Chairman & Managing Director and Managing Director)	(CMD)	(MD)	(MD)	(JMD)
	Salaries & allowances	38.40	38.40	38.40	28.80
	Commission	63.19	84.26	55.00	78.00
	Contribution to Provident and Superannuation Funds	2.88	6.48	2.88	4.86
	Other benefits	0.62	0.25	0.20	0.22
	b) Sitting Fees to other Directors	4.35		5.60	
3	Computation of Net Profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956 and calculation of Commission payable to Chairman and Managing Director and Managing Director				
	Profit after Taxation	2,586.27			
	Add: Provision for Taxation	1,388.00			
	Managerial remuneration within the meaning of Sec 198 of the Companies Act, 1956 (including Commission of Rs147.45 lakhs to Chairman and Managing Director and Managing Director) (Last year Rs.133 lakhs)	238.83			
		1,626.83			
	Profit under Section 198 of the Companies Act, 1956	4,213.10			
		(CMD)	(MD)		
	Commission on net profit at 1.5% - CMD, 2% - MD	63.19	84.26		

<i>Rs. in Lakhs</i>				
	2007-08		2006-07	
	Quantity (M.T)	Value	Quantity (M.T)	Value
4 Raw Materials consumed				
i) Basic Raw Materials - Steel Sections, Sheets, Coils and Plates	231,714	74,697.80	227,287	66,043.60
ii) Intermediates and Components		6,623.22		5,005.97
		81,321.02		71,049.57
5 Consumption of Raw Materials and Components				
	% to total consump- tion	Value	% to total consump- tion	Value
a) Raw Materials				
i) Imported	11.36	8,488.51	11.06	7,305.78
ii) Indigenous	88.64	66,209.29	88.94	58,737.82
	100.00	74,697.80	100.00	66,043.60
b) Components				
i) Imported	11.76	778.89	12.58	629.66
ii) Indigenous	88.24	5,844.33	87.42	4,376.31
	100.00	6,623.22	100.00	5,005.97
6 Imports (CIF Value)				
i) Raw Materials		9,320.56		7,240.50
ii) Spare Parts		99.26		92.31
iii) Capital Goods		807.34		1,271.52
7 Expenditure in Foreign Currency				
i) Royalty and Know-how fees (Net of Tax)		34.53		32.22
ii) Commission		147.03		150.15
iii) Interest		761.32		401.62
iv) Others		282.15		432.62
8 Amount remitted in Foreign Currency towards Dividend				
i) Number of Non-Resident shareholders		1		1
ii) Number of shares held		3,544,470		3,544,470
iii) Dividend and years to which it relates				
- II Interim		-	(2005-06)	124.06
- I Interim	(2007-08)	106.33	(2006-07)	106.33
- II Interim		-	(2006-07)	124.06
9 Earnings in Foreign Exchange				
Exports (on FOB basis)		22,141.64		18,221.17
Others		208.60		56.19



		Rs. in Lakhs							
		2007-08				2006-07			
10	Sales by class of goods								
			Quantity Numbers	Value			Quantity Numbers	Value	
	i) Wheels for Commercial Vehicles, Passenger Cars, Jeeps and Tractors, Earthmoving and Construction Equipments		8,166,746	97,979.04			7,749,911	88,693.53	
	ii) Others			15,041.63				11,633.34	
				<u>113,020.67</u>				<u>100,326.87</u>	
11	Licensed, Installed Capacity (per annum) and actual production								
	a) Wheels (Nos)								
	Wheels for Commercial Vehicles, Passenger Cars, Jeeps, Tractors Defence requirements, Earthmoving and construction Equipments								
	i. Licensed/Registered capacity				Delicensed			Delicensed	
	ii. Installed capacity as certified by Managing Director			8,726,300				8,300,000	
	iii. Actual Production			8,174,532				7,756,804	
	b) Air Suspension System (sets)								
	i. Licensed Capacity				Delicensed			Delicensed	
	ii. Installed capacity as certified by Managing Director			5,000				5,000	
	iii. Actual Production			2,804				1,248	
12	Opening and Closing stock of goods produced								
			2007-08			2006-07			
		Opening Stock Qty.	Closing Stock Qty.		Opening Stock Qty.		Closing Stock Qty.		
	Class of goods	(Nos)	Value	(Nos)	Value	(Nos)	Value	(Nos)	Value
	Wheels for Commercial Vehicles, Passenger cars								
	Jeeps and Tractors	35,901	196.79	43,490	370.01	29,030	171.09	35,901	196.79
	Others		26.98		40.37		20.01		26.98
			<u>223.77</u>		<u>410.38</u>		<u>191.10</u>		<u>223.77</u>

