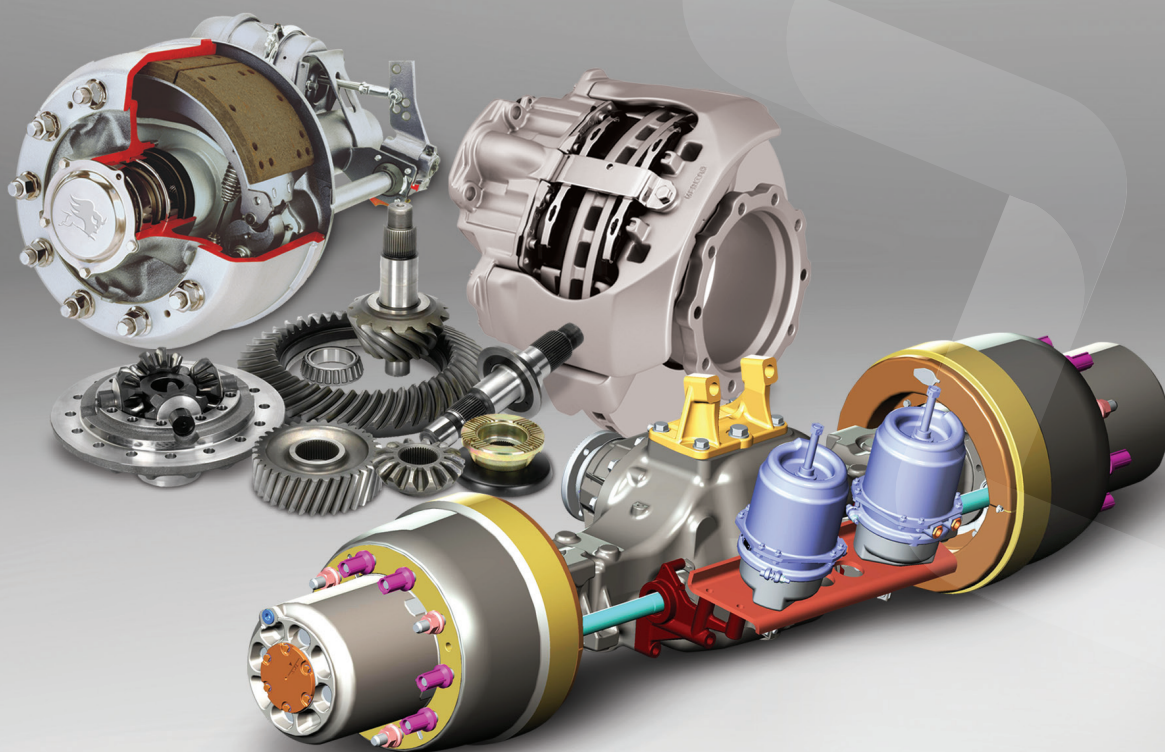




34th Annual Report 2014-15

GROWTH AND
PERFORMANCE...
THROUGH TECHNOLOGY
AND TEAMWORK



KALYANI

Automotive Axles Limited



MERITOR

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CORPORATE INFORMATION

BOARD OF DIRECTORS	<p>Dr. Babasaheb N Kalyani, Chairman Mr. Joseph A Plomin, Director Mr. Bhalachandra B Hattarki, Director Mr. B C Prabhakar, Director Mr. Satish Sekhri, Director Ms. Sudhasri A, Director Dr. N Muthukumar, Whole-time Director</p>
KEY MANAGERIAL PERSONNEL	<p>Dr. N Muthukumar, President & Whole-time Director Mr. S Ramkumar, Chief Financial Officer & Company Secretary</p>
STATUTORY AUDITORS	<p>Deloitte Haskins and Sells (Chennai), Bangalore</p>
INTERNAL AUDITORS	<p>PriceWaterHouseCoopers Pvt. Ltd., Bangalore</p>
BANKERS	<p>HDFC Bank Limited IDBI Bank Limited Kotak Mahindra Bank</p>
REGISTRAR & SHARE TRANSFER AGENTS	<p>Integrated enterprises (I) Limited #30, Ramana Residency, 4th cross Sampige Road, Malleshwaram Bangalore ph: 080-23460815-818; e-mail: irg@integratedindia.in</p>
REGISTERED OFFICE	<p>Automotive Axles Limited CIN: L51909KA1981PLC004198 Hootagalli Industrial Area, Off Hunsur Road, Mysuru - 570018. Ph: 0821-7197500 Website: www.autoaxle.com Email: sec@autoaxle.com</p>
WORKS	<ol style="list-style-type: none"> 1. Mysuru Hootagalli Industrial Area, Off Hunsur Road, Mysuru 2. Rudrapur 6 Km Stone, Kichha Road, Village Shimla Pistor, Rudrapur, Udham Singh Nagar, Uttarakhand 3. Jamshedpur Old Khakripara, Vill & Post – Chhota Govindpur, Jamshedpur, Dist. E. Singhbhum, Jharkhand



CHAIRMAN'S MESSAGE

Dear Shareholders,

'Recovery' is the big message for the global economy. However, it comes with a caveat that the process is fragile and can be disrupted by headwinds, posed by legacy risks and volatilities. FY 2014-15 saw contrasting patterns of growth. The economies of the US and the UK performed well during the year, although Japan and Eurozone smarted under considerable economic stress and fear of deflation. China's growth trajectory also appeared to be losing its momentum, and countries of the emerging world registered muted growth.

In a world grappling with sluggish growth, India is steadily accelerating the pace of economic development, thanks to the new government's growth-oriented policies. The economy grew by 7.5% in the October-December quarter, overtaking China's 7.3% growth in the same quarter, to become the world's fastest growing major economy. In the April-February period of FY 2014-15, the IIP grew by 2.8%, compared to the contraction of 0.1% during the same period of FY 2013-14. Positive sentiments attracted FDI inflows of US\$ 35 billion into the economy, a 26% escalation in FY 2014-15.

The government's Make in India initiative augurs well for the economy in general and the manufacturing sector in particular. This initiative aims to increase the sector's contribution to the GDP by removing the bottlenecks that had so far restricted growth. There is more focus on indigenous manufacturing of components or products, which hitherto were imported. Such a scenario will help the domestic automotive and allied sectors to perform encouragingly, going forward.

The automotive sector currently contributes around 7% to India's GDP. During FY 2014-15, sales grew by around 7-8%, primarily driven by moderate vehicle demand (heavy commercial vehicles, buses and passenger vehicles) and reduced excise duty.

Going forward, the automotive sector expects double-digit growth in sales this fiscal on improving macro-economic sentiments, stable commodity prices, enhanced mining activity and infrastructure projects, and higher industrial activity.

The domestic auto-components industry is anticipated to become the next automobile ancillary hub in Asia by 2020. It is estimated to grow at 17% CAGR to reach US\$115 billion (as per ACMA) by 2021, backed by the automobile sector's steady growth. Exports from this sector contribute around 17% of the auto component industry's revenues, and are estimated to contribute 26% by 2021.

PERIOD UNDER REVIEW

During the period under review, we changed the financial year from October-September to April-March, effective from April 1, 2015 to align ourselves with the requirements of the New Companies Act. The current financial year will be for a period of six months (1st October, 2014 to 31st March, 2015). During this period, we registered sales of ₹ 4,617.03 million with an EBITDA of ₹ 378.86 million and profit after tax of ₹ 105.42 million. Subsequently, our earnings per share stood at ₹ 6.98. Our consistent focus on product value addition, cost optimisation and quality assurance has enabled our growth. We are building a sustainable and scalable business with a comprehensive portfolio of medium and heavy duty drive axles, front steer axles, non-drive axles, axles for defence and off-highway applications, light duty drive axles and drum and disc brakes.

We have commenced operation at our new 50,000 sq. ft. plant at Jamshedpur, manufacturing brakes and trailer axles. The plant is equipped with the capacity to produce 30,000 brakes and 2,500 tags and trailers per month. During this year, we doubled our monthly capacity of Hub Reduction Axles, from 300 to 600 sets at our Mysuru plant.

We are consistently enhancing our quality standards to sustain our competitive advantage. Over 60% of our operations follow the Built in Quality (BIQ) concept for manufacturing processes, in synergy with the Auto Axle Production Systems (APS). We are now deploying the BIQ concept across all our plants.

We have strengthened our operating architecture through multiple and continuous improvement projects, preventive maintenance, higher wastage control, environmental friendliness, optimising raw material & energy consumption and enhanced recyclability.

ACCOLADES

Meritor India's new tandem axle for 8x8 solution has won the Commercial Vehicle (CV) Component of the Year 2015 award at the sixth Apollo CV awards in Mumbai. This new tandem axle was chosen for its technology and value engineering (cost savings and adaptability). The product has been designed, developed and manufactured in India.

TALENT-DRIVEN

We are taking proactive initiatives to create a growth-driven environment for our people. We have established transparent communication across all levels through all-employee town hall gatherings to align our people to our strategies and vision. We focused on strategic people development through Succession and Development Planning (SDP) and Capability Development programmes. We have also commenced various customised training programmes to elevate technical acumen, soft skills and behavioural attributes of our team.

We are committed to reduce our carbon footprint and contribute to the global movement for climate change. We are focusing on rain water harvesting (reducing the use of fresh water in manufacturing processes and re-charging systems) and tree plantations, as a part of our overall sustainability mission.

OPTIMISM ON THE HORIZON

The macro scenario is indeed positive and we are committed to leverage the emerging opportunities in our sector through greater scale, technology and teamwork. I seek the support and guidance of all members of the Automotive Axles family and the stakeholder fraternity to create value in an economically viable, environmentally sustainable and socially responsible manner.

I would like to thank each and every one of our employees whose commitment and passion made 2015 yet another successful year for the Company.

I would also like to thank you, all our shareholders, for your continued support in our journey.

Warm regards,

Dr. B N Kalyani
Chairman



BOARD'S REPORT

To the Members,

Your Directors have the pleasure in presenting the 34th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the 6 months financial period ended 31st March, 2015 :

FINANCIAL HIGHLIGHTS :

Particulars	₹ in Millions	
	2014-2015 (6 months)	2013-2014 (12 months)
Total Revenue	4,617.03	6,825.77
Profit before Depreciation & Tax	338.03	553.41
Less : depreciation & amortisation	173.21	294.79
Provision for Taxation	59.40	76.83
Profit After Tax	105.42	181.79
Balance of Profit from Previous Year	2,223.20	2,103.79
Profit available for appropriation	2,328.62	2,285.58
Appropriations :		
Dividend for the year	15.11	37.78
Tax on dividend (includes ₹ 1.14 Million pertaining to prior year)	4.16	6.42
Transfer to General Reserve	10.54	18.18
Surplus retained in Profit & Loss Account	2,298.81	2,223.20

As communicated in our previous year's report, we have closed the Financial Year (FY) 2014-15 by 6 months to comply with the provisions of the new Companies Act, 2013. The Act has mandated the financial year to be in line with the Section 2(41) of the Act which is April to March as against our earlier system of having FY October to September.

DIVIDEND

Your Directors are pleased to recommend a Final Dividend of ₹ 1/- per equity share of face value of ₹ 10/- each for the period ended 31st March, 2015 aggregating to ₹ 15.11 Million, excluding Dividend Distribution Tax.

The Final Dividend, subject to the approval of Members at the Annual General Meeting to be held on 5th August, 2015, will be paid to the Members whose names appear in the Register of Members, as on the date of book closure, i.e. from 3rd August 2015 to 5th August, 2015 (both days inclusive).

In terms of the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 ₹ 278,200/- of unpaid/unclaimed dividends was transferred during the year to the Investor Education and Protection Fund.

PERFORMANCE OF THE COMPANY

The Sales and other income for the financial period (6 months) under review was ₹ 4,617.03 Million as against ₹ 6,825.77 Million for the previous financial year (12 months). The Profit before Tax of ₹ 164.82 Million and the Profit after Tax of ₹ 105.42 Million for the financial period under review, as against ₹ 258.62 Million and ₹ 181.79 Million respectively for the previous financial year.

₹ 10.54 Million, being 10% of the Profit after Tax has been transferred to the General Reserves.

The Company has expanded its manufacturing foot print with a new state-of-the-art plant at Jamshedpur for manufacturing Brakes and Trailer axles.

The Company has installed a facility to manufacture Hub Reduction Axles at its Mysuru plant.

The Company, in its journey towards world class manufacturing has embraced a concept of Built in Quality (BIQ) where the quality is ensured by each and every operator by not receiving, not producing and not passing on defects. Also implemented zero Chips, Oil & Coolant (COC) initiative across the plant to make it clean from Chips, Oil and Coolant on floor, thus making the plant a safe place to work.

In the previous financial year, mounded type bullet for LPG has been commissioned to eliminate the safety hazard arising out of storage of LPG required for heat treatment process.

BOARD OF DIRECTORS

Mr. Marco Bassi & Mr. Amit B. Kalyani resigned from the board due to their other pressing engagements effective 31st March 2015. The Board places its appreciation for their valuable contributions made during their tenure.

Pursuant to Sections 149 and 152 of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, the Board of Directors has at its meeting held on 31st March 2015, appointed Ms. Sudhasri A as an Additional Independent Director with effect from the date of ensuing Annual General Meeting, subject to approval of shareholders in their meeting. The requisite resolution for approval of her appointment as Independent Director is being proposed in the notice of the meeting for the approval of the members.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. N Muthukumar, Whole-time Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers him for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

FIXED DEPOSITS

Your Company has not accepted any Public Deposits under Chapter V of Companies Act, 2013, during this year.

POLICY ON NOMINATION & REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) & OTHER EMPLOYEES:

The Company has framed a policy on Nomination & Remuneration of Directors, KMP & other employees as per the requirement of the Companies Act, 2013 which formulates the criteria for determining qualifications, positive attributes & independence of a director and their remuneration. The policy is hosted on the website of the Company @ <http://autoaxle.com/Policy.aspx>.

AUDITORS & AUDITORS' REPORT

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

M/s. Deloitte Haskins & Sells (Chennai), Bangalore were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 5th February 2015 for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Secretarial Audit Report for 2014-15 in form MR-3 is annexed to the Report under **Annexure - A**

Explanation for observations made by the Company Secretary in Practice :

Under Companies Act, 2013:

(a) The Companies Act, 2013 which came into effect on 1st April 2014 was effective to the Company's financial transactions effective 1st October 2014. This being the transitional period from old act to new act, the ratification/ approval of members for the related party transactions with Meritor HVS (India) Limited could be sought only in the then first Annual General Meeting held after the commencement of the Act.



