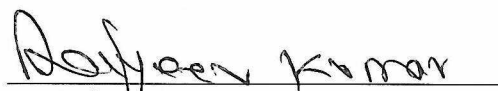


Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Automotive Axles Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Automotive Axles Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar

Partner

Membership No.: 213803

UDIN: 20213803AAAAAM1499

Place: Bengaluru

Date: February 14, 2020



AUTOMOTIVE AXLES LIMITED
(TS 16949 Company)
Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018
CIN : L51909KA1981PLC004198
Statement of unaudited Financial Results for the quarter and nine months ended December 31, 2019
(Amount in Rupees Millions, except per share data)

	Particulars	For the three months ended			For the nine months ended		For the year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from operations	1,647.06	2,000.47	4,857.78	7,832.01	14,579.48	19,390.42
II	Other income	18.06	20.91	7.16	52.60	24.90	29.60
III	Total income (I + II)	1,665.12	2,021.38	4,864.94	7,884.61	14,604.38	19,420.02
IV	Expenses						
a)	Cost of materials consumed	989.98	1,116.84	3,956.66	5,311.76	10,877.25	13,796.11
b)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	110.21	236.89	(604.30)	9.42	(829.55)	(347.53)
c)	Employee benefits expense	174.86	226.13	315.42	704.82	943.48	1,235.14
d)	Finance costs	7.06	3.29	1.54	13.59	5.36	5.49
e)	Depreciation and amortisation expense	90.89	91.40	114.53	275.94	361.89	461.86
f)	Other expenses	224.23	251.42	632.10	1,001.10	1,882.63	2,415.84
	Total Expenses	1,597.23	1,925.97	4,415.95	7,316.63	13,241.06	17,566.91
V	Profit before Exceptional Items and Tax (III - IV)	67.89	95.41	448.99	567.98	1,363.32	1,853.11
VI	Exceptional Items - Income / (Loss) (Refer note 5)	-	-	-	(20.24)	-	-
VII	Profit before tax (V - VI)	67.89	95.41	448.99	547.74	1,363.32	1,853.11
VIII	Tax expense: (Refer note 6)						
a)	Current tax	2.97	3.07	157.20	158.51	524.70	711.40
b)	Deferred tax	19.67	29.93	(13.68)	35.40	(77.34)	(73.79)
	Tax expense, net	22.64	33.00	143.52	193.91	447.36	637.61
IX	Profit for the period / year (VII - VIII)	45.25	62.41	305.47	353.83	915.96	1,215.50
X	Other comprehensive income						
a)	Items that will not be reclassified to profit or loss						
i)	Remeasurements gains/(loss) of the defined benefit plan	(0.80)	(0.72)	(10.92)	(4.87)	(35.35)	(43.82)
ii)	Tax on Remeasurements of the defined benefit plan	0.20	0.18	3.82	1.55	12.36	15.31
	Total other comprehensive income	(0.60)	(0.54)	(7.10)	(3.32)	(22.99)	(28.51)
XI	Total comprehensive income for the period /year, net of tax (IX + X)	44.65	61.87	298.37	350.51	892.97	1,186.99
XI	Paid up share capital (face value of Rs. 10/- each)	151.12	151.12	151.12	151.12	151.12	151.12
XII	Earnings per equity share (EPS) (Nominal value of share Rs. 10) (Not annualised in case of interim periods)						
	Basic / Diluted	2.99	4.13	20.21	23.41	60.61	80.43

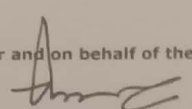
Notes:

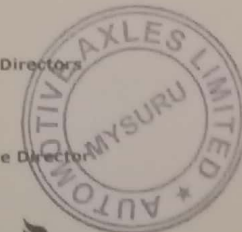
- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meetings held on February 10, 2020 and February 14, 2020 respectively.
- These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with the relevant rules issued thereunder and in terms of Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 113.12 million, and a lease liability of INR 130.30 million. The cumulative effect of applying the standard resulted in INR 6.76 million being debited to retained earnings, net of taxes. In the statement of profit and loss for the current period, operating lease expenses have changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.
- Segment information:
In line with the provisions of Ind AS 108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as a manufacturer of Automotive Components, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of segment information has been made.
- Pursuant to an agreement between the Company and the Government of Madhya Pradesh ('Government'), on September 12, 2012, the Company had taken a land on lease at Pithampur, Madhya Pradesh, for setting up a manufacturing unit and paid an upfront premium of INR 97 million (including a stamp duty of INR 20.24 million). The Company has applied to the Government for surrender of the land due to non-utilisation of the land. In accordance with the Agreement, a surrender charge of 50% of upfront premium paid is applicable on surrender of the land.

On July 25, 2019, the Company has entered into another agreement with the Government for acquisition of another land for 99 years for a consideration of INR 124.86 million. As per the communication from the Government, the Company has remitted INR 88.81 million and the balance amount payable of INR 36.05 million has been adjusted against the amount recoverable on surrender of the existing leasehold land. With respect to the balance amount of INR 37.95 million recoverable, in respect of the earlier land, from the government, the management basis its ongoing discussion with the government is confident of receiving the refund. Further, during the quarter ended June 30, 2019, the Company has provided for the initial registration and stamp duty charges, paid towards acquisition of the land amounting to INR 20.24 million.
- The Company has exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, the Company has provided for income taxes for the quarter and nine months ended December 31, 2019 and re-measured the accumulated balance of deferred tax assets as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax assets has resulted in a one-time additional deferred tax charge of INR 42.06 million for the quarter ended September 30, 2019 and nine months ended December 31, 2019.

Place : Delhi
Date : February 14, 2020

For and on behalf of the Board of Directors


Kumaradevan Srinivasan
Senior Vice President & Wholtime Director
DIN:08107660



MERITOR