		<i>Rs. in Lakhs</i>	
		As at	As at
		31.03.2008	31.03.2007
13	Liability to Banks on Guarantees	292.05	254.49
14	Contingent liability towards bills discounted with banks	12,124.01	6,971.58
15	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	3,221.83	4,150.50
16	i) Disputed amounts in respect of sale tax, customs duty and Employee State Insurance contribution which are contested in appeal and not provided for (of which a sum of Rs.1.64 Lakhs-previous year Rs.1.64 lakhs paid under protest appears under Advances recoverable in cash or in kind or for value to be received in the balance sheet)	13.56	13.52
	ii) Contingent Liability towards demand raised by Haryana State Industrial Development Corporation (HSIDC) for payment of enhanced compensation for land along with interest is contested before High Court and not provided for Rs.87.38 lakhs. However, the eligible rebate on the land cost as per conditions of allotment amounting to Rs.32.40 lakhs from the HSIDC has not been taken into consideration and the same will be accounted on cash basis.		
17	Sundry creditors under current liabilities include:-		
	i) Micro, Small and Medium Enterprises Disclosures required under the 'Micro, Small and Medium Enterprises Act, 2006'		
	Particulars		
	a. Principal amount due to Suppliers under the Act	83.88	14.67
	b. Interest accrued and due to Suppliers under the Act, on the above amount	-	-
	c. Payment made to Suppliers (Other than interest) beyond the appointed day during the year	-	-
	d. Interest paid to Suppliers under the Act (other than section 16)	-	-
	e. Interest paid to Suppliers under the Act (Section 16)	-	-
	f. Interest due and payable to suppliers under the Act, for payments already made	-	-
	g. Interest accrued and remaining unpaid at the end of the year to Suppliers under the Act	-	-
	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.		
	(ii) Unpaid dividend	17.08	30.80
	(iii) Unclaimed matured fixed deposits	23.85	32.03
	(iv) Cheques issued for interest warrants and matured deposits but not encashed	11.07	17.39

Amount due and outstanding to be credited to Investor Education and Protection Fund - Nil (previous year - Nil)



		<i>Rs. in Lakhs</i>	
		2007-08	2006-07
18	Expenditure during construction period:		
	Salaries, wages, bonus and commission	98.20	14.15
	Contribution to Provident Fund and other funds	2.82	0.36
	Staff and workmen welfare expenses	11.91	0.70
	Cost of Stores & Tools consumed	0.54	1.12
	Power and fuel	17.83	4.92
	Insurance	9.73	3.00
	Rent, Rates and taxes	2.53	1.19
	Repairs - Building	-	0.54
	Plant and machinery	1.69	2.69
	Other expenses	38.96	10.66
	Borrowing costs	1,117.39	87.44
		1,301.60	126.77
19.	Export incentive under other income includes income on 'Duty Entitlement Pass Book under Duty Exemption Scheme' amounting to Rs.1309.53 Lakhs (Previous year Rs.363 Lakhs) and Target Plus Scheme amounting to Rs. Nil (Previous year - Rs.206.31 lakhs)		
20.	Expenditure incurred on Scientific Research and Development		
		2007-08	2006-07
a)	Revenue Expenditure	521.50	409.99
b)	Capital Expenditure	508.49	62.32
			2005-06
			329.93
			353.68
21.	Interest on fixed deposits to:		
	Chairman and Managing Director	5.68	4.77
	Managing Director	4.71	1.88
22.	The company has not provided for excise duty on closing stock of finished goods at the factory and customs duty on raw materials in bonded warehouse amounting to Rs.25.73 lakhs (previous year Rs.39.32 lakhs) and accordingly not included the same in the value of said inventories. However, this has no impact on the net profit for the year.		
23.	Disclosure on Foreign Currency transactions in accordance with AS 11 issued by Institute of Chartered Accountants of India (ICAI) Exchange Loss / (Gain) (Net) debited / credited to profit and loss account (of which Rs. 28.60 lakhs (gain) - [previous year Rs.18.34 lakhs (gain)] relating to derivative instruments settled during the year).		
		356.82	(127.27)

24. Employee Benefits:

The company has followed the Accounting Standard 15 (AS -15 revised) "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. In case of funded schemes, the funds are recognized by the Income Tax Authorities and administered through trustees / Life Insurance Corporation of India. The company's defined contribution plans are Provident Fund and Employees Pension Scheme (under the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952) and Super Annuation Fund. The Company has no further obligation beyond making the contributions.

In respect of the Employees Provident Fund Scheme, the interest rate payable by the trust to the beneficiaries as notified by the government is met by the trust and hence the company has no obligations towards this interest contribution. The liability in respect of leave encashment benefit to staff is determined on the basis of actuarial valuation and provided for accordingly.

Disclosures for the Defined Benefit Plans based on Actuarial Reports as on 31/03/2008 are as under:

	Rs. in Lakhs	
	Gratuity (funded)	Leave Salary (unfunded)
Change in defined benefit obligation		
Opening defined benefit obligation	832.90	235.90
Current service cost	59.23	79.88
Interest cost	59.36	17.69
Actuarial loss / (gain)	86.61	(58.06)
Benefits paid	(82.89)	-
Closing defined benefit obligation	955.21	275.41
Change in fair value of assets		
Opening fair value of plan assets	762.07	-
Expected return on plan assets	56.70	-
Actuarial gain / (loss)	14.85	-
Contribution by employer	70.84	-
Benefits paid	(82.89)	-
Closing fair value of plan assets	821.57	-
Amount recognised in the Balance Sheet		
Present value of obligations at year end	955.21	275.41
Fair value of plan assets at year end	821.57	-
Amount now recognised as liability	(133.64)	(275.41)
Net (liability) / asset recognised as on 31.03.08	(133.64)	(275.41)