Under Listing Agreement with Stock Exchanges :

- (a) A policy on Performance Evaluation of the Board has been put in place now. Based on the policy the Independent Directors' evaluation would be carried on during the current financial year.
- (b) The Company is in the process of arranging a suitable training program for Independent Directors in association with eminent institutions imparting the required training program.
- (c) The Company has constituted Risk Management Committee at the Board Level in its meeting held on 13th May, 2015.
- (d) Due to the unavoidable reasons, the Chairman of the Audit Committee could not attend the previous Annual General Meeting.
- (e) The procedures of the Committee are defined and taken on record by the Board in its meeting held on 13th May, 2015.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under and based on the recommendation from the Audit Committee, CS. Pracheta M, Practising Company Secretary has been appointed by the Board to conduct a secretarial audit of Company's Secretarial and related records for the Financial year 2015-16.

CORPORATE GOVERNANCE

Your Company is renowned for exemplary governance standards since inception and continues to lay a strong emphasis on transparency, accountability and integrity.

The new Companies Act, 2013 and amended Listing Agreement have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. Your Company is committed to embrace the new law in letter and spirit. In line with the requirements of new law, your Company has constituted new Board Committees.

Your Company has in place all the statutory committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

A Certificate from an Independent Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to the Corporate Governance Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided as **Annexure - B** to this report.

ANNUAL RETURN 2014-15

The extract of annual return in MGT – 9 is annexed under **Annexure - C**

RELATED PARTY TRANSACTIONS (RPT) :

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://autoaxle.com/Policy.aspx>. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length basis. The particulars on RPTs in AOC 2 is annexed to the Report as **Annexure D**

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Disclosure on CSR has been annexed to the Report under **Annexure E**

PARTICULARS OF REMUNERATION OF DIRECTORS & CERTAIN SPECIFIED EMPLOYEES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees, which are applicable to AAL, are set out in the **Annexure F** to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) we have prepared the annual accounts on a going concern basis; and
- (e) we have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT SYSTEM AND ITS POLICY :

The Company's Risk Management System is 9 year old and has attained the maturity whereby the Enterprise-wise Risk-log-cum-register is being maintained by the departmental head and is being periodically reviewed for adequacy and effectiveness by the Audit Committee and the Board. The Company's Risk Management Committee is being assisted by Chief Risk-Coordinator.

The Board level Committee on Risk Management is formed with the following directors as its members :

- (a) Mr. B C Prabhakar, Chairman
- (b) Dr. N Muthukumar, Member

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

BOARD ANNUAL EVALUATION:

The Nomination & Remuneration Committee arranges for a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. The Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of the Act;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can



be made. The Remuneration Committee will oversee the performance evaluation of the Senior Management Team. This evaluation is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved and the development of management and personnel.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Karnataka, Financial Institutions and the Bankers. The Directors also wish to place on record their deep sense of appreciation

for the commitment displayed by all executives, officers, workers and staff of the Company resulting in the successful performance of the Company during the year.

Your Directors wish to place on record their appreciation for the continued co-operation and support received from the Kalyani Group, Pune, and Meritor Inc., USA.

For and on behalf of the Board of Directors

Place: Pune
Date: 13th May, 2015

Dr. B.N. Kalyani
Chairman

ANNEXURE – A

FORM NO. MR-3
Secretarial Audit Report

For The Financial Year Ended 31st March 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Automotive Axles Limited
CIN:L51909KA1981PLC004198

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AUTOMOTIVE AXLES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year 1st October 2014 to 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -Not applicable since no ESOPs or ESPS are issued
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable since no Debt securities are issued
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- ; Not applicable since the Company is not a Registrar and Share transfer agent
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable since the Company has not applied for delisting; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable since the Company has not bought back any securities;
- (vi) The Company has identified the following laws as specifically applicable to the Company:



ANNEXURE – A

- a) Air Pollution (Control and Prevention) Act, 1981
- b) Hazardous Wastes (Management & Handling) Rules, 1989
- c) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- d) Explosives Act, 1884

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

I have also reviewed and examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws and environmental laws and report that the systems are in place.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualifications.

Companies Act, 2013 and rules thereunder:

- a) The approval for the related party transactions with Meritor HVS (India) Limited has been obtained during February 2015. Being a transitional period, for complying with the new Act, the Company has not been able to obtain prior approval from shareholders for transactions between October 2014 to February 2015; however, has obtained ratification at the first general meeting after the new Act came into effect.

Listing agreement:

- a) Clause 49 of the Listing agreement:
 - a. Evaluation of Independent Directors' is yet to be performed

- b. Training programme is yet to be organised for Independent directors
- c. Risk Management committee at the Board level is not constituted in the current financial year however, the same is being proposed to be constituted at the ensuing Board Meeting
- d. The Chairman of Audit Committee has not attended the previous Annual General Meeting
- e. The procedures of the Committee is yet to be detailed out by the Board, however, the same is being proposed to be detailed out at the ensuing Board Meeting

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

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

Majority decision is carried through and based on the information given by the Company, I report that there were no instances of any dissenting members' views being recorded or captured as part of the minutes.

I further report that, based on the compliance mechanism at the Company and based on the quarterly compliance report of the management to the Board, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has responded to notices, demands, claims,

ANNEXURE – A

penalties etc. levied by various statutory/regulatory authorities and initiated necessary corrective actions.

I further report that during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines etc., referred to above.

Pracheta M

Company Secretary in Practice

Place: Mysuru

ACS No.: A22452

Date: 13th May, 2015

C P No.: 9838

To,
The Members of
Automotive Axles Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. The maintenance of Secretarial records is the responsibility of the management of the Company. Further, the Company is also responsible for devising proper systems and processes to ensure the compliance of the various statutory requirements and Governance systems.
2. It is the responsibility of the management of the Company to ensure that the systems and processes devised are operating effectively and efficiently.

3. My responsibility is to express an opinion on these secretarial records based on my audit.
4. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company and hence unable to comment on the compliance with the fiscal laws.
6. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
7. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Pracheta M

Company Secretary in Practice

Place: Mysuru

ACS No.: A22452

Date: 13th May, 2015

C P No.: 9838



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – B

Information as per Section 134(3)(m) of the Companies Act, 2013, r.w.t Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY :

(a) The steps taken or impact on conservation of energy	<ol style="list-style-type: none"> 1. ROBO for Gear loading and unloading in furnace 2. Installation Eclipse make Burner and Recuperators for Sealed Quench Furnace 3. Increase in loading of gears/pinions per tray by modifying trays/fixtures in furnace 4. Switching off high power consuming machines during peak hours 5. Replacement of energy efficient low capacity single pump in place two pumps at cold swage
(b) The steps taken by the Company for utilising alternate sources of energy & Capital investment on energy conservation equipment	<ol style="list-style-type: none"> 1. Installation of LED lights for shop office area in place of fluorescent lamps to reduce energy and improve life – ₹ 0.25 Million 2. Installation of 150W Induction Lamp lights for shop floor area in place of 250W MH lamps to reduce energy and improve life – ₹ 1.5 Million 3. Installation of VFD panel for heat treatment cooling tower – ₹ 0.6 Million 4. Installation of biogas plant capacity- 150Kg/Day – ₹ 0.5 Million

B. I. RESEARCH AND DEVELOPMENT (R & D)

1. the efforts made towards technology absorption:	<ul style="list-style-type: none"> ● 13X Drive head product specifications & drawings received from Meritor for localisation. ● MT 846 Axle product specifications & drawings received from Meritor for customisation & localisation. 	
2. the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> 1. As cost reduction project, existing 1495 tandem & 1497 solo axles are re-engineered & developed for material optimisation. 2. As an import substitution & cost reduction project, Hub Reduction Axle parts like Differential gears & Inter-axle parts are localised. 3. Product Development : <ol style="list-style-type: none"> a) Hub Reduction Axle. b) MS 06 Drive Head Assembly for various customers. c) Prototype & Pilot lot axles development for 6x6, 8x8 & 10x10 military application. 	
3. in case of imported technology (imported during the last 3 years) :		NIL
4. Expenditure on R & D		
a. Capital		NIL
b. Recurring		NIL
c. Total		
d. Total R & D expenditure as a percentage to total turnover		

FOREIGN EXCHANGE EARNINGS AND OUTGO :

a. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans		NIL
Total Foreign Exchange used and earned:		
Used	₹ 163.45 Million	
Earned	Nil, as all the sales for export are routed through Meritor HVS (India) Ltd., Mysuru in ₹.	

ANNEXURE – C

FORM NO. MGT-9**Extract of Annual Return as on the Financial year ended on 31st March 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L51909KA1981PLC004198
ii. Registration Date	21.04.1981
iii. Name of the Company	Automotive Axles Limited
iv. Category / Sub-Category of the Company	Public Company
v. Address of the Registered office and contact details	Hootagalli Industrial Area, Off Hunsur Road, Mysuru – 570 018
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited #30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore, Karnataka

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Rear Drive Axles	87,085,000	72
2	Brakes	87,083,000	19
3	Other Parts	87,085,000	9

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.		Nil			

ANNEXURE – C

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)
i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% Change during the year				
	Demat	Physical	Demat	Physical					
		Total	% of Total Shares	Total	% of Total Shares				
A. Promoter									
1) Indian	-	-	-	-	-				
a) Individual/ HUF	-	-	-	-	-				
b) Central Govt	-	-	-	-	-				
c) State Govt(s)	-	-	-	-	-				
d) Bodies Corp	5,367,806	5,367,806	35.52	5,367,806	35.52				
e) Banks / FI	-	-	-	-	-				
f) Any Other	-	-	-	-	-				
Sub-total(A)(1):-	5,367,806	5,367,806	35.52	5,367,806	35.52				
2) Foreign	-	-	-	-	-				
g) NRIs-Individuals	-	-	-	-	-				
h) Other-Individuals	-	-	-	-	-				
i) Bodies Corp.	5,367,275	5,367,275	35.52	5,367,275	35.52				
j) Banks / FI	-	-	-	-	-				
k) Any Other....	-	-	-	-	-				
Sub-total (A)(2):-	5,367,275	5,367,275	35.52	5,367,275	35.52				
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,852,529	938	1,853,467	12.26	1,950,239	938	1,951,177	12.91	0.65
b) Banks / FI	202	-	202	-	1,137	-	1,137	0.01	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) FIs	17,439	-	17,439	0.12	20,534	-	20,534	0.14	0.02
h) FV Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,870,170	938	1,871,108	12.38	1,971,910	938	1,972,848	13.05	0.67
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	1,303,399	114	1,303,513	8.63	1,314,468	114	1,314,582	8.70	0.07
(ii) Overseas	-	-	-	-	-	-	-	-	-
(i) Individuals holding shares upto ₹ 1 lakh	682,522	130,935	813,457	5.38	601,142	127,789	728,931	4.82	(0.56)
(ii) Individuals holding shares in excess of ₹ 1 lakh	358,491	-	358,491	2.37	328,263	-	328,263	2.17	(0.20)
b) Others (Specify)									
Trust	63	-	63	-	-	-	-	-	-
NRI	22,183	100	22,283	0.15	20,506	100	20,606	0.14	(0.01)
Clearing Member	7,979	-	7,979	0.05	11,664	-	11,664	0.08	0.03
Sub-total (B)(2)	2,374,637	131,149	2,505,786	16.58	2,276,043	128,003	2,404,046	15.91	(0.67)
Total Shareholding (B)=(B)	4,244,807	132,087	4,376,894	28.96	4,247,953	128,941	4,376,894	28.96	-
(1)+ (B)(2)									
C. Shares held by Custodian for GD[₹] & ADRs									
Grand Total (A+B+C)	14,979,888	132,087	15,111,975	100.00	14,983,034	128,941	15,111,975	100.00	-

ANNEXURE – C

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1.	BF Investment Limited	5,367,806	35.52	-	5,367,806	35.52	-	No Change
2.	Meritor HVS LLC, USA	5,367,275	35.52	-	5,367,275	35.52	-	No Change
	Total	10,735,081	71.04	-	10,735,081	71.04	-	

iii. Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	10,735,081	71.04	10,735,081	71.04
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):			No change	
At the end of the year	10,735,081	71.04	10,735,081	71.04

V. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS & PROMOTERS)

Sl No.	Top 10 Shareholders during the year	Holding as on 01.10.14		Increase / Decrease in holding during the year	Reasons for increase / decrease*	Holding as on 31.03.15	
		No. of shares	% of total shares of the Co.			No. of shares	% of total shares of the Co.
1	Reliance Capital Trustee Company Limited A/c Reliance Vision Fund	1,055,346	6.98	8,566	1	1,063,912	7.04
2	Bajaj Allianz Life Insurance Co. Ltd.,	507,712	3.36	25,000		532,712	3.53
3	M3 Investment Private Limited	500,000	3.31	-	3	500,000	3.31
4	Reliance Capital Trustee Co. Ltd., A/c Reliance Tax Saver Fund	282,351	1.87	90,250	1	372,601	2.47
5	Kokila D Ambani	150,000	0.99	-	3	150,000	0.99
6	Birla Sun Life Trustee Co. Pvt. Ltd., A/c Birla Sun Life Divi	150,000	0.99	(13,839)	2	136,161	0.90
7	UTI-MID Cap Fund	-	-	136,000	1	136,000	0.90
8	Antique Finance Pvt. Ltd.,	100,000	0.66	-	3	100,000	0.66
9	Birla Sun Life Trustee Co. Pvt. Ltd., A/c Birla Sun Life Infra	84,764	0.56	-	3	84,764	0.56
10	UTI Transportation & Logistics Fund	-	-	81,504	1	81,504	0.54
11	Arun Nahar	70,851	0.47	-	3	70,851	0.47
12	UTI - Focussed Equity Fund	101,871	0.67	(101,871)	2	-	-

*Reasons for Change

1 Bought from Secondary Market

2 Sold in Secondary Market

3 No Change



ANNEXURE – C

VI. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Particulars of each Director & KMP	Holding as on 01.10.2014		Cumulative holding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Babasaheb N. Kalyani (DIN - 00089380)				
	At the beginning of the year	126	0	126	0
	Increase / Decrease during the year	0	0	0	0
	At the End of the year	126	0	126	0
2	Satish Sekhri (DIN - 00211478)				
	At the beginning of the year	40	0	40	0
	Increase / Decrease during the year	(30)	0	0	0
	At the End of the year	10	0	10	0
2	B C Prabhakar (DIN - 00040052)				
	At the beginning of the year	575	0	575	0
	Increase / Decrease during the year	0	0	0	0
	At the End of the year	575	0	575	0

V. INDEBTEDNESS

	Secured Loans excl. deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	296,675,085	600,000,000	-	896,675,085
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,565,230	-	-	5,565,230
Total (i+ii+iii)	302,240,315	600,000,000	-	902,240,315
Change during the FY				
- Addition	314,337,219	1,710,000,000	-	2,024,337,219
- Reduction	109,538,591	2,210,000,000	-	2,319,538,591
Net Change	204,798,628	(500,000,000)	-	(295,201,372)
Indebtedness at the end of the FY				
i) Principal Amount	505,026,067	100,000,000	-	605,026,067
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,012,876	-	-	2,012,876
Total (i+ii+iii)	507,038,943	100,000,000	-	607,038,943

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Dr. N. Muthukumar, WTD
1.		Gross salary
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,216,550
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission & Others	-
5.	Total (A)	5,216,550
	Ceiling as per the Act	8,500,000

ANNEXURE – C

B. Remuneration to other directors

Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
Independent Directors	B B Hattarki	Prabhakar B.C	Satish S	Sudhasri A	
- Sitting Fee	60,000	80,000	60,000	-	200,000
- Commission & others	-	-	-	-	-
Total (1)	60,000	80,000	60,000	-	200,000
Other Non-Executive Directors	B N Kalyani	Marco Bassi	Amit B K	Joseph A.P	
- Sitting Fee	20,000	-	20,000	-	40,000
- Commission & others	-	-	-	-	-
Total (2)	20,000	-	20,000	-	40,000
Total (B)=(1+2)	80,000	80,000	80,000	-	240,000
Total Managerial Remuneration					240,000
Overall Ceiling as per the Act					N.A for sitting fee

A. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Particulars of Remuneration	S.Ramkumar CFO & CS
1. Gross salary	Gross salary
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,331,824
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2. Stock Option	-
3. Sweat Equity	-
4. Commission & Others	-
5. Total (A)	4,331,824

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty			Nil		
Punishment					
Compounding					
B. Directors					
Penalty			Nil		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			Nil		
Punishment					
Compounding					

ANNEXURE – D

FORM AOC - 2

Disclosure of particulars of contracts/ arrangements entered into by company with related parties referred to in Section 188(1) of Companies Act, 2013 including certain arms length transactions under third proviso there to

SL No.	Related Party	Nature of Relationship	The Nature of contract	Duration the contract	Salient terms of the contracts or arrangements or transactions	Approval by Board On	Approval by Shareholders On	Value	Any advance paid or received
1	Bharat Forge Limited		Purchase	Mutual		25th Nov 2014		92,907,651	No
2	Bharat Forge Limited		Services	Mutual		25th Nov 2014	N.A	50,775,549	No
3	Meritor HVS (India) Limited, Mysuru	Enterprises having Common Control	Sales	Mutual		N.A		3,540,628,274	No
4	Meritor HVS (India) Limited, Mysuru	Common Control	Services	Mutual		25th Nov 2014	5th Feb 2015	38,235,420	No
5	Meritor HVS (India) Limited, Pune		Purchase	Mutual		25th Nov 2014		1,580,771	No
6	Meritor Heavy Vehicle System LLC	Entity having substantial influence	Purchase	Mutual		25th Nov 2014		10,369,893	No
7	Meritor Xozhou Axle Co. Ltd., China		Purchase	Mutual		25th Nov 2014		66,540	No
8	Meritor HVS, Sweden		Purchase	Mutual	Regular Commercial Contract	25th Nov 2014		45,431,366	No
9	Meritor Italy		Purchase	Mutual		25th Nov 2014		8,054,824	No
10	Meritor Automotive Inc Fletcher, USA		Purchase	Mutual		25th Nov 2014		574,477	No
11	Meritor HVS Florence		Purchase	Mutual		25th Nov 2014		2,760,459	No
12	Meritor Automotive Inc Ohio	Enterprises having Common Control	Purchase	Mutual		25th Nov 2014		318,528	No
13	Meritor Inc, Maxton, USA		Purchase	Mutual		25th Nov 2014		2,785,169	No
14	Fonderie Venissieux, France		Purchase	Mutual		13th May 2015		59,912,895	No
15	Sistemas Automotrices, Mexico		Purchase	Mutual		13th May 2015		63,588	No
16	Meritor HVS (S) PTE Limited		Sales	Mutual		13th May 2015		11,166	No

ANNEXURE – E

Corporate Social Responsibility

Information as per Section 135 of the Companies Act, 2013 & Companies (CSR Policy) Rules, 2014 :

1 COMPANY'S CSR POLICY, OVERVIEW OF PROJECTS PROPOSED TO BE UNDERTAKEN

At AAL, CSR has evolved over decades on minimal scale with the simple objective of "improving the community at vicinity of the Company". Now, we wish to scale-up our CSR activities through the initiatives aimed at improving a lot for needy, deprived and marginalised sections of the society including economically deprived children, women and senior citizens as well as the overall welfare of the community and make a difference in living standards so that they can be an integral part of the mainstream of growth and development. The Company's policy can be accessed at : <http://www.autoaxle.com/Policy.aspx>

2. COMPOSITION OF THE CSR COMMITTEE

The Board Committee of CSR comprises of :

- (a) Mr. B. C. Prabhakar, Chairman (Independent Director)
- (b) Ms. Sudhasri.A, Member (Independent Director)
- (c) Dr. N. Muthukumar, Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS : ₹ 236.09 Million

4. PRESCRIBED CSR EXPENDITURE : ₹ 4.72 Million

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- (a) Total amount to be spent for the financial year : Nil
- (b) Amount unspent, if any: Nil

1	2	3	4	5	6	7	8
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget)	Amount spent on the projects	Cumulative expenditure	Amount spent:
			1. Local area of other		Sub - heads:		Direct or through implementing agency
			2. Specify the state and district where projects and programs were undertaken		1. Direct expenditure on projects or programs 2. Overheads		
				Nil			

6. REASONS FOR NOT SPENDING : The Company is in the process of identifying vocational training centre in Mysuru to enhance vocational skills for the betterment of livelihood of people in and around Mysuru and also for the local area development activities in association with Confederation of Indian Industries.

and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors

7. CSR COMMITTEE RESPONSIBILITY STATEMENT:
The CSR Committee confirms that the implementation

Place: Pune
Date: 13th May, 2015

B.C.Prabhakar
Chairman of the Committee



ANNEXURE – F

Statement of Disclosure of Remuneration U/s 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

I. (i)	the ratio of the remuneration of Whole Time Director, Mr. N.Muthukumar to the median remuneration of the employees of the Company for the financial year;	20:1
(ii)	the percentage increase in remuneration of :	
(a)	Whole-time Director	6%
(b)	CFO & CS;	7%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	8%
(iv)	the number of permanent employees on the rolls of Company as on 31st March 2015;	377 (Management Staff)
(v)	the explanation on the relationship between average increase in remuneration and company performance;	The reward philosophy of the Company is to provide market competitive total rewards opportunity that has a strong linkage to and drives performance culture. Every year, the salary increment is decided based on the basis of a benchmarking exercise that is undertaken within a similar sectoral organisations. The final increment is based on Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the increments to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Increments during the year were in line with Company's performance as well as per Company's market competitiveness.
(vi)	comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company;	In line with Company's reward policy, merit increases and annual bonus pay-outs of its Employees including Key Managerial Personnel (KMP) are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the KMP, appropriate reward by way of merit increase or variable pay has been awarded to the KMP for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company. During the year, the Company's Domestic Consumer business grew by 35% with 42% underlying volume growth. Profit before interest and tax (PBIT) grew by 25% and Profit after tax (PAT) grew by 16%

ANNEXURE – F

(vii) the key parameters for any variable component of remuneration availed by the Whole Time Director;	Variable compensation is an integral part of our total reward package for all Employees including Whole Time Director. Annual Bonus is directly linked to an individual performance rating and business performance. At the beginning of the year, every Employee (including Whole Time Director), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organisational strategic plan and are then reviewed for consistency and stretch. Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
(viii) the ratio of the remuneration of the Whole Time Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	1: 1.3

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

- II. Information required pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

Name	Age	Qualifications & Experience	Designation / Nature of Duties	Gross Remuneration ₹	Date of Commencement of Employment	Particulars of last Employment, Name of the organisation	Designation and period
Subhash Chand Gupta	56	FCA - 33 years	President - Strategy & Business Development	6,833,579	10-01-2011	Oxigen Services (India) Private Limited	Sr. Vice President Special Projects & Financial Officer - 4 years
Dr. N Muthukumar	50	Ph.D, M.Sc. & MBA - 28 years	President & Whole-time Director	5,216,550	16-04-2008	TTK-LIG Limited, Chennai	Vice President (Operations), 6 years
Ramkumar S	58	B.com, FCA, FCS, MBA-33 Years	Chief Financial Officer & Company Secretary	4,331,824	16-09-2010	Evam Paper & Board (I) (PVT) Ltd., Chennai	Executive Director - 3 Years

Notes:

- The nature of the employment is contractual
- None of the employees mentioned above are related to Directors
- None of the employees hold any share in the Company
- Gross Remuneration includes Salary, Allowances and other perks like Leave Travel Allowance, Security, Medical reimbursement, and Company's contribution towards Provident Fund, Gratuity and Superannuation.

For and on behalf of the Board of Directors

Place: Pune
Date: 13th May, 2015

Dr. B.N. Kalyani
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

In FY 2014-15, India is projected to grow at 7.4% owing to sturdier business and a large, mushrooming middle class with higher disposable income. This steady trajectory of growth was given further impetus by a new government in the centre that introduced new policy initiatives, undertook new reforms and commenced on the returning of micro-stability. Further, the government also introduced FDI in the railway and defence sectors and eased FDI rules in construction. It also modified land acquisition laws, to increase the FDI cap in insurance sector to 49% as also for iron and other mineral auctions. In addition, the government deregulated diesel prices along with announcing plans to build 100 smart cities. Another significant step taken by the government was the introduction of the Pradhan Mantri Jan Dhan Yojana and the 'Make in India' programme to increase financial inclusion and give an impetus to the manufacturing sector respectively.

Indian GDP growth (%)

Particulars	2013-14	2014-15*
Sectors		
Agriculture, forestry & fishing	3.7	1.1
Industry	4.5	5.9
Services	9.1	10.6
GDP at market prices	6.9	7.4

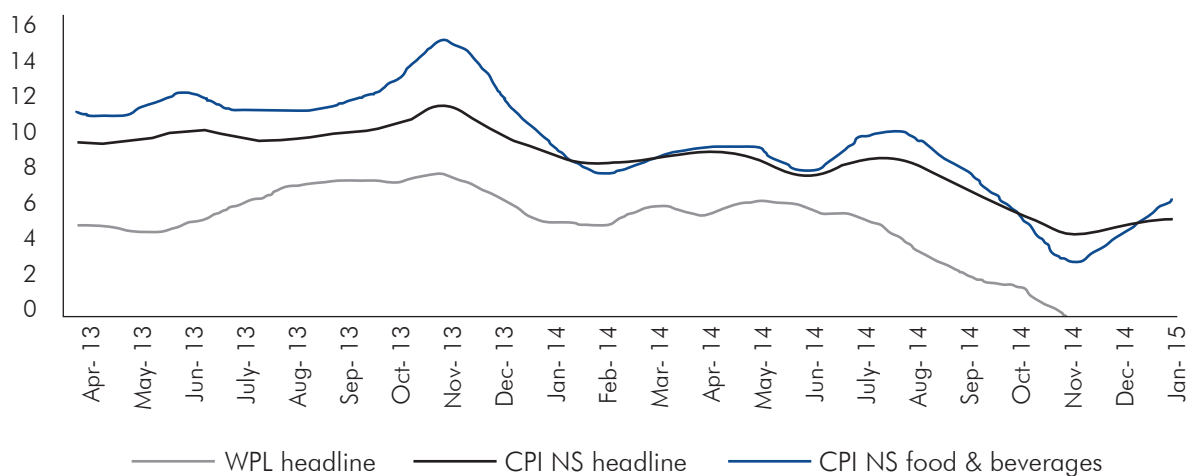
Source: CSO *Advance Estimates

India has seen FDI inflows during April 2014 - February 2015 at ₹175886 crores up 40% from last year. The Automobile sector received FDI of ₹ 14,855 crores in FY 2014-15 (till February). The economy has adequate foreign exchange reserves of US\$ 340 billion. CAD is anticipated to be 1.3% of GDP in FY 2014-15 and less than 1% in FY 2015-16. Fiscal deficit is estimated to remain at 4.1% ahead on account of reduced subsidies and deregulated energy prices and excise levies on diesel and coal (Source: Economic Survey 2014-15 and RBI). Pro-growth economic movements are slated to kick-start investments while attempts are being made to resurrect stalled projects, to continue bolstering fiscal growth.

Change in Wholesale Price Index (WPI)

The average inflation declined to 6.3% during FY 2014-15 from 9.7% in the previous year, the lowest in seven years. WPI Inflation is estimated to be 3.7% in 2015-16, higher than 2% posted in FY 2014-15 as per Dun & Bradstreet. Declining crude oil prices and lower demand side pressures are also expected to soften inflation further.

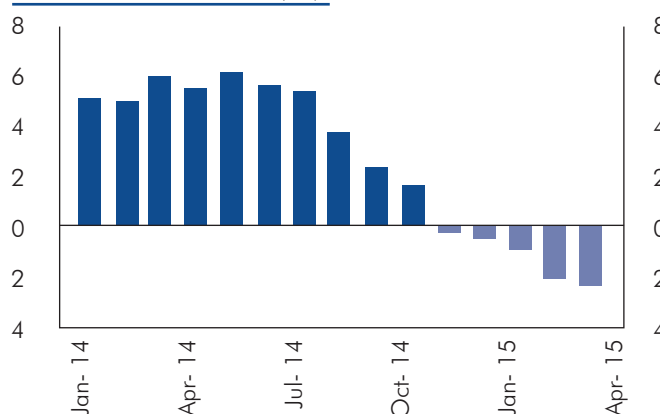
WPI and CPI inflation trends 2013-15 (%)



Source: Economic Survey 2014-2015

The wholesale price index constitutes the main measure of inflation. It comprises primary articles of which food comprises 14.9% making 20.1% of total weight, fuel and power comprising 14.9% and manufactured products making up 65% of the WPI. Among the manufactured products are chemicals and chemical products (12 %); basic metals, alloys and metal products (10.8%); machinery and machine tools (8.9%); textiles (7.3%), transport, equipment and parts (5.2%).

India's WPI change (%)



Source: Office of the economic advisor, India

GROWTH IN INDEX OF INDUSTRIAL PRODUCTION (IIP)

The IIP for the period April-February 2014-15 has grown 2.8% over the corresponding period of the previous year.