Rs. in Lakhs

	Gratuity (funded)	Leave Salary (unfunded)
Expenses recognised in the Profit & Loss A/c		
Current service cost	59.22	79.88
Interest on defined benefit obligation	59.36	17.69
Expected return on plan assets	(56.70)	-
Net actuarial loss / (gain) recognised in the current year	71.76	(58.06)
Expenses recognised in the Profit & Loss A/c	133.64	39.51
Principal actuarial assumptions used		
Discount rate (p.a)	8.00%	8.00%
Expected rate of return on plan assets (p.a)	8.00%	-
Attrition rate	1-3%	1-3%
Salary escalation	4.50%	4.50%
25. Borrowing costs in accordance with AS 16 issued by ICAI	2007-08	2006-07
Borrowing costs capitalised during the year relating to new projects.	1,047.38	87.44
26. Segment Information for the year ended 31st March, 2008 in accordance with AS 17 issued by ICAI:		
(i) Primary segments:		
The Company operates in only one segment viz., automotive components.		
(ii) Revenue by Geographical Segment:		

Rupees in Lakhs

	2007 - 2008			2006 - 2007		
	India	Outside India	Total	India	Outside India	Total
External	90,670.43	22,350.24	113,020.67	82,097.91	18,228.96	100,326.87
Inter-segment	-	-	-	-	-	-
Total	90,670.43	22,350.24	113,020.67	82,097.91	18,228.96	100,326.87
Carrying amount of segment assets	72,916.21	86.02	73,002.23	57,413.26	18.11	57,431.37
Additions to fixed assets	8,995.79	-	8,995.79	5,476.80	-	5,476.80

The geographical segments considered for disclosure are as follows:

Sales within India include Sales to customers located within India.

Sales outside India include Sales to customers located outside India.

Rs. in Lakhs

2007-08

2006-07

27 Related Party disclosures in accordance with AS 18 issued by ICAI**Associates:-**

T.V.Sundram Iyengar & Sons Ltd.

Axles India Ltd.

Titan Europe Plc.

Nature of transactions

	Total amount	Total amount
Purchase of goods	56.34	16.07
Sale of goods	533.94	525.91
Rendering of services	24.18	6.30
Receiving of services	3.21	158.86
Agency Arrangements	0.15	0.19
Management contract including deputation of employees	0.64	0.50
Dividend received during the year	24.25	24.25
Dividend paid during the year	180.00	600.00

Total**822.71****1,332.08**

Balance outstanding

87.19**95.19****Key Managerial Personnel:**

Mr S Ram

Mr Srivats Ram

Nature of transactions	Volume of transactions Details are furnished in Note No. 2 of Schedule XVI	Balance outstanding Details are furnished in Schedule XIV	Volume of transactions Details are furnished in Note No. 2 of Schedule XVI	Balance outstanding Details are furnished in Schedule XIV
Remuneration, Commission, Perquisites and Sitting fees				

Fixed Deposits accepted,

Interest thereon

10.39**118.98**

6.65

92.88

Dividend paid during the year

0.22

-

0.75

-

28 Disclosures relating to leases in accordance with AS 19 issued by ICAI:

	Total Minimum Lease	Present Value	Total Minimum Lease	Present Value
Operating Lease				
As at Balance Sheet date	210.33		185.90	
Not later than 1 year	72.00		57.17	
Later than 1 year and not later than 5 years	138.33		128.73	
Later than 5 years	-		-	
Lease rentals paid during the year	65.26		48.65	



	<i>Rs. in Lakhs</i>	
	2007-08	2006-07
29. Earnings per share in accordance with AS 20 issued by ICAI		
Net profit as per P & L account	2,586.27	2,603.04
Number of Shares	9,869,444	9,869,444
Basic earnings per share - Rupees	26.20	26.37
30 Disclosure on Accounting for intangible assets in accordance with AS 26 issued by ICAI:		
Computer software:		
Gross carrying amount at the beginning of the year	87.48	42.64
Acquired during the year	61.34	44.84
Gross carrying amount at the end of the year	148.82	87.48
Gross amortisation at the beginning of the year	28.75	10.68
Amortised during the year	43.41	18.07
Gross amortisation at the end of the year	72.16	28.75
Net carrying amount at the beginning of the year	58.73	31.96
Net carrying amount at the end of the year	76.66	58.73

31 Derivative instruments:-

a. Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date

	2007-08	2006-07
Option to sell USD/INR at Rs.42.50 or Rs.42.40 per USD over a period upto July 2012	USD 57.50 Millions	Nil
Option to sell USD between Rs.44 and Rs.44.83 per USD	Nil	USD 3.00 Millions
Swap of Rupee Loan into Loan in Swiss Francs (CHF)	Rs.75 crores	Nil

The purpose, for which such derivative instruments were acquired, was to hedge export receivables and interest cash flows.

b. Foreign Currency exposures that are not hedged by a derivative instrument or otherwise Rs.5684.88 Lakhs (Previous Year - Rs.2879.02 Lakhs)

c. In accordance with principles of prudence and other applicable guidelines issued by ICAI, the Company has charged an amount of Rs.518.82 lakhs to the profit and loss account in respect of derivative contracts outstanding as at 31.03.2008 (Previous Year - Rs.Nil).