IIP	Mining		Manufacturing		Electricity		Aggregate	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
April-February								
% change*	-0.7	1.5	-0.7	2.2	6.2	9.1	-0.1	2.8

*till February

Source: Ministry of statistics and Programme Implementation (MOSPI), CSO estimates, April 2015

MAKE IN INDIA

The Make in India initiative aims to

- Increase manufacturing sector's growth to 12-14% p.a.
- Increase manufacturing sector's share in India's GDP from 16% to 25% by 2022
- Create 100 million additional jobs by 2022 in manufacturing sector

The GOI has been building enablers such as eliminating unnecessary processes and laws, focusing on time-bound project clearances through a single online portal and creating appropriate skill sets through quality education. The target is to make for the world and so smart manufacturing (intelligent machines, collaborative technologies and networked processes) becomes essential.

MAKE TO INNOVATE

The global manufacturing or re-industrialisation journey across Germany, Japan and high-innovation countries is building self driving cars, general purpose robots and uses heavy data, advanced algorithms allowing better real-time and large data analysis, more affordable sensor technologies, automation and communication using wireless technology. India has to 'make to innovate' to compete effectively against other low-cost manufacturers such as Vietnam, Indonesia.

GREEN MANUFACTURING

The need for green products rises among consumers and companies seek to optimise their carbon footprint. Investors demand carbon disclosures as governments subsidise green investments. Manufacturing has to encompass

- Green procurement-renewable energy procurement, eco-friendly raw materials, supplier management



- Green Processes-Eco-efficiency analysis, Waste analysis, water conservation, efficient buildings
- Green Products-Renewables , innovation management, recycled products, Lead user approach
- Green Marketing-Identification of values and sustainability needs of customers

WAY AHEAD

The GOI's infrastructure focus is considered one of the most important triggers for India's growth story ahead. By 2050, half of India shall move to live in cities.

With a ₹ 1 trillion urbanisation plan and decision to create 100 smart cities (₹100 crore for each smart city) and five-year urban development mission for 500 cities [Atal Mission for Rejuvenation and Urban Transformation (AMRUT)] , India is going to be achieve better living conditions with clean water supply, sanitation and solid waste management, efficient mobility and public transport and affordable housing and governance.

AUTOMOTIVE INDUSTRY IN INDIA

India's automotive sector is a major driver of the economy contributing 7% of India's GDP and employing 19 million people. India serves as the outsourcing hub for several global auto manufacturers. Ever-increasing development in roadways and other infrastructure facilities, a big domestic market, rising incomes and a stable government has increased growth in the automobile sector.

The industry produced a total of 23,366,246 vehicles, up by 8.68% over the same period last year. Three Wheelers sales grew by 10.80% in April-March 2015 whereas passenger Carriers and Goods Carriers grew by 12.16% and 5.27% respectively over April-March 2014. Two Wheelers sales grew at 8.09% in April-March 2015 supported by scooters growing at robust 25% yoy. Three wheeler exports grew by 19% and contributed 43% to industry sales due to greater demand from South Asia and the African markets.

Automobile exports increased 14.89% during April-March 2015, with 4.42% rise in Passenger Vehicles exports, 11.33% rise in Commercial Vehicles exports, 15.44% rise in Three Wheelers exports and 17.93% rise in Two Wheelers exports over last year

COMMERCIAL VEHICLE SEGMENT

Some segments of the commercial vehicle (CV) sector have recovered in FY 2015. The HCV sector (comprising 50% of the total M&HCV truck sales has increased by 42.6% in FY 2015 till January 2015 due to replacement demand and capacity addition. The LCV truck segment is down by 13.8% yoy. The bus segment has posted improvement with orders for buses arising from State Road Transport Undertakings (SRTUs).

PASSENGER VEHICLE SEGMENT

The passenger vehicle segment registered growth with increase in passenger car and utility vehicle segments that was driven by new model launches and aggressive discount levels prevailing in the industry. However, the van segment sales declined yoy. First time buyers accounted for 45% of new car purchases and improved volume traction is expected in future. Passenger Cars and Utility Vehicles sales increased by 4.99% and 5.30% respectively, while Vans declined by (-) 10.19% in April-March 2015 over the same period last year.

TRACTORS

The year saw poor sales (de growth of -9.9%) in tractors due to decline in crop output, lower yields and weakening crop prices, however, export demand remained strong from U.S, near-by markets- especially Sri Lanka, Bangladesh and parts of Africa. Over the next 5 years, however, the tractor segment is expected to grow at CAGR of 8-9% as long term industry drivers - GOI's focus on rural development and agri-mechanisation, scarcity of farm labour, healthy credit availability, low penetration and reduction in replacement cycle continue.

EMERGING TRENDS IN THE GLOBAL AUTOMOTIVE INDUSTRY

- Move towards higher fuel efficiency
- Increase in fuel-efficient vehicles from 69 vehicles (2006) to 450 vehicles(2014)
- Auto component manufacturers gain as more complex components mean greater value realisation per part sold
- Light weight components increasingly used expected to increase from 30% to 70% by 2030 -aluminium can be 24% lighter than steel. In Europe, aluminium

content in each car trebled between 1990 and 2012 (50 kilograms to 140 kilograms)

- Increased usage of aluminium provides higher value realisation per product for existing volumes thereby increasing revenue
- Modular assembly units allowing OEMs to produce vehicles of a different length, width and wheelbase on the same platform, facilitating different models from different brands at the same plant and imply reduced costs for auto component suppliers due to standardisation
- Increase in component outsourcing
- Consolidation for global OEMs to sustain their topline performance and increase profitability
- Increased demand for electric and hybrid cars which have a lower carbon footprint overall. A typical medium-sized family car will create around 24 tonnes of CO₂ during its life cycle, but an electric vehicle (EV) produces only 18 tonnes over its life
- Alternate materials like aluminium and magnesium for car body and components, Carbon-glass fibre and composites, advanced High-Strength Steel grades, biomaterials for seats, new polymers for LED
- Use of in-vehicle infotainment systems, telematics and automotive embedded software increases

GOVERNMENT REGULATIONS

- The government has established National Automotive Testing and R&D Infrastructure Project (NATRiP) at a cost of US\$388.5 million
- Infrastructure spending of ₹ 70,000 crore shall enhance prospects of the auto and manufacturing industry
- There is exemption in basic customs duty @ 6% and SAD exemption on specified goods for use in the manufacture of electrically operated vehicles and hybrid motor vehicles till 31st March 2016
- Excise duty on chassis for ambulances has been reduced from 24% to 12.5%

- Import of completely built commercial vehicles attracts custom duty of 20%, increased from 10%

OUTLOOK

The automotive sector in India is going to benefit from tailwinds like lower petrol prices, reduced diesel rates and relatively firm freight rates. The CV sector is the barometer for signalling economic growth. With higher load availability from few freight generating sectors such as Automobiles, Cement and other general industries, there is going to be greater demand for CVs. With acceptance for advance trucking platforms and regulations for BS-V emissions (possibly by 2017 onwards) along with introduction of Anti-Lock Braking System (ABS) technology, more operators shall buy CVs with advanced features.

AUTO COMPONENTS INDUSTRY

Currently, the Auto components sector is estimated to be worth US\$38 billion in India comprising exports at 11%, aftermarket at 13% and OEMs at 76%. The automobile sector has been under stress for some time in India. However, the Indian auto components industry is anticipated to become the next automobile ancillary hub in Asia by 2020. It is estimated to grow at 17% CAGR to reach US\$ 115 billion (as per ACMA) by 2021 as the auto sector revives.

The sector stands to gain from the 'Make in India' impetus and has been scaling up revenues with successful acquisitions worldwide. Auto component makers are earning 51% of their revenues from exports and revenues of companies acquired overseas. Greater supplier consolidation is also being seen as OEMs are sourcing from relatively fewer players which means more business for few auto component players and increased bargaining power. Both these indicate higher ROCE for the global component maker.

DOMESTIC SALES

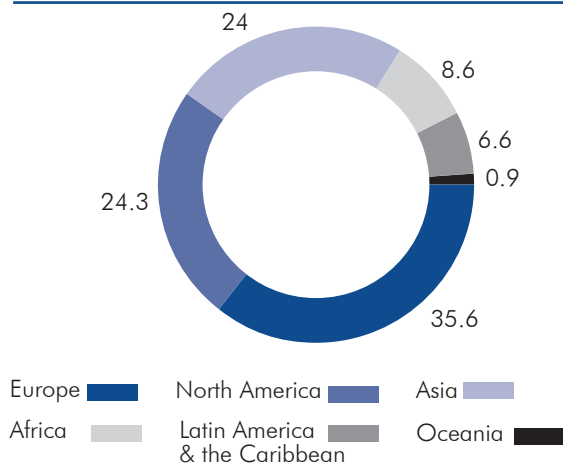
Robust growth in PV segment sales and M&HCV sales has percolated into revenue growth for auto ancillaries. India is likely to become the hub for small car and engine manufacturing. Over the long run, a growing middle class, higher consumer spending, skilled labour at competitive rates and rising demand for light vehicles in India shall augur well for the industry. Improved safety features, improved interface between driver/passenger and the vehicles and stringent emission norms shall bring greater opportunity for auto-component industry. An example would be airbags becoming compulsory for all automobiles after 2017 and

this presents an opportunity worth ₹ 1,500 crore. (Source: Edelweiss Financial Services 'Auto Components: The Future' report, November 2014)

EXPORTS

A focus on innovation and high quality low-cost manufacturing has improved the profitability of Indian auto component companies. The exports from the sector contribute 17% of the auto component industry revenues and are estimated to contribute 26% by 2021. Most auto component makers have increased value by becoming module suppliers. (Source: ICRA and the Hindu)

Indian components driving on international roads (%)



Note: Turkey and Russia have been considered part of Europe Source: Automotive Component Manufacturing Association of India (ACMA), 2012

SCOT Strengths

- Decline in input costs and a lean cost structure for component manufacturers lead to higher volumes at improved margins
- Strong relationships fostered between auto component companies that supply technological, qualitative and low price auto parts to leading global automotive makers have made auto component industry a critical part of the automotive supply chain and brought innovation to the auto component industry
- As auto makers innovate, auto component manufacturers need to supply components in a just-

in-time (JIT) delivery format. This has translated into greater use of automation and robotics by auto component suppliers to deliver quality products, cut costs and improve productivity

- Robots handle welding and paint shop jobs are now being handed over to robots in totality. Automation in lifting of heavy parts and vehicle bodies has reduced time, effort and injury risks to shopfloor personnel

Challenges

- Shrinkage in product lifecycles and managing a wide portfolio of auto components, due to need for providing spare parts for current as well as discontinued models
- Power costs stand for 3.5% of the industry's total revenues and select energy intensive sub-segments such as ferrous castings (cylinder block, brake drum, brake disc, steering knuckle etc) lead to high power costs. In Haryana, open access charges have been recently raised leading to greater power purchase cost by around ₹ 2 per unit. The Tamil Nadu Electricity Regulatory Commission is likely to raise power tariffs by around 31% for industrial consumers and has re-imposed restrictions and control measures (R&C) for high tension (HT) industrial users to consume grid power only up to 10% of their allowed energy and demand load during peak hours

Opportunities

- Improved domestic demand for vehicles due to favourable demographics and rising incomes shall drive demand for auto ancillaries
- Increased outsourcing demand as India is being seen as a low cost centre
- Vehicle safety norms -mandatory crash tests for passenger cars, mandatory airbags in cars as well as increasing sophistication means higher value added components are likely to be demanded from auto-component suppliers
- Greater thrust of auto OEMs' on localisation and increased replacement market demand shall increase demand for auto components
- Softness in steel and rubber prices imply higher margins

Threats

- Emergence of spurious spare parts
- Competition from imports from China

AUTOMOTIVE AXLES LIMITED (AAL)

Automotive Axles Limited is a leading automotive axle manufacturer based pan-India. It started operations in 1981. Automotive Axles India is a joint venture of Meritor Inc., USA which is formally the automotive division of Rockwell International Corporation, and the Kalyani Group, India. The Company has two manufacturing facilities at Mysuru, Panthnagar and Jamshedpur and its components are supplied to customers in India and international markets. AAL is a market leader and pioneer in manufacturing automotive axles and is presently, one of the largest manufacturers of Rear Drive Axle Assemblies in India. Apart from Rear Drive Axle Assemblies, AAL manufactures S-Cam Actuated quick Change Air Brakes and Trailer Axles for 10 tonnes to 13 tonnes GVW.

ESTEEMED CLIENTELE

- AAL has been able to forge enduring relationships with customers who consider the Company as a key partner due to the scale, sophistication and durability of its products
- AAL's clients are based in USA, France, Italy, China and Brazil besides India
- The Company's domestic OEM customers include Ashok Leyland, Daimler India, Man Trucks, Mahindra & Mahindra, Tata Motors, Volvo Eicher, Asia Motor Works and Indian Army, among others

INFRASTRUCTURE

Smart manufacturing is key to AAL's operations. AAL's infrastructural facilities comprise highly advanced manufacturing processes involving:

- Friction Welding
- Flash Butt Welding
- CO₂ Welding
- CNC Machining
- Flexible Machine Centres and
- Specially built machines for producing axles and brakes.

The plants are also equipped with state-of-the-art Gleason Gear Manufacturing Equipment backed by a modern Heat Treatment Shop including Continuous Carburising and Sealed Quench Furnaces.

QUALITY

Automotive Axles Limited has a Quality Management System that has been certified to ISO/TS 16949:2009 standard and Environmental Management System that is certified to ISO 14001:2004 standard.

OPERATIONAL HIGHLIGHTS 2014-15

Automotive Axles Limited enhanced its manufacturing competence with a new plant in Jamshedpur. This was built with the aim of developing brakes and trailer axles. The plant comprises an area of 50,000 sq. ft. and possesses the capacity to make 30,000 brakes and 2,400 tag and trailers every month.

To further bolster its manufacturing, the Company installed a facility to manufacture Hub Reduction Axles in its Mysuru plant as part of its Meritor India New Product Development Strategy. The plant can currently make 300 sets of Hub Reduction Axles per month and in due course plans to enhance this capacity to 600 sets. The plant currently possesses a 1,250 mm bed size Horizontal Machining Centre, a 2,400 mm bed size Vertical Machining Centre to machine cast housings, hub case and other critical HR parts. Apart from this, the plant is also equipped with a state-of-the-art assembly line facility for making fully dressed up axles with all modern equipment comprising built-in mistake proofing to ensure that zero defect products are produced and shipped to customers. This line can make hub-reduction axles, front axles and other rear axle models with wheel end assembly.

The Company embraced the concept of Built in Quality (BIQ) in order to achieve standards of world-class manufacturing. This ensures that quality is ascertained by each and every operator by following a procedure where defects are not produced, not received and not passed on. This BIQ concept is now being used across the plant. Other key initiatives that were introduced were the Zero Chips, Oil & Coolant, to realise the goal of making the plant a safe place to work.

In addition, the Company has been carrying out continuous enhancement in production facilities. In FY 2013-14, a mounded type bullet was used to eliminate the safety hazard arising out of the storage of LPG required for heat treatment



process. Other improvements that were executed were the flexible output endo gas generator and therobotic gear quenching, with the aim of reducing gas consumption by 20%. The Company also made efforts to ensure that quality products are delivered to the customer, unfailingly, at all times. This is demonstrated by supplying the correct value of part per million to the customer which is to the tune of 100

PPM for domestic deliveries and 80 PPM for exports. The Company also focussed on environmental improvements: rain water harvesting for manufacturing processes, tree plantations, re-charging systems, and participation in Green Nurturing Programs. These endeavours resulted in the reduction of raw-water consumption by 40%, over four years.

Key financial ratios (%)

Key financial ratios	2014-15	2013-14	2012-13	2011-12	2010-11
PBT / Total Income	3.57	3.79	2.88	7.06	8.6
PAT / Total Income	2.28	2.66	1.97	4.78	5.69
Return on Capital employed	3.32	5.65	4.02	13.77	18.85
Return on Net Worth	3.47	6.09	4.53	16.59	23.63
Dividend Payout Ratio	17.20	24.32	27.85	39.01	30.52

EXTENSIVE CAPABILITIES

The Company has over 30 years of experience in axle-production and has technology leadership due to advanced gearing technology know-how from Meritor HVS (India) Ltd. AAL's employees have vast technological expertise and provide world-class quality with the validation and confirmation of safety performance to meet international testing standards. This has given AAL the competitive advantage to manufacture reliable and durable heavy duty drive axles and meet the steer, drive and trailer axle requirements of customers satisfactorily.

AAL continues to work on product development, driving down costs and serving the needs of a large customer base. The Company has a wide portfolio of auto components and also designs efficient engineering modules or systems that include high efficiency gearing, integral brake to axle design, weight option designs and Driver operated differential locks.

EXCELLENCE IN INFORMATION TECHNOLOGY

The Company has implemented several initiatives in IT like:

- MS Office Standardisation: AAL has upgraded MS office application from existing MS Office versions XP, 2003 and 2007 to MS Office 2010 and Office 365- this brings higher efficiency
- SAP Process Improvements and Validations: Validations have been put in SAP ERP system to bring more control into processes and also ensure data accuracy. This includes auto -reconciliation of job workers challans –

that resulted in one man power saving. Automation in GRN and Invoicing process has resulted in lower errors in data entry

NURTURING HUMAN CAPITAL

The Company believes in engaging employees to drive business value. AAL values diversity of people and thought and accordingly has designed a diversity and inclusion awareness programme where employees discuss what inclusion means to them, and how it impacts their day-to-day work. The programme also includes discussions on global cultural consciousness, cultural awareness, generations and working in virtual teams.

Understanding the effects of culture and gender on individual behaviour within a team is of high importance in successful operations. Culture is not something that is easily acquired but it is a slow process of learning values, understanding behaviour and being able to follow communication patterns in a certain team.

A progressive, high performing, inclusive culture recognises and rewards strengths, restores empowerment (dignity), improves communication and reduces conflict. It also drives respect for ethnicity, gender, culture, work styles and generations while fully understanding the impact of perception, judgmental behaviours and biases.

Working in a global organisation requires flexibility to work in a matrix team and often with team members not physically in the same location. Working in virtual teams

requires understanding diverse perspectives, recognising the challenges and benefits and identifying the expectations and responsibilities of team members.

The Company recognises the creative power of employees that is developed by encouraging collaboration and innovation among a team of knowledgeable experts. This unique energy is AAL's greatest competitive advantage in the world marketplace. Everyone contributes to the Company's success and can take advantage of growth opportunities to enhance one's career. AAL's talent management processes help to identify, develop and promote high calibre individuals to support the organisation's future leadership needs. The Company empowers teams of talented, diverse individuals to make sound business decisions that drive AAL's success. In return, the organisation provides them with numerous opportunities for personal and professional growth at multiple locations in India.

The Company believes that its human capital is the most valuable asset, and nurturing and investment in high performing teams helps it to meet customers' changing needs and remain competitive. We have successfully rolled out key HR Initiatives and talent management processes during FY 2014-15 (FY: October 2014 to March 2015) to create a positive work culture where

- Employees are treated with respect/ dignity
- They are motivated to give quality output
- They have sense of belongingness and
- They have the freedom to suggest and participate

The highlights of these key HR initiatives and talent management processes are:

- **Communication:** The Company successfully establishes a clear and transparent communication across all levels e.g. Quarterly all-employee town hall gatherings, monthly employees' town hall meetings, focus group meetings, one-on-one discussions with key employees, top talent focus group meetings among others
- **Rewards & recognitions:** The Company acknowledges achievements to promote continued employee interest in the organisation and accordingly felicitates best

employees of the year, felicitates employees for special achievements, suggestions, Kaizens and long service

- **Employee engagement:** The Company encourages employees to willingly contribute and work as one team. AAL has launched local employee satisfaction surveys and Action Plans under progress. It also carries out various employee and family involvement activities such as Family day, Sports day, festival celebrations and summer camps among others
- **Succession Development Plan and driving high performance culture:** The Company focuses on strategic people development through its Succession and Development Planning (SDP) and Capability Development programmes. The key objective of SDP process is to identify successors for leadership positions, highlight talent across the organisation and identify career development opportunities for employees. There are periodic SDP talent reviews with top management to ensure fast track growth, stretch assignments and development opportunities for potential management staff. As a part of SDP process and employees' development, AAL focuses on learning and development by rolling out various specific and customised training programmes (the Company runs approximately 75% technical programmes, 15% soft/ behavioural programmes and 10% common programmes). AAL also invests in high performing teams by facilitating robust awareness and implementation of a performance management system with 80% weightage on performance and 20% weightage on leadership behaviour
- **Diversity and Inclusion:** The Company is also building a diverse and inclusive culture through improvement in employee retention, transfers/promotions, job rotations (Inter and Intra department / business unit), resource re-deployment and talent acquisition

SAFETY, HEALTH AND ENVIRONMENT (SHE) MANAGEMENT

Safety

The Company's Safety and Health management is built on team work and employee contribution and adheres to the management principle of preventing accidents and protecting employee safety and health as well as the Company's asset.

An overview of improved safety practices during FY 2014-15 (Oct'14 to Mar'15) is given below:

- Won 1st Prize for large scale category industries in the Safety Skit Competition and also represented the safety tableau on the occasion of the 44th National Safety Day Celebration, 2015, organised by Deputy Director of Factories and Boilers, Mysuru, Govt. of Karnataka.
- Risk mitigation done for switching the existing above ground, bulk LPG storage type to mounded type bulk LPG storage with Heaterless vaporizer system.
- Safety Potential Failure Mode Effective Analysis (PFMEA) carried out across the plant and counter measures taken to eliminate the incidents.
- Secondary safety system provided for high capacity hoists in our plant to prevent incidents.
- Conducted on-site emergency preparedness, Mock Drill, for the new bulk LPG storage system as part of regular activities in the presence of the Deputy Director of Factories, Mysuru in 2nd Shift.
- Observations given by the Deputy Director of Factories and Observer from the Major Accident Hazardous (MAH) industries are considered and corrective actions were taken and the same has been communicated to all employees.

Environment

The Company is committed to improve and maintain our environment in all areas to provide a safe and healthy workplace.

- Environmental Management Policy has been revised and the same has been communicated to all the employees through a local language.
- ISO 14001:2004 EMS Recertification Audit was carried out by ULDQS and the certification has been renewed upto 2018.
- Environment protection remains a priority for the business and various initiatives were adopted which led to significant conservation of natural resources.

The ideas and knowledge to reflect on the Company's actions to ensure that the environmental pollution control measures practiced, adopted and maintained for Company-wide fresh water, waste water and air quality management which comply with the established environmental standards, procedures and compliance requirements.

- Bio gas plant for our canteen waste generation, energy efficient technology, like auto sensors, solar powered systems, solar heaters, LED lamps, high efficiency motors, inverter drives, screw compressors, are being used.
- Emission tests were carried out for all our employees' vehicles.
- Additional ground water recharge pits were constructed to improve the ground water table. We also used rain water in plant operations to further reduce fresh water consumption.

Health

- Dedicated Safety and Occupational Health Centre are being run in the factory premises taking care of safety and health issues at the work place.
- Various measures like periodic health and safety awareness campaigns, monitoring of quality of food and water etc. are being taken to ensure the best possible safe, healthy work environment.
- In addition to above, pre-employment medical check-up for all new entrants and annual check-up for regular employees and trainees are being carried out.
- Special add-on medical check-up was organised for employees working in hazardous workplaces in the plant.

QUALITY MANAGEMENT SYSTEM (QMS) AND LEAN MANAGEMENT SYSTEM (LMS)

About 50-60% of the Company's operations have matured through the Built in Quality Concept (BIQ) for manufacturing processes and is synergised with the Auto Axle Production Systems (APS). The visual transformation of the plant and process robustness has been implemented

and its sustenance is being ensured through 5S principles. To further enhance the quality and reliability of products, the Company has taken up the following initiatives:

Process Robust Quality system supporting Built in Quality: The Company has started implementing process robust quality systems and aligning them with Volkswagen VDA 6.3 standards. One of the manufacturing lines end to end for Export Housing are in the process of getting ready for VDA certification in FY 2015-16.

Six Sigma: Five engineers are going through Level Two Black belt Six Sigma Certification. Fifty-five engineers are certified for Level One Black Belt and thirty-five engineers across the organisation are now undergoing training for Level One.

End-to-end Product Performance Monitoring: A team of cross functional engineers, supported by our key customers are stationed at key strategic locations to capture and improve end-to-end product performance reliability.

Product Service training: Customers are being trained on our axles performance and trouble shoot to reduce the down time as a part of value addition to customers at their sites.

INTERNAL CONTROL SYSTEMS

The Company implements a comprehensive internal control system, corresponding to its nature of business and the size of its operations. The Company's internal control reviews all assets that are protected and are not subjected to any volatility. AAL also ensures that assets are accounted for and transactions are authorised, recorded and reported accurately. The Internal Audit team checks all internal controls regularly and audits are executed by Price Waterhouse Coopers Pvt. Ltd., to ensure autonomy of the auditing body. The Audit Committee of the Board, led by an Independent Director, monitors the Internal Audit Reports on a regular basis and enforces the auditors' recommendations across the organisation.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis describes the Company's objectives, and uses projections, estimates and expectations that may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect AAL's operations includes a downslide in the automobile industry— global or domestic or both, cogent changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relation and interest costs.



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Automotive Axles believes that there is no compromise to adopt transparent accounting policies, appropriate disclosure norms, best-in-class board practices and consistent high standards of Corporate Conduct towards its stakeholders.

Our Company has adopted practices mandated in Clause 49 of Listing Agreement with the Stock Exchanges and has established procedures and systems to be fully compliant with the Agreement.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Company's policy is to maintain an optimum combination of Executive, Non-Executive & Independent Directors. As on March 31, 2015 Automotive Axles' Board comprises of seven (7) Directors. The Board consists of one (1) Executive Director and six (6) Non-Executive Directors, four (4) of whom are independent.

Number of Board Meetings

In FY 2014-15 (Oct'14-Mar'15), the Board met three (3) times on 25th November, 2014, 5th February 2015, and 31st March 2015. The maximum gap between any two Board Meetings was less than four months.

Directors' Attendance Record and Directorships

Director	Category	No. of Board meetings attended out of 3	Attendance in last AGM	Nos. of Directorships and Committee Memberships in Indian public companies***		
				Directorships	Committee Memberships	Committee Chairmanships
Dr. B.N. Kalyani	Promoter, Non-Executive	1	No	9	3	2
Joseph A. Plomin	Non-Executive	1	Yes	1	1	Nil
B. B. Hattarki	Independent	2	No	9	3	4
Prabhakar B.C	Independent	2	Yes	3	2	1
Satish Sekhri	Independent	2	Yes	5	8	Nil
Sudhasri A*	Independent	0	NA	1	Nil	Nil
N. Muthukumar	Executive	2	Yes	1	1	Nil
Amit B. Kalyani**	Non-Executive	1	No	12	3	1
Marco Bassi**	Non-Executive	1	No	2	1	Nil

*Appointed effective 31.03.2015

**Resigned effective 31.03.2015

***Directorships do not include alternate directorships, directorships of private limited companies, companies under Section 8 of the Companies Act, 2013 and of companies incorporated outside India. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committee and Stakeholders Relationship Committee in all public limited companies (including Automotive Axles Limited) have been considered.

As mandated by Clause 49 of the Listing Agreement, the Independent Directors on Automotive Axles' Board :

- Apart from receiving Sitting Fee, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, and its Senior Management which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.

- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not Partners or Executives or were not Partners or Executives during the preceding three financial years of the:
 - a) Statutory Audit Firm or the Internal Audit Firm that is associated with the Company.
 - b) Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of a Director.
- Are not substantial shareholders of the Company, i.e. do not own 2% or more of block of voting shares.
- Are not less than 21 years of age.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important issues, disputes with the Government Authorities on show cause notices, demands, prosecutions and penalty notices.
- Fatal or serious accidents or dangerous occurrences
- Any material default in financial obligations to and by the Company
- Significant development in human resources and industrial relations front.
- Sale of assets of material nature, not in normal course of business
- Quarterly update on Risk Management System
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement;
- Making of loans and investments, if any.
- Compliance Certificate with respect to all the laws as applicable to the Company.

Code of Conduct

The Company has adopted a code of conduct for the Board of Directors and the Senior Management of the Company. It is available on Company's website: www.autoaxle.com/Conduct_code.aspx. The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standard of behavior and professionalism. An affirmation as to compliance with the code of conduct is obtained from all the Directors and the Senior Management Personnel annually.

Information supplied to the Board

The Board is provided with all the information necessary for decision making. Detailed notes, as necessary, are presented well in advance of the meeting along with the agenda. The following is the list of some of the information provided regularly to the Board of Directors:

- Annual Operating Plan
- Quarterly results of the Company and its Operating Divisions
- Minutes of meetings of Audit and other Committees of the Board.

Committees of the Board

As on March 31, 2015 the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board Committees are set up under the formal approval of the Board to carry out respective roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all Committees.

**AUDIT COMMITTEE**

The Audit Committee of your Board consists of Mr. B.B.Hattarki (Chairman), Mr. B.C.Prabhakar, Mr. Satish Sekhri and Mr. Joseph Plomin. All the members of the Audit Committee possess accounting, economic and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Audit Committee assists the Board in its responsibility to

oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors, Secretarial Auditor and the performance of Internal Auditors of the Company.