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

33 Significant Accounting Policies :

(i) General :

The financial statements have been prepared on the historical cost convention in accordance with generally accepted accounting principles.

(ii) Fixed Assets & Depreciation :

a) Fixed assets are stated at historical cost net of cenvat credits as reduced by accumulated depreciation

- b) Depreciation on fixed assets has been provided -
 - (i) at the rates specified in Schedule XIV of the Companies Act, 1956
 - on straight line method for plant and machinery and buildings and
 - on written down value method for electronic data processing machines and other fixed assets.
 - (ii) on the basis of estimated life of the capital tools.
 - c) Leasehold land:
Premium paid on leasehold land is amortised over the lease period.
 - d) The cost of intangible assets being computer software is amortised over the estimated useful life viz. 3 years.
 - e) (i) The expenditure during construction period relating to the new projects till the commencement of commercial production is capitalised and allocated to fixed assets.
(ii) In accordance with AS 16 - Borrowing costs issued by the ICAI, the borrowing costs attributable to the new projects are capitalised till the commencement of commercial production and included in expenditure during construction period and allocated to fixed assets and other borrowing costs are recognised in the year in which it is incurred.
- (iii) Investments :**
Investments are valued at cost or market value whichever is lower.
- (iv) Inventories :**
The stock of raw materials, stores, loose tools and goods in transit are valued at cost (net of cenvat and vat credits on weighted average basis). The stock of finished goods and work-in-process are valued at cost (net of cenvat and vat credits including appropriate overheads) or market value whichever is lower.
- (v) Staff terminal benefits :**
- a) **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 provident fund authorities, equal to specified percentage of eligible covered employees salary. The company has no other obligations than the monthly contributions.
 - b) **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 LIC, who are the trustees / administrator of the plan.



c) Superannuation :

Eligible employees receive benefit from Superannuation at the time of retirement, death or leaving the services. The company makes an annual contribution to LIC of India, equal to a specific percentage of the eligible employee's basic salary. Apart from this the company has no other obligation under this head, than the annual contribution.

d) Unencashed Leave Salary :

Unencashed leave salary is accounted on actuarial valuation.

e) The amount paid to employees under Voluntary Retirement Scheme is written off over 3 to 5 years as the case may be.

(vi) Research & Development expenses :

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

(vii) Foreign Currency Transactions :

Foreign currency transactions outstanding at the year end are accounted for at year end rates and the profit / loss so determined and also the realised exchange gains or losses are recognised in the Profit & Loss Account. In respect of Forward exchange contracts the difference between the forward rate and the exchange rate at the date of inception of the contract is recognised as income or expense over the period of the contract. Any profit or loss arising on cancellation or renewal of such Forward exchange contracts is recognised as income or expense for the year.

(viii) Export Incentives :

Export incentives in respect of 'Duty Entitlement Pass Book under Duty Exemption Scheme' are recognised as revenue as and when exports are made.

(ix) Derivative Contracts :

The profit/loss arising on derivative contracts is accounted for as income/expenditure on the date of settlement of the contract.

The outstanding derivative contracts are revalued at the end of the year and while the net loss arising therefrom is debited to profit and loss account, the net unrealised gain is ignored, except in case where they relate to borrowing costs that are attributable to the acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such fixed assets.

	<i>Rs. in Lakhs</i>	
	2007-08	2006-07
XVII OTHER INCOME		
Miscellaneous Income	282.42 [@]	373.31 [@]
@ includes Rs. Nil (Previous year Rs.87.21 lakhs) due to part repayment of liability under Sales Tax Deferral Scheme.		
Export Incentives	1,330.55	575.96
Interest on Deposits and Advances **	123.48	65.61
** (Tax deducted at source - Rs.5.80 lakhs Last year Rs.10.59 lakhs)		
Dividend (Gross)	24.25	24.25
Profit on Sale of Assets (Net)	-	195.53 [*]
* includes Rs. Nil (previous year Rs.183.69 lakhs) being income on account of acquisition of company's land by National Highways		
	1,760.70	1,234.66
XVIII RAW MATERIALS, WORK-IN-PROCESS AND FINISHED GOODS		
Opening Balances		
Raw Materials	6,517.79	5,210.73
Work-in-Process	3,295.23	3,117.78
Finished Goods	223.77	191.10
	10,036.79	8,519.61
Add: Purchase of Raw Materials	84,177.19	72,356.63
	94,213.98	80,876.24
Less: Closing Balances		
Raw Materials	9,373.96	6,517.79
Work-in-Process	4,615.00	3,295.23
Finished Goods	410.38	223.77
	14,399.34	10,036.79
	79,814.64	70,839.45