The committee met two (2) times during the year on 24th November 2014, & 4th February 2015.

Attendance record of Audit Committee members for 2014-15

Director	Category	Status	Meetings	
			Held	Attended
Mr. B. B. Hattarki	Independent	Chairman	2	1
Mr. Prabhakar B.C	Independent	Member	2	2
Mr. Satish Sekhri	Independent	Member	2	1
Mr. Marco Bassi*	Non-Executive	Member	2	1
Mr. Joseph Plomin**	Non-Executive	Member	0	NA

* Ceased to be a Director effective 31.03.2015

** Appointed to be a member of the committee effective 31.03.2015

The meetings of the Audit Committee are also attended by the Executive Director, Statutory Auditors, Internal Auditors and other Management representatives as special invitees.

The terms of reference of Audit Committee consist of review and recommendation to the Board certain matters including the following:

- Review of Management discussion and analysis of financial condition and results of operations.
- Oversight of Company's financial reporting system
- Review of the annual financial statements, before submission to the Board, focusing primarily on changes if any, in the accounting policies or practices, compliance of accounting standards, qualifications, related party transactions, Directors' responsibility statement etc.,.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing the adequacy of internal control systems with the management, statutory and internal auditors.
- Evaluation of internal financial controls and risk management systems.
- Review and monitor the auditor's independence and performance effectiveness of audit process;
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, scope and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review of Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- The appointment, removal and terms of remuneration of the Internal Auditors.

- Reviewing the effectiveness and adequacy of internal audit function and discussion with internal auditors any significant findings and follow up there on.
- Reviewing of credentials of Cost Auditors and recommendation to the Board about the proper candidature.
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of CFO or any other person heading the finance function after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out such other functions, as may be specifically referred to the Committee by the Board of Directors and or other Committees of Directors of the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of B.C.Prabhakar, Chairman (Independent Director), Satish Sekhri, Member (Independent Director) and, Joseph A.Plomin, Member

Terms of Reference

- To identify qualified persons to become directors and senior management in accordance with the criteria laid

down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising policy on Board diversity
- To act in terms of any consequent statutory modification(s) /amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Remuneration Policy

The policy of remuneration to Executive and Non-Executive Directors is as follows:

- The remuneration to Executive Director shall be paid according to his contract of employment in-line with other regular employees. Annual salary increase is based on performance effective 1st January of every year during the contract period along with normal merit cycle of employees, and the performance bonus will be based on the review by the Committee annually. "Pay for Performance" philosophy helps us retain, attract, and motivate high caliber employee
- The Non-Executive Directors are not paid any remuneration, other than the sitting fee paid to them for the meetings of Board or Committees thereof, attended by them.

**Remuneration of Directors**

The details of remuneration to Directors, their relationship with each other and Equity Shares held as on 31st March 2015 are presented below:

Directors	Relationship with other Directors	Equity Shares held	Audit Committee Meetings Sitting Fees (₹)	Board Meeting Sitting Fees (₹)	Salaries, performance bonus and perquisites (₹)	Total (₹)
Dr. B.N. Kalyani	Father of Mr. Amit B Kalyani	126	N.A.	20,000	Nil	20,000
Joseph A Plomin*	None	Nil	Nil	Nil	Nil	Nil
B B Hattarki	None	Nil	20,000	40,000	Nil	60,000
B C Prabhakar	None	575	40,000	40,000	Nil	80,000
Satish Sekhri	None	10	20,000	40,000	Nil	60,000
Sudhasri A	None	Nil	Nil	Nil	Nil	Nil
N Muthukumar**	None	Nil	NA	NA	5,216,550	5,216,550
Marco Bassi*	None	Nil	Nil	Nil	Nil	Nil
Amit B Kalyani	Son of Dr. B. N. Kalyani	Nil	Nil	20,000	Nil	20,000

* Joseph A Plomin & Marco Bassi do not claim any sitting fee, being in conformity with Meritor's Policy for such nominees for attending the meetings.

** The employment of the Executive Director is contractual

Remuneration break-up of Whole-time Director Mr. N Muthukumar (Oct'14-Mar'15)

Elements of remuneration	₹ (for 6 months)
Basic	1,760,000
House Rent Allowance	704,000
Education Allowance	90,000
Medical Allowance	146,666
Special Allowance	544,380
Leave Travel Allowance (for FY 2012-13 & 2013-14)	432,500
Contribution to Provident Fund	211,200
Contribution to Super-Annual Fund	264,000
Contribution to Gratuity Fund	85,360
Others	8,444
Performance linked Bonus (for calendar year 2014)	970,000
Total paid during the year	5,216,550

Note : All the above elements are fixed component but for the Performance linked Bonus

Directors with materially significant pecuniary transaction or relationship with the Company

There was no materially significant pecuniary transaction or relationship between the Company and any of the Directors during the year as contemplated under relevant guidelines of the SEBI/Stock Exchanges.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee's composition and the terms of reference meet with the requirements under the provisions of Section 178(5) of the Companies Act, 2013 and of Clause 49 of the Listing Agreement.

The Committee consists of B.C.Prabhakar (Chairman), Satish Sekhri, Member (Independent Director) & N.Muthukumar, Member

Terms of Reference inter alia include the following

- To specifically look into the redressal of grievances of shareholders and other security holders, if any.
- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Compliance Officer :

S.Ramkumar, Chief Financial Officer & Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

Nature of Complaint	No. of complaints	No. of Complaints
	Received	Redressed
Non receipt of Dividend	Nil	Nil
Issue of Duplicate certificates/ Share certificates	Nil	Nil
Non receipt of Annual Report	Nil	Nil
Total	Nil	Nil

There are no outstanding complaints as on 31st March, 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee consists of B C Prabhakar (Independent Director), Chairman, N.Muthukumar, Member & Sudhasri.A, Member.

Terms of reference inter alia includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To review the Corporate Social Responsibility Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s)/ amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy.

Secretarial Audit for Reconciliation of Capital

As mandated by the Securities and Exchange Board of India, quarterly Secretarial Audits are carried out to verify if the total issued/ paid-up capital is in agreement with the aggregate of the total number of the shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Risk Management System

The Company's Risk Management System has been periodically reviewed for adequacy and effectiveness by the Audit Committee and the Board.

The Company's Risk Management Committee is being assisted by Chief Risk-Coordinator and Risk Coordinators.



General Body-Meetings

Date, time and venue for the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue
2011-12	6th February 2013	12.30 p.m	Regd. Office of the Company
2012-13	10th February 2014	12.30 p.m.	Regd. Office of the Company
2013-14	5th February 2015	12.30 p.m.	Regd. Office of the Company

On 5th February, 2015, two (2) special resolutions were passed in the Annual General Meeting through e-voting, postal ballot & physical voting mechanism. There were no special resolutions in the earlier AGMs. The voting mechanism was conducted by an Independent Practising Company Secretary, CS. Pracheta.M as per the Scrutinizer appointment made by the Board. At the ensuing Annual General Meeting, no resolution is proposed to be passed as Special resolution. As per the requirement of the new Act, the items of the agenda of the notice of the AGM shall be conducted through e-voting, postal ballot and poll. The procedure for the same is provided in the notice of the AGM.

No Extraordinary General Meeting of the Members was held during the financial year 2014-15.

Disclosures

Related Party Transactions:

During the year under review, no transaction of material nature has been entered in to by the Company with its promoters, the directors, key managerial personal, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company. The quarterly related party transaction is being placed before the board for its review.

The Particulars of transactions between the Company and its related parties as per Accounting Standards 18(AS-18) are set out at Para 36 of Notes Forming part of Financial Statements to the Balance Sheet as at 31st March 2015.

A Policy on Related Party Transactions is being uploaded in the website of the Company @ <http://www.autoaxle.com/Policy.aspx>

Management Discussion & Analysis :

This Annual Report has a detailed chapter on Management Discussion and Analysis and includes discussion on various

matters specified under Clause 49(VIII)(D) of the Listing Agreement.

Whistle Blower Policy

The Board has formulated a Whistle Blower Policy for directors and employees of the Company. The policy comprehensively provides an opportunity for an employee/Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and /or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the employees and also posted on Company's website. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on website of the Company @ <http://www.autoaxle.com/Policy.aspx>. No personnel have been denied access to audit committee.

During the year under review, no complaints received or registered under the legislation "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act 2013"

Compliances by the Company

The Company has complied with all the requirements of regulatory authorities but for a single instance wherein there was delay in receipt of Annual Report for 2013-14 by the Stock Exchanges by 8 days for which we paid the applicable penalty. Other than this, there has been no other instance of non-compliance by the Company on any other matter related to capital market during the last three years and hence, no penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

Means of Communication:

The unaudited Financial Results for every Quarter and the Annual Audited Results of the Company, in the prescribed proforma are taken on record by the Board and are submitted to the stock exchanges. The same are published within 48 hours in "The Financial Express" and "Andolana".

The quarterly/annual results are also put on the Company's website at www.autoaxle.com/Financial_reports.aspx

Compliance with Mandatory & Non-Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

The Board

The tenure and other criteria for Independent Directors are now being followed as prescribed under the provisions of the Companies Act, 2013.

Audit Qualification

The Company is in the regime of unqualified financial statements.

Separate posts of Chairman and CEO

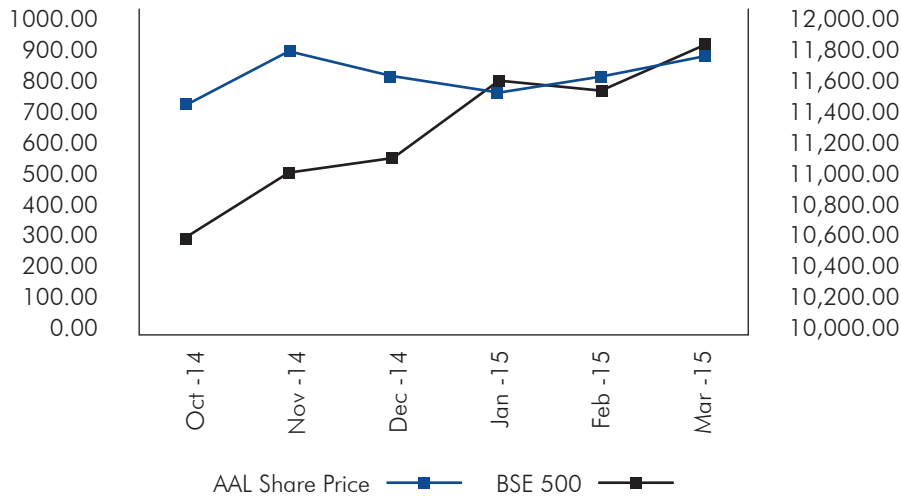
The Company has appointed separate persons to the post of the Chairman and the CEO (designated as the Whole-time Director).

Reporting of Internal Auditor

The Internal auditor may report directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date & Time :	5th August 2015 at 12.30 PM					
	Venue:	Registered Office @ Hootagalli Industrial Area off Hunsur Road, Mysuru					
CIN		L51909KA1981PLC004198					
Financial Year		1st October 2014 to 31st March 2015 (6 months)					
Record & Book Closure Dates		3rd August 2015 to 5th August 2015 (both days inclusive)					
Dividend Payment Date		3rd September 2015					
		Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001					
		National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai-400 051.					
Listing		The Company confirms that the annual listing fee for the year 2015-16 have been paid to both the stock exchanges.					
		BSE – 505010 NSE-AUTOAXLES					
		Demat ISIN Number: INE449A01011					
Stock Codes		Monthly High and Low price at which the shares of the Company were traded at the BSE and NSE are given below:					
Stock Data	Month	BSE			NSE		
		High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
	October, 2014	705	630	50,670	706	633	183,606
	November, 2014	862	671	136,710	867	672	387,062
	December, 2014	786	675	48,721	789	670	239,983
	January, 2015	750	660	31,244	750	642	105,758
	February, 2015	788	700	45,243	788	702	119,278
	March, 2015	850	705	22,603	855	701	71,244

**AAL Share Price v/s BSE 500 Series****Share Transfer System**

In compliance with the SEBI circular dated 27th December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, the Company has appointed Integrated Enterprises (I) Limited, Ramana Residency, 4th Cross, Malleshwaram, Bangalore 560 003, as its Registrar and Share Transfer Agents. Company's shares are traded on the Stock Exchanges compulsorily in demat mode.

Shareholding pattern as on 31st March 2015 :

Pattern of Shareholding by ownership			Pattern of shareholding by share class			
Ownership	No. of Shares held	Share holding %	Category	No. of Share holders	No. of Shares held	Share holding %
Promoters	10,735,081	71.04	=/ < 500	7,702	468,084	3.10
Non Promoter (Public)			501-1000	101	78,256	0.52
Bodies Corporate	1,314,582	8.70	1001-2000	69	96,111	0.64
FIs/Banks	1,137	0.01	2001-3000	15	35,555	0.24
FII's	20,534	0.14	3001-4000	9	31,210	0.21
NRI's/OCB	20,606	0.14	4001-5000	7	31,531	0.21
Mutual Funds	19,51,177	12.91	5001-10000	14	99,442	0.66
Others	1,068,858	7.06	> 10000	27	14,271,786	94.42
Total	15,111,975	100.00	Total	7,944	15,111,975	100.00

Dematerialisation	The Company's Equity Shares are under compulsory demat trading. As on 31st March 2015, dematerialised shares accounted for 99.15% of total equity.
Details of public funds obtained in last 3 years	Nil
CEO/CFO Certification	As required by clause 49 (Corporate Governance) of the Listing Agreement, the Whole-time Director and CFO have furnished the necessary Certificate to the Board of Directors with respect to Financial Statements and Cash Flow Statement for the Year ended 31st March 2015.
Registered Office	Hootagalli Industrial Area, Off Hunsur Road Mysuru - 570 018 Phone : 0821-719750 Fax : 0821-2402451
Audit Qualification	There were no audit qualification in the financial Statements of the Company for the year ended 31st March, 2015
Half yearly communication to Shareholders	The Company does not mail the un-audited Half yearly Financial Results individually to its shareholders. However these are published in "The Financial Express" and "Andolana" and are also posted on the website of the Company : www.autoaxle.com/Financial_reports.aspx
Investor Grievance Correspondence :	
Company	Share Transfer Agents
S. Ramkumar, Compliance Officer	Integrated Enterprises (I) Limited
Secretarial Dept. , Automotive Axles Limited	Ramana Residency, 4th Cross
Hootagalli Industrial Area	Sampige Road, Malleshwaram
Off Hunsur Road, Mysuru - 570 018	Bangalore – 560 003
Phone : 0821-719750	Phone: 080-23460815-818
Fax : 0821-2402451	Fax : 080-23460819
Email : sec@autoaxle.com	E-mail : irg@integratedindia.in

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, B. N. Kalyani, Chairman of Automotive Axles Limited hereby declare that all the Board members and Senior Managerial Personnel have affirmed for the year ended March 31, 2015 compliance with the Code of Conduct of the Company laid down for them.