	<i>Rs. in Lakhs</i>	
XIX SALARIES & WAGES, STORES CONSUMED AND OTHER EXPENSES	2007-08	2006-07
Salaries, Wages, Bonus and Commission	7,970.65	7,039.16
Contribution to Provident Fund and Other Funds	457.60	384.20
Staff and Workmen Welfare Expenses	758.92	653.83
Cost of Stores and Tools consumed	3,073.89	2,956.92
Power and Fuel	4,254.11	3,918.49
Rent including lease rent	140.02	95.17
Insurance	223.53	243.28
Rates and taxes	125.96	457.51
Repairs *		
Buildings	320.10	313.35
Plant and Machinery	1,515.28	1,447.19
Other Assets	303.77	340.74
*(Includes stores consumed Rs 1105.45 lakhs - Last year Rs.1057.99 lakhs)		
Auditors' remuneration		
For Audit	10.00	8.50
Certification Fees	1.45	1.50
Taxation Matters	4.00	2.75
(Includes Rs.2.00 lakhs for Tax Audit - Last year Rs 1.75 lakhs)		
Expenses	1.68	2.04
Directors' Sitting Fees	4.35	5.60
Discounts	268.85	311.83
Commission	184.78	177.10
Freight	1,901.88	1,781.04
Loss on sale of Fixed Assets (Net)	11.73	-
Other expenses	3,263.89	1,988.83
	24,796.44	22,129.03

Signatories to Schedules I to XIX

S RAM Chairman & Managing Director	S VIJI Director	T T RANGASWAMY Director	SRIVATS RAM Managing Director	As per our report attached For SUNDARAM AND SRINIVASAN Chartered Accountants K SRINIVASAN Partner Membership No. 5809	
T K SESHADRI Director	J M A AKERS Director	T S VIJAYARAGHAVAN Director	S PRASAD Director	S SRIVATHSAN Secretary	

Chennai
27th June, 2008

49TH ANNUAL REPORT

CASH FLOW STATEMENT IN ACCORDANCE WITH AS 3 ISSUED BY ICAI ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2008

	(Rs.in lakhs)	
	2007-08	2006-07
A. Cash Flow from Operating Activities:		
Net Profit before Tax and extraordinary items	3,974.27	3,869.04
Adjustments for:		
Depreciation	3,127.32	2,672.25
(Profit)/ Loss on sale of assets(net)	11.73	(195.53)
Effect of Exchange Rate Change	875.64	(127.27)
Interest income	(123.48)	(65.61)
Dividend income	(24.25)	(24.25)
Lease liabilities	80.45	58.60
Interest charges	3,068.70	2,051.76
	7,016.11	4,369.95
Operating profit before working capital changes	10,990.38	8,238.99
Adjustments for:		
Receivables and advances	(3,939.08)	(3,266.15)
Inventories	(4,609.75)	(1,945.09)
Payables	8,395.01	3,625.10
	(153.82)	(1,586.14)
Cash generated from operations	10,836.56	6,652.85
Taxes paid	(1,193.62)	(581.99)
Cash flow before extraordinary items	9,642.94	6,070.86
Net Cash from operating activities (A)	9,642.94	6,070.86
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(10,848.55)	(5,895.50)
Purchase of Investments	-	(400.00)
Sale of fixed assets	41.02	234.66
Interest received	101.02	65.61
Dividend received	24.25	24.25
Net cash used in investing activities (B)	(10,682.26)	(5,970.98)
C. Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	9,632.53	3,159.53
Repayment of Long Term Borrowings	(4,077.43)	(3,187.95)
Repayment of Lease liabilities	(80.45)	(58.60)
Proceeds from Short Term Borrowings	14,375.28	10,773.42
Repayment of Short Term Borrowings	(14,489.35)	(13,905.66)
Increase in working capital	(936.06)	6,205.81
Interest paid	(3,041.52)	(2,010.17)
Dividend paid	(296.08)	(986.94)
Dividend tax paid	(50.32)	(138.43)
Net cash used in Financing activities (C)	1,036.60	(148.99)
Net increase in cash and cash equivalents (A + B + C)	(2.72)	(49.11)
Cash and cash equivalents at the beginning of the year	83.23	132.64
Cash and cash equivalents at the end of the year	80.51	83.23

Chennai
27th June, 2008

For and on behalf of the Board
S Ram
Chairman & Managing Director

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Wheels India Limited derived from the audited annual accounts for the year ended March 31, 2008 and the year ended March 31, 2007, and found the same to be drawn in accordance therewith and also with the requirements of the listing agreement with Stock Exchange.

Chennai
27th June, 2008

For SUNDARAM AND SRINIVASAN
Chartered Accountants
K. SRINIVASAN
PARTNER
Membership No. 5809

Annexure to the Directors' Report

Conservation of Energy

Your company continues to look at ways of reducing energy consumption and has reduced the specific energy consumption by 4% through various efforts. We continue to look at increased natural lighting and turbo ventilation in all our plants. Nearly 16% of energy requirements at our main plant at Padi are met through wind power plants.

Technology Absorption

During the year under review, your Company has successfully developed 187 new wheels to meet customer requirements using in-house design facilities.

During the year under review, your Company has developed a process of coating on the forged aluminium truck wheels to prevent corrosion and for easy maintenance.