Place: Pune

Date: 13th May, 2015

Dr. B.N. Kalyani
Chairman



TO THE BOARD OF DIRECTORS OF AUTOMOTIVE AXLES LIMITED

Certification by Chief Executive Officer and Chief Financial Officer of the Company

We, the undersigned, in our respective capacities as President & Whole-time Director and Chief Financial Officer, of Automotive Axles Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year 2014-15 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Pune

Date: 13th May, 2015

Dr. N. Muthukumar

President &

Whole-time Director

S. Ramkumar

Chief Financial Officer &

Company Secretary

CERTIFICATE OF THE COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Registration No. of the Company: L51909KA1981PLC004198
Nominal Capital: ₹ 250,000,000/-

To,
The Members of
Automotive Axles Limited

I have examined the compliance of the conditions of Corporate Governance by Automotive Axles Limited (hereinafter referred to as 'Company'), for the financial year ended 31st March 2015, as stipulated under Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance with the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof by the Company. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished to me by the Company, I certify that the Company has complied with the mandatory conditions of Clause 49 of the Listing agreement, except the following:

- a. *Evaluation of Independent directors' is yet to be performed*
- b. *Training programme is yet to be organised for Independent directors*
- c. *Risk Management committee at the Board level is not constituted in the current financial year. However, the same is being proposed to be constituted at the ensuing Board Meeting*
- d. *The Chairman of Audit Committee has not attended the previous Annual General Meeting*
- e. *The procedures of the Committee is yet to be detailed out by the Board. However, the same is being proposed to be constituted at the ensuing Board Meeting*

Place: Mysuru
Date: 13th May, 2015

Pracheta. M
C. P. No. 9838



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOTIVE AXLES LIMITED

1.0 Report on the Financial Statements

We have audited the accompanying financial statements of AUTOMOTIVE AXLES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the 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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2015, and its profits and its cash flows for the period ended on that date.

5.0 Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central

Government in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

5.2 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March

31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) 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 note 41 of the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 008072S

S. Ganesh
Partner
Membership No. 204108

Place : Pune
Date: 13th May 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5.1 of our report of even date).

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the previous period. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit.
- (vi) According to the information and explanations given to us, maintenance of cost records under sub-section (1) of Section 148 of the Act is not applicable for the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory due in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)
Central Excise Act, 1985	Excise duty	The Customs, Excise and Service tax Appellate Tribunal	June 2010- January 2011	1,485,399

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the period.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 008072S

S. Ganesh
Partner

Place : Pune
Date: 13th May 2015

Membership No. 204108

**BALANCE SHEET** as at 31st March, 2015

₹ in Millions

Particulars	Note No.	As at 31st March, 2015	As at 30th September, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	151.12	151.12
(b) Reserves and surplus	4	2,873.22	2,791.31
		3,024.34	2,942.43
2 Non-current liabilities			
(a) Long-term borrowings	5	25.01	109.36
(b) Deferred tax (Net)	39	111.72	111.35
(c) Other long-term liabilities	6	4.05	-
(d) Long-term provisions	7	10.44	11.07
		151.22	231.78
3 Current liabilities			
(a) Short-term borrowings	8	540.82	722.93
(b) Trade payables	9	1,338.28	915.26
(c) Other current liabilities	10	125.74	368.16
(d) Short-term provisions	11	28.15	72.00
		2,032.99	2,078.35
Total		5,208.55	5,252.56
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(a)	1,759.55	1,650.70
(ii) Intangible assets	12(b)	8.01	12.41
(iii) Capital work-in-progress		168.80	232.46
		1,936.36	1,895.57
(b) Long-term loans and advances	13	65.19	88.96
(c) Other non-current assets	14	0.07	5.78
		2,001.62	1,990.31
2 Current assets			
(a) Inventories	15	1,158.38	1,142.58
(b) Trade receivables	16	1,753.91	1,719.67
(c) Cash and cash equivalents	17	35.71	7.13
(d) Short-term loans and advances	18	248.66	381.36
(e) Other current assets	19	10.27	11.51
		3,206.93	3,262.25
Total		5,208.55	5,252.56
See accompanying notes forming part of the financial statements	1 - 42		

In terms of our report attached.

For **Deloitte Haskins & Sells**

Chartered Accountants

S. GANESH

Partner

For and on behalf of the Board of Directors

Dr. B. N. KALYANI

Chairman

Dr. N. MUTHUKUMAR

President & Whole time Director

S. RAMKUMARChief Financial Officer & Company
Secretary

Place : Pune

Date : 13th May 2015

Place : Pune

Date : 13th May 2015

STATEMENT OF PROFIT AND LOSS for the Period ended 31st March, 2015

₹ in Millions

Particulars	Note No.	For the period ended 31st March, 2015	For the year ended 30th September, 2014
1 Revenue from operations (gross)		5,104.44	7,520.22
Less : Excise duty		(493.04)	(750.95)
Revenue from operations (net)	20	4,611.40	6,769.27
2 Other income	21	5.63	56.50
3 Total revenue (1+2)		4,617.03	6,825.77
4 Expenses			
(a) Cost of materials consumed	22.a	3,244.39	4,836.30
(b) Changes in inventories of finished goods and work-in-progress	22.b	31.45	(156.46)
(c) Employee benefits expense	23	369.70	609.16
(d) Finance costs	24	40.83	70.85
(e) Depreciation / amortisation expenses	12 (a) & (b)	173.21	294.79
(f) Other expenses	25	592.63	912.51
Total expenses		4,452.21	6,567.15
5 Profit before tax (3 - 4)		164.82	258.62
6 Tax expense:			
(a) Tax expenses for the current period		53.20	83.95
(b) Tax expenses relating to prior years		3.70	-
(c) Deferred tax		2.50	(7.12)
Total tax expense:		59.40	76.83
7 Profit for the period (5 - 6)		105.42	181.79
8 Earnings per share of ₹10/- each:			
Basic & Diluted	38	6.98	12.03
See accompanying notes forming part of the financial statements	1 - 42		

In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants

S. GANESH
Partner

For and on behalf of the Board of Directors

Dr. B. N. KALYANI
Chairman

Dr. N. MUTHUKUMAR
President & Whole time Director

S. RAMKUMAR
Chief Financial Officer & Company
Secretary

Place : Pune
Date : 13th May 2015

Place : Pune
Date : 13th May 2015



CASH FLOW STATEMENT for the period ended 31st March, 2015

₹ in Millions

Particulars	For the Period ended 31st March, 2015	For the Year ended 30th September, 2014
A) CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
NET PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		
	164.82	258.62
Adjustments for		
Add :		
Depreciation and amortisation expenses	173.21	294.79
Provision for doubtful trade and other receivables, loans and advances	0.80	2.65
Bad debts written off	-	0.10
Loss on fixed assets sold/ scrapped / written off (Net)	-	1.04
Interest expense	40.83	70.84
	379.66	628.04
Less :		
Profit on sale of fixed asset	(0.01)	-
Unrealized Exchange Gain	(0.15)	(0.17)
Liabilities / provisions no longer required	-	(5.10)
Interest Income	(1.21)	(47.64)
Operating profit before working capital changes	378.29	575.13
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets		
Inventories	(15.80)	(255.73)
Trade receivables	(35.04)	(592.76)
Short-term loans and advances	127.40	(160.08)
Long-term loans and advances	(3.65)	5.85
Other current assets	0.57	0.61
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	423.16	274.42
Other current liabilities	108.12	207.74
Other long-term liabilities	4.05	(23.71)
Short-term provisions	(2.27)	(2.01)
Long-term provisions	(0.64)	(7.96)
Cash generated from operations	984.19	21.50
Advance Tax (Net of refunds)	(67.11)	(79.57)
Net cash from / (used in) operating activities	917.08	(58.07)
B) CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Capital expenditure on fixed assets (including capital work-in-progress and capital advances)	(192.76)	(314.59)
Proceeds from sale of assets	0.17	8.26
Amounts placed in fixed deposit	5.16	11.70
Interest received	2.43	47.26
Cash flow from / (used in) investing activities	(185.00)	(247.37)

CASH FLOW STATEMENT for the period ended 31st March, 2015

₹ in Millions

Particulars	For the Period ended 31st March, 2015	For the Year ended 30th September, 2014
C) CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Inflow		
Proceeds from borrowings (net)	1,706.04	4,149.59
	1,706.04	4,149.59
Outflow		
Repayment of borrowings (net)	(2,319.54)	(3,741.45)
Dividend and tax on dividend	(45.34)	(35.36)
Movement in unpaid dividend account	-	(0.47)
Interest paid	(44.38)	(69.39)
	(2,409.26)	(3,846.67)
Cash flow from / (used in) financing activities	(703.22)	302.92
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	28.86	(2.52)
Cash and cash equivalents at the beginning of the period	4.82	7.34
Cash and cash equivalents at the end of the period	33.68	4.82
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 17)	35.71	7.13
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
(a) In earmarked accounts	(2.03)	(2.31)
(These earmarked account balances with banks can be utilised only for the specific identified purposes.)	33.68	4.82

In terms of our report attached.

For **Deloitte Haskins & Sells**

Chartered Accountants

S. GANESH

Partner

For and on behalf of the Board of Directors

Dr. B. N. KALYANI

Chairman

Dr. N. MUTHUKUMAR

President & Whole time Director

S. RAMKUMAR

Chief Financial Officer & Company

Secretary

Place : Pune

Date : 13th May 2015

Place : Pune

Date : 13th May 2015

NOTES forming part of the financial statements

1. CORPORATE INFORMATION

Automotive Axles Limited (AAL) is a joint venture of Kalyani Group and Meritor Inc., USA (formerly the automotive division of Rockwell International Corporation) incorporated in 1981 under the Companies Act, 1956 with manufacturing facilities located at Mysore, Rudrapur and Jamshedpur.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1st April, 2015, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note h (iii).

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires that the management makes estimates & assumptions that affect the reported amount of assets & liabilities, disclosure of contingent liabilities as at the date of financial statements & reported amounts of revenue & expenses during the reported period. Actual results could differ from those estimates.

c) Inventories

Raw material, stores & spares, work-in-process and finished goods are valued at the lower of cost or estimated realisable value. Cost of materials is determined on moving weighted average basis. In the case of work-in-process and finished goods, cost includes the cost of conversion. Closing stock of Finished Goods includes liability towards Excise duty payable on clearance of goods. Imported

materials in transit at the year-end are valued inclusive of customs duty.

d) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with a maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Cash flow Statement

Cash Flow Statement has been prepared under the "indirect-method" set out on Accounting Standard 3 as specified in Companies Accounting Standard Rules. Which continues to be applicable in respect of section 133 of The Companies Act, 2013 in terms of General Circular dated September 13, 2013 of the Ministry of Corporate Affairs.

f) Events Subsequent to the Balance Sheet Date

Events occurring after the balance sheet date, which have a material impact on the financial affairs of the Company, are taken into cognizance.

g) Prior Period and Extraordinary Items

Prior period and extraordinary items, and changes in accounting policies, having a material impact on the financial affairs of the Company are disclosed.

h) Fixed Assets and Depreciation

(i) Tangible Fixed Assets

Tangible assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowings for qualifying project / fixed asset till the date of Commercial Production / the assets are put in use.

Expenditure on reconditioning of machinery is capitalised where such expenditure results in increase in the future benefits from the asset and /or results in an extension of the useful life of the asset based on technical assessment.

NOTES forming part of the financial statements

(ii) Intangible Fixed Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefit in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(iii) Depreciation / Amortisation

Depreciation on Buildings and Plant & Machinery is provided under the "Straight line method" and on other assets under the "Reducing balance method" at the rates specified in Schedule III to the Companies Act, 2013, based on technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates.

In cases where the useful lives are technically estimated to be lower than those considered in determining the useful lives specified in Schedule, depreciation is provided under the Straight Line Method over the useful lives of the assets as follows :

Asset category	Useful lives
Reconditioned machinery and related expenditure	Ranging between 3 and 13 years
Tools, Jig and Fixtures and Measuring gauges	Ranging from 2 to 5 years.
Certain imported machinery	Ranging between 4 to 15 Years
Windmill and power generating equipments	9 years
Intangible assets -	3 years

i) Revenue Recognition

Sales: - Sales are recognised on dispatch and transfer of underlying risk & rewards as per contracted terms and are recorded at invoice value, net of Sales Taxes, but including excise duties.

Export Incentives: - Export Incentives are accounted for on accrual basis at the time of Export of Goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claim are fulfilled.

j) Foreign Currency Transactions

Transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction.

Monetary Assets & Liabilities denominated in foreign currency at the balance sheet date are translated into rupees at the exchange rate prevailing on that date. Gains or Losses arising on settlement/restatement are charged to the Statement of Profit and Loss. Premium in respect of Forward contract is accounted over the period of the contract.

k) Employee Benefits

(i) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

(ii) Defined Contribution Plan

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund and Employee state insurance are recognised in the Statement of Profit and Loss.

NOTES forming part of the financial statements

(iii) Defined Benefit Plan

Liabilities for gratuity funded in terms of a scheme administered by a fund manager are determined by an independent actuarial valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iv) Liability for Leave Encashment is provided based on accumulated leave credit outstanding to the employees as on the date of Balance Sheet.

l) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

m) Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental

to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

n) Earnings Per Share

In determining the earning per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

o) Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more

NOTES forming part of the financial statements

subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

p) Research and Development

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year of incurrence.

q) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset

is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case revalued assets such reversal is not recognised.

r) Provision & Contingencies

A Provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s) Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers.



NOTES forming part of the financial statements

₹ in Millions

The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

t) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

NOTE 3 SHARE CAPITAL

Particulars	As at 31st March, 2015		As at 30th September, 2014	
	Number of shares	₹ in Millions	Number of shares	₹ in Millions
(a) Authorised				
Equity shares of ₹ 10 /- each (PY : ₹ 10/- each) with voting rights	23,000,000	230.00	23,000,000	230.00
Preference shares of ₹10 /- each (PY : ₹ 10/- each)	2,000,000	20.00	2,000,000	20.00
(b) Issued, subscribed and fully paid up				
Equity shares of ₹10 /- each (PY : ₹ 10/- each) with voting rights	15,111,975	151.12	15,111,975	151.12
	15,111,975	151.12	15,111,975	151.12

Refer notes (i) to (iii) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31st March, 2015		
- Number of shares	15,111,975	15,111,975
- Amount (₹ In Millions)	151.12	151.12
Year ended 30th September, 2014		
- Number of shares	15,111,975	15,111,975
- Amount (₹ In Millions)	151.12	151.12

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2015		As at 30th September, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BF Investments Ltd.,	5,367,806	35.520	5,367,806	35.520
Meritor Heavy Vehicle Systems, LLC USA	5,367,275	35.517	5,367,275	35.517
Reliance Capital Trustee Company Ltd., (A/C Reliance Vision Fund)	1,063,912	7.040	1,055,346	6.984

(iii) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

NOTES forming part of the financial statements

₹ in Millions

NOTE 4 RESERVES AND SURPLUS

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
(a) Securities premium		
Opening balance	115.59	115.59
Closing balance	115.59	115.59
(b) General reserve		
Opening balance	452.52	434.34
Add : Additions during the year	10.54	18.18
Less : Depreciation on transition to Schedule II of The Companies Act 2013, on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹ 2.13 Million)[Refer Note (33)]	4.24	-
Closing balance	458.82	452.52
(c) Surplus in statement of profit and loss (Retained earnings)		
Opening balance	2,223.20	2,103.79
Add : Profit for the year	105.42	181.79
Less : Transferred to general reserve	10.54	18.18
Less : Proposed dividend (₹ 1.00/- per share) (Previous year ₹ 2.50/- per share)	15.11	37.78
Less : Tax on dividend	4.16	6.42
(Includes ₹ 1.14 Million pertaining to prior year)		
Closing balance	2,298.81	2,223.20
Total	2,873.22	2,791.31

NOTE 5 LONG-TERM BORROWINGS

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
(a) Term loans - secured		
From banks [Refer note (i) below]	14.74	94.55
(b) Long term maturity of finance lease obligations	10.27	14.81
Unsecured [Refer note 37]		
Total	25.01	109.36

(i) Details of terms of repayment for long term borrowings and security provided

Particulars	As at 31st March, 2015		
	Current (Refer note 10)	Non Current	Total
Term loans from banks - Secured			
(i) HDFC Bank Limited [Refer note (a) below]	29.47	14.74	44.21
(ii) KOTAK Bank Limited [Refer note (b) below]	20.00	-	20.00
Total	49.47	14.74	64.21



NOTES forming part of the financial statements

₹ in Millions

Particulars	As at 30th September, 2014		
	Current (Refer note 10)	Non Current	Total
Term loans from banks - Secured			
(i) HDFC Bank Limited [Refer note (a) below]	29.47	29.47	58.94
(ii) KOTAK Bank Limited [Refer note (b) below]	40.00	-	40.00
(iii) AXIS Bank Limited [Refer note (c) below]	9.72	65.08	74.80
Total	79.19	94.55	173.74

Details of security provided for long term borrowings:

- (a) The loan is secured by first pari-passu charge on all existing and future fixed assets excluding the Land and existing Building (both movable and immovable) of the Borrower, to be shared with existing term lenders. Mortgage by way of first pari-passu charge on the immovable properties being building (funded out of term loan) to be situated at Hootagalli Industrial Area, Mysuru. Repayable in 6 quarterly installments along with interest.
- (b) The loan is secured by hypothecation of first pari-passu charge on all movable and immovable plant and machinery of the company both present and future. Repayable in 2 quarterly installments along with interest.
- (c) The loan is secured by hypothecation of first pari-passu charge on all movable and immovable assets of the wind mill project at Jadeshwar site in Rajkot District, Gujarat (excluding the land which is being leased by Govt. of Gujarat). The entire receivables of the project and escrow (with axis bank designated account) of the receivables from the sale of power generated. Repayable in equal quarterly installments starting from July 2013.
As at 31st March 2015 there is no outstanding amount payable to Axis Bank Limited. The said loan has been closed in the month of November 2014.
- (d) The unsecured finance lease is repayable in 8 quarterly installments along with interest.

NOTE 6 OTHER LONG TERM LIABILITIES

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Gratuity payable [Refer note 34 (II)]	4.05	-
Total	4.05	-

NOTE 7 LONG TERM PROVISIONS

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Provision - others:		
Provision for warranty [Refer note 40]	7.01	11.07
Provision for rent straight-line	3.43	-
Total	10.44	11.07

NOTES forming part of the financial statements

₹ in Millions

NOTE 8 SHORT-TERM BORROWINGS

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Secured Working capital borrowings [refer note (i) and (ii) below]		
From banks - secured	440.82	122.93
Unsecured	100.00	600.00
Total	540.82	722.93

(i) Details of security for the secured short-term borrowings

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(i) Cash Credit Accounts [Refer note (a) below]	440.82	122.93
(ii) Short term Borrowings [Refer note (b) below]	100.00	600.00
Total	540.82	722.93

(a) The above working capital borrowings are secured by first pari-passu charge on inventory, spares, packing material, receivables and the entire other current assets of the company (both existing and future) and second pari-passu charge on entire gross block of fixed assets including capital work in progress of the company.

(b) The above short term borrowings is repayable with in 90 days along with interest.

NOTE 9 TRADE PAYABLES

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Trade payables:		
Acceptances	108.34	73.88
Other than Acceptances	1,229.94	841.38
Total	1,338.28	915.26

NOTE 10 OTHER CURRENT LIABILITIES

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Current maturities of long-term debt [Refer Note below a,b &c]	49.47	79.19
(b) Current maturities of finance lease obligations [Refer note (d) below and Refer note 37]	9.25	8.68
(c) Interest accrued but not due on borrowings	2.01	5.57
(d) Unpaid dividends	2.03	2.31
(e) Other payables		
(i) Statutory remittances	17.68	107.94



NOTES forming part of the financial statements

₹ in Millions

NOTE 10 OTHER CURRENT LIABILITIES (CONTD.)

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
(ii) Payables on purchase of fixed assets	11.65	11.32
(iii) Advance from customers	29.58	139.27
(iv) Leave salary payable [Refer note 34 (III)]	4.07	13.88
Total	125.74	368.16

Details of security provided for long term borrowings:

- (a) The loan is secured by first pari-passu charge on all existing and future fixed assets excluding the Land and existing Building (both movable and immovable) of the Borrower, to be shared with existing term lenders. Mortgage by way of first pari-passu charge on the immovable properties being building (funded out of term loan) to be situated at Hootagalli Industrial Area, Mysuru. Repayable in 6 quarterly installments along with interest.
- (b) The loan is secured by hypothecation of first pari-passu charge on all movable and immovable plant and machinery of the company both present and future. Repayable in 2 quarterly installments along with interest.
- (c) The loan is secured by hypothecation of first pari-passu charge on all movable and immovable assets of the wind mill project at Jadeshwar site in Rajkot District, Gujarat (excluding the land which is being leased by Govt. of Gujarat). The entire receivables of the project and escrow (with axis bank designated account) of the receivables from the sale of power generated. Repayable in equal quarterly installments starting from July 2013.
As at 31st March 2015 there is no outstanding amount payable to Axis Bank Limited. The said loan has been closed in the month of November 2014.
- (d) The unsecured finance lease is repayable in 8 quarterly installments along with interest.

NOTE 11 SHORT-TERM PROVISIONS

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
(a) Provision - others:		
Provision for taxation (Refer note (i) below)	-	15.51
Provision for warranty (Refer note 40)	10.02	12.29
Provision for proposed dividend	15.11	37.78
Provision for dividend distribution tax	3.02	6.42
Total	28.15	72.00

Note (i)

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
Provision for taxation	50.73	109.27
Less: Advance Income Tax	(50.73)	(93.76)
Net	-	15.51

NOTES forming part of the financial statements

₹ in Millions

NOTE 12 (A) FIXED ASSETS - TANGIBLE

Tangible Assets Particulars	Cost			Depreciation			Net Block				
	As at 1st Oct 2014	Additions during the Period	Deductions during the Period	As at 31st March 2015	Upto 1st Oct 2014	For the Period	On Deductions	Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Upto 31st March 2015	As at 31st March 2015	As at 30th Sep 2014
Land - Freehold	₹ 3.83	-	-	₹ 3.83	-	-	-	-	-	₹ 3.83	₹ 3.83
Land - Leasehold (Refer Note a)	76.83	-	-	76.83	-	-	-	-	-	76.83	76.83
Building	331.21	17.07	-	348.28	113.03	11.82	-	4.32	129.17	219.11	218.18
Plant & Machinery	3,462.90	249.11	0.53	3,711.48	2,170.61	141.64	0.46	0.34	2,312.13	1,399.35	1,292.28
Furniture & Fittings	34.11	2.37	-	36.48	17.64	2.95	-	0.19	20.78	15.70	20.08
Office equipments & Electricals	33.17	10.01	0.09	43.09	17.95	4.18	0.06	1.12	23.19	19.90	15.22
Computers & Data processing units (Refer Note b)											
Owned	23.01	1.38	-	24.39	19.40	1.27	-	0.41	21.08	3.31	3.61
Finance lease Vehicles	35.51	0.30	-	35.81	12.44	4.57	-	-	17.01	18.80	19.46
Own vehicle	5.04	1.95	1.34	5.65	3.83	0.38	1.28	-	2.93	2.72	1.21
Total	4,005.61	282.19	1.96	4,285.84	2,354.90	166.81	1.80	6.38	2,526.29	1,759.55	1,650.70

NOTE 12 (B) FIXED ASSETS - INTANGIBLE

Intangible Assets Particulars	Cost			Amortisation			Net Block				
	As at 1st Oct 2014	Additions during the Period	Deductions during the Period	As at 31st March 2015	Upto 1st Oct 2014	For the Period	On Deductions	Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Upto 31st March 2015	As at 31st March 2015	As at 30th Sep 2014
Others	₹ 54.04	2.00	-	56.04	41.63	6.40	-	-	48.03	8.01	12.41
Software	54.04	2.00	-	56.04	41.63	6.40	-	-	48.03	8.01	12.41
Total	54.04	2.00	-	56.04	41.63	6.40	-	-	48.03	8.01	12.41

Note: -

- Lease hold land includes 41.50 acres of land for 99 years irrevocable lease allotted by Government of Madhya Pradesh situated in Gram Salampur Tehsil Deopapur, Indore.
- The Company is having a finance lease for computer with IBM India Private Limited for a period of 5 years up to 31st March 2017.



NOTES forming part of the financial statements

₹ in Millions

NOTE 13 LONG-TERM LOANS AND ADVANCES

Particulars	As at	
	31st March, 2015	30th September, 2014
Unsecured, considered good	₹	₹
(a) Capital advances	19.29	46.71
(b) Security deposits	29.95	29.95
(c) Loans and advance to employees	5.09	5.61
(d) Supplier advances	10.67	6.50
(e) Balances with Government authorities	0.19	0.19
Total	65.19	88.96

NOTE 14 OTHER NON-CURRENT ASSETS

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Accruals		
Interest accrued on deposits	-	0.55
(b) Others		
Fixed deposit	0.07	5.23
Total	0.07	5.78

NOTE 15 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Raw materials and components	470.27	434.04
(b) Goods-in-transit - raw material	24.70	19.08
	494.97	453.12
(c) Work-in-progress (Refer note (i) below)	508.17	511.09
(d) Finished goods	67.00	95.53
(e) Stores and spares	88.24	82.84
	663.41	689.46
Total	1,158.38	1,142.58

NOTES forming part of the financial statements

₹ in Millions

Note (i): Details of inventory of work-in-progress

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Brakes	44.98	60.32
Casting	31.44	23.75
Drive Head	22.93	23.69
Forging	63.39	70.74
Gear & Pinion	141.25	142.97
Housing	100.55	91.75
Others	103.63	97.87
Total	508.17	511.09

NOTE 16 TRADE RECEIVABLES

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2.62	6.73
Doubtful	5.60	4.80
	8.22	11.53
Less: Provision for doubtful trade receivables	5.60	4.80
	2.62	6.73
Other trade receivables		
Unsecured, considered good	1,751.29	1,712.94
Doubtful	-	-
	1,751.29	1,712.94
Total	1,753.91	1,719.67

NOTE 17 CASH AND CASH EQUIVALENTS

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Cash on hand	0.03	0.01
(b) Cheques, drafts on hand	-	0.06
(c) Balances with banks		
In current accounts	33.65	4.75
(d) In earmarked accounts		
- Unpaid dividend accounts	2.03	2.31
Total	35.71	7.13
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	33.68	4.82



NOTES forming part of the financial statements

₹ in Millions

NOTE 18 SHORT-TERM LOANS AND ADVANCES

Unsecured considered good unless otherwise stated

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Loans and advance to employees	7.55	5.28
(b) Prepaid expenses	31.06	67.64
(c) Balances with Government authorities	75.61	126.68
(d) Advance income tax (Refer note (i) below)	9.08	14.38
(e) Others - Advance to suppliers and others		
Unsecured, considered good- Related party	7.10	7.10
Unsecured, considered good- Others	118.26	160.28
Total	248.66	381.36

Note (i)

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Advance income tax	173.85	406.47
Less: Provision for taxation	(164.77)	(392.09)
Net	9.08	14.38

NOTE 19 OTHER CURRENT ASSETS

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
(a) Unbilled revenue	0.59	0.54
(b) Interest accrued on deposits	0.03	0.70
(c) Other receivables		
Sale of electricity	1.29	1.91
Sale of asset	8.36	8.36
Total	10.27	11.51

NOTE 20 REVENUE FROM OPERATIONS

Sl. No.	Particulars	For the period ended	
		31st March, 2015	30th September, 2014
(a)	Sale of products(Refer Note (i) below)	5,081.79	7,510.65
(b)	Less : Excise duty	(493.04)	(750.95)
		4,588.75	6,759.70
(c)	Other operating revenues (Refer Note (ii) below)	22.65	9.57
Total		4,611.40	6,769.27

NOTES forming part of the financial statements

₹ in Millions

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(i)	Sale of products comprises :		
	Axle Housings	81.72	160.25
	Axles	3,596.28	4,819.64
	Break Assemblies	950.41	1,228.64
	Others	453.38	1,302.12
	Total	5,081.79	7,510.65

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(ii)	Other operating revenue comprises :		
	Export Incentive	19.63	-
	Income from wind power generation	3.02	9.57
	Total	22.65	9.57

NOTE 21 OTHER INCOME

Sl. No.	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
(a)	Interest income (Refer Note (i) below)	1.21	47.64
(b)	Other non-operating income (Refer Note (ii) below)	1.66	3.76
(c)	Provision no longer required written back (Refer note (iii) below)	2.76	5.10
	Total	5.63	56.50

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(i)	Interest income comprises :		
	a) Interest on short term deposit	0.11	1.27
	b) Other interest	1.10	46.37
	Total	1.21	47.64



NOTES forming part of the financial statements

₹