Expenditure on R & D

	(Rs. in lakhs)
Capital	508.49
Revenue	521.50
	<hr/>
	1,029.99
	<hr/>
Total as a percentage of turnover	0.91%

Foreign Exchange Earnings and Outgo

The foreign exchange outgo to the Company during the year under review was Rs.11,475 lakhs and the foreign exchange earned was Rs.22,350 lakhs.



Report on Corporate Governance

Your Company believes that Corporate Governance is a blend of law, ethics, regulation and voluntary practices that would help in maximising the stakeholders' value.

Board of Directors

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

The Board of Directors consists of 8 Directors, headed by the Chairman.

Name	Category	No. of Directorship in other public limited companies in India	No. of Memberships in Committees of Boards of other Companies
Mr S Ram	Executive, Chairman & Managing Director	8	3
Mr S Viji	Non Executive	7	2
Mr T T Rangaswamy *	Non Executive	Nil	Nil
Mr J M A Akers	Non Executive	Nil	Nil
Mr Srivats Ram	Executive, Managing Director	3	Nil
Mr T K Seshadri *	Non Executive	Nil	Nil
Mr T S Vijayaraghavan	*Non Executive	2	3
Mr S Prasad *	Non Executive	1	1

Mr S Ram is father of Mr Srivats Ram and brother of Mr S Viji.

* Independent Directors

Attendance at Board Meetings and last Annual General Meeting

The Board Meetings of the Company were held on 12.04.2007, 21.06.2007, 31.07.2007, 30.10.2007 & 31.01.2008 and the last Annual General Meeting was held on 14th August, 2007.

Directors	Attendance at Board Meetings	Attendance at Last AGM
Mr S Ram	5	Yes
Mr S Viji	4	Yes
Mr T T Rangaswamy	5	Yes
Mr J M A Akers	1	No
Mr Srivats Ram	5	Yes
Mr T K Seshadri	5	Yes
Mr T S Vijayaraghavan	4	Yes
Mr S Prasad	5	Yes

Pecuniary Transactions with Non Executive Directors

(Rs. in lakhs)

Name of the Director	Nature of Transactions	No. of Shares held	Amount	Interest
Mr S Viji	Fixed Deposits	-	102.01	11.71
Mr T T Rangaswamy	Dividend	1,596	0.05	-
Mr S Prasad	Dividend	450	0.01	-

Audit Committee

The terms of reference of the Audit Committee pertains to the areas referred to in Sec 292 A of the Companies Act and Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee comprises of four Non-Executive Directors, Viz. Mr.S Prasad (Chairman), Mr S Viji, Mr T T Rangaswamy and Mr T K Seshadri. The Committee met 5 times during the year on 05.04.2007, 20.06.2007, 30.07.2007, 29.10.2007 & 30.01.2008 :

Members	No. of Committee Meetings held	No. of Committee Meetings Attended
Mr S Prasad	5	5
Mr S Viji	5	2
Mr T T Rangaswamy	5	5
Mr T K Seshadri	5	4

Remuneration of Directors

The Remuneration Committee was reconstituted by the Board of Directors at their meeting held on 21.06.2007 with Mr T T Rangaswamy as the Chairman of the Committee and Mr T K Seshadri and Mr S Prasad as the other members of the Committee. The Committee met on 28.03.2008 wherein all the members were present.

The committee approved a salary of Rs.2,25,000/- per month in the scale of pay Rs.2,25,000/- - Rs.3,50,000/- to Mr S Ram, Chairman & Managing Director with effect from 01.05.2008, subject to the consent of the members of the company. The committee approved a salary of Rs.2,25,000/- per month to Mr Srivats Ram, Managing Director with effect from 01.04.2008.

The Committee also approved payment of commission of 1.50% of the Net Profit to Mr S Ram, Chairman & Managing Director and 2% of Net Profit to Mr Srivats Ram, Managing Director for the year 2007-08.

Details of the remuneration to the Directors are given below.

Rs. in lakhs

Name of Directors	Salary	Perquisites / Benefits	Commission	Contribution to Funds	Sitting fees
Mr S Ram	38.40	0.74	63.19	2.88	-
Mr S Viji	-	-	-	-	0.70
Mr T T Rangaswamy	-	-	-	-	1.15
Mr J M A Akers	-	-	-	-	0.10
Mr Srivats Ram	38.40	0.25	84.26	6.48	-
Mr T K Seshadri	-	-	-	-	0.95
Mr T S Vijayaraghavan	-	-	-	-	0.40
Mr S Prasad	-	-	-	-	1.05

SHARE TRANSFER AND INVESTOR RELATIONS COMMITTEE

This Committee consists of three Directors with Mr T T Rangaswamy, a non-executive Director, as the Chairman, Mr S Ram and Mr S Viji being the other members. The Committee met on 12.07.2007 & 21.01.2008 wherein all the Directors were present. The Board has authorised Mr S Srivathsan, the Secretary of the Company, to approve the share transfers.

Mr S Srivathsan, President (Finance) & Secretary is the Compliance Officer.



No of Shareholders complaints received during the year	- 4
No. not solved to the satisfaction of shareholders	- NIL
No. of pending share transfer	- NIL

SHAREHOLDER INFORMATION
ANNUAL GENERALBODY MEETINGS

YEAR	DATE	LOCATION	TIME
2006-07	14.08.2007	The Music Academy No.168, TTK Road, Chennai – 600 014	11.00 A.M
2005-06	14.08.2006	Mayor Sri Ramanaathan Chettiar Centre (R.Ramaswamy Hall), 75/2, Santhome High Road, MRC Nagar, RajaAnnamalaipuram, Chennai 600 028	11.00 A.M
2004-05	11.08.2005	The Music Academy No.168, TTK Road, Chennai – 600 014	11.00 A.M

Special Resolutions conducted through postal ballot in the above meetings - NIL

DISCLOSURES

Details of transactions entered into with related parties during the year under review have been given in the notes forming part of Accounts.

The Company has been complying with the SEBI Regulations and the Listing Agreement with the Stock Exchange on issues related to capital market.

DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS

Given below are the brief resumes of the Directors proposed to be re-appointed in this Annual General Meeting:-

Mr J M A AKERS

Age : **63 years**

Qualification : BSc (Mech. Engg.), MSc (Mgt. Science & Industrial Relations), MBA

Expertise in specific functional areas: Has 40 years of Management experience, 30 years at Director level and 15 years as chief executive in Engineering companies, Vehicle Manufacture and Component supply.

Directorship in other Companies :

Chief Executive : Titan Europe Plc

Executive Director : Titan Steel Wheels Limited, Titan Steel Wheels Export Limited, Titan France SAS, Titan Italia SpA, Titan Distribution (UK) Limited & Titan International Inc.(USA).

Chairman / Member in other Companies Committee :

Member of Advisory Board – Warwick University Business School.

Mr T K Seshadri

Age : 66 years

Qualification : B.Com, LLB, Post Graduate Diploma in Company Law, Banking & Insurance Laws and Post Graduate Diploma in Labour & Administrative Laws.

Expertise in specific functional areas: He is an attorney by profession. Has been associated with Mr T Raghavan, Advocate for over 42 years and his areas of practice includes Company Law, Labour Laws, Insurance, Income Tax, Sales Tax, Excise and Customs Cases, Enforcement and Foreign Exchange Management, Economic Offences, Banking Laws & Arbitration. He has been designated as Senior Advocate by the High Court of Judicature, Madras.

Directorship in other Companies : NIL

Chairman / Member in other Companies Committee :

Local Advisory Member : Bank of Ceylon, Chennai

MEANS OF COMMUNICATIONS

Quarterly results are published in Business Line (English) & Dinamani (Tamil - vernacular). The Company published the audited results for the year 2007-08 within the stipulated time.

The unaudited quarterly results and the audited results for the full year are displayed in the Company's website www.wheelsindia.com and EDIFAR in SEBI website www.sebi.gov.in.

GENERAL SHAREHOLDER INFORMATION

Date of AGM: : 14th August, 2008

Venue : The Music Academy, No 168, TTK Road, Chennai – 600 014

Financial Calendar for the year ending 31st March, 2009:

Unaudited results for the first quarter	Last week of July, 2008
Unaudited results for the second quarter	Last week of October, 2008
Unaudited results for the third quarter	Last week of January, 2009
Audited results for the full year	Last week of June, 2009

Dividend Payment :

Particulars	Record date for payment	Date of payment
First Interim	15.02.2008	29.02.2008
Second Interim	03.05.2008	15.05.2008

Date of Book Closure : 07.08.2008 to 14.08.2008 for the purpose of Annual General Meeting.

Listing on Stock Exchanges : The equity shares of the Company are listed on the National Stock Exchange Ltd and permitted for trading by the Bombay Stock Exchange under "Permitted Securities" Category.

ISIN Code in NSDL and CDSL – INE 715A01015

Registrar and Share Transfer Agent

Share Transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in



all respects. Cameo Corporate Services Ltd, Chennai is the Company's Registrar and Share Transfer Agent and are entrusted with the work relating to share registry in terms of both physical and electronic mode.

Registrar and Share Transfer Agent

Cameo Corporate Services Limited
 "Subramanian Building"
 1, Club House Road, Chennai - 600 002.
 Phone: 044 - 28460390 ; Fax: 044 – 28460129
 E - Mail : cameo@cameoindia.com

Distribution pattern :

No. of Shares Held	Shareholders		No. of Shares	
	Number	%	Held	%
Upto - 500	4,220	92.26	473,724	4.80
501 – 1000	178	3.89	139,819	1.42
1001 – 2000	98	2.15	138,511	1.40
2001 – 3000	38	0.83	91,017	0.92
3001 – 4000	12	0.26	41,998	0.43
4001 – 5000	6	0.13	27,254	0.28
5001 – 10000	10	0.22	71,396	0.72
10001 and above	12	0.26	8,885,725	90.03
Total	4,574	100.00	9,869,444	100.00

Categories of Shareholders	No. of Shares Held	Percentage
Promoters*	8,458,248	85.70%
Directors/ Relatives	7,519	0.08%
Insurance Companies	337,740	3.42%
Corporate Bodies	166,887	1.69%
Non-Resident Indians	19,103	0.19%
Resident Individuals	879,947	8.92%
TOTAL	9,869,444	100.00%

* - includes person acting in concert

Dematerialisation of shares and liquidity :

According to SEBI guidelines, the shares of the Company are to be traded in the demat form with effect from 26.03.2001. Out of 1,411,196 shares held by shareholders other than the promoters, 1,070,049 shares (forming 75.83% of the non promoters shareholding) have been dematerialised upto 31st March, 2008.

Plant Locations :

- | | |
|---|--|
| <p>1 Padi
Chennai – 600 050.
Tamil Nadu</p> <p>2 22KM Rampur –
Tanda Road
Rampur – 244 925
Uttar Pradesh</p> <p>3 Plot No.11-18, Sector 7,
HSIDC Growth Center,
Bawal – 123 501
Haryana</p> | <p>4 Plot No. C - 1,
Ranjangaon Growth Centre
Karegaon Village,
Shirur Taluka
Pune District – 412 210
Maharashtra</p> <p>5 Sriperumbudur
Kancheepuram District – 602 105
Tamilnadu</p> <p>6 Plot No.56, Sector 11
Integrated Industrial Estate IIE
Pantnagar – Udham Singh Nagar
Uttarkand - 263 153</p> |
|---|--|

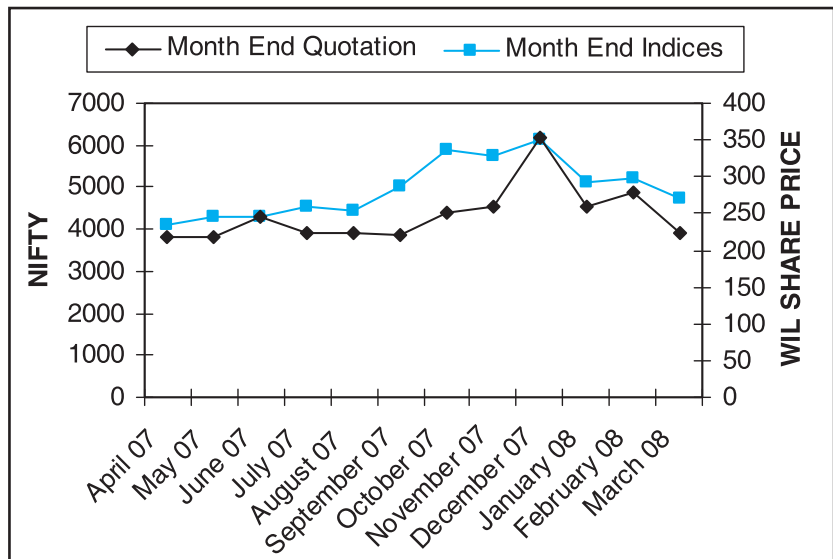
Address for Investors’ correspondence :

Cameo Corporate Services Limited
“Subramaniam Building”
No. 1, Club House Road
Chennai - 600 002
Phone : 044 - 28460390
Fax : 044 – 28460129
E - Mail : cameo@cameoindia.com

Mr S Srivathsan
President (Finance) & Secretary
Wheels India Limited
Padi Chennai - 600 050
Phone : 044 - 26258511 Extn: 2003
Fax : 044 - 26257121
E- Mail : srivathsan@wheelsindia.com

Market price data :

Month '07-'08	Quotation at NSE	
	HIGH	LOW
April	232.70	200.20
May	229.05	204.30
June	255.85	211.00
July	255.00	215.70
August	248.00	198.00
Sept	230.00	210.25
October	260.00	206.25
Nov	332.00	248.00
Dec	362.80	240.00
January	360.00	226.20
Feb	331.95	255.00
March	281.00	210.00



Performance in Comparison to broad based indices



CERTIFICATE

To the Members of **WHEELS INDIA LIMITED**

We have examined the compliance of conditions of corporate governance by Wheels India Limited, for the year ended on 31.03.2008, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per the records maintained by the Share Transfer & Investor Relations Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Chennai
27th June, 2008

For and on behalf of
SUNDARAM AND SRINIVASAN
Chartered Accountants
K. Srinivasan
Partner
Membership No.5809



FINANCIAL SUMMARY - LAST TEN YEARS

	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02	31.03.01	31.03.00	31.03.99
	<i>Rs. in Lakhs</i>									
Sales Turnover (Including Other Income)	114781	101562	86708	79088	53082	37268	32087	33627	32769	26372
Paid-up Capital	987	987	987	987	987	987	987	987	987	987
Reserves	16781	15003	13132	11226	9198	7657	6798	8107	7372	6609
Profit Before Tax	3974	3869	3767	4279	3328	1756	1030	1102	1170	911
Profit After Tax	2586	2603	2637	2865	2154	1170	829	1007	1037	814
Dividend - Amount	690.86	641.51	641.51	740.21	542.82	276.34	246.74	246.74	246.74	246.74
- Percentage	(70)	(65)	(65)	(75)	(55)	(28)	(25)	(25)	(25)	(25)
Book Value Per Share	180.03	162.02	143.05	123.75	103.20	87.58	78.88	92.14	84.70	76.96
Earning Per Share	26.20	26.37	26.72	29.03	21.82	11.86	8.40	10.20	10.51	8.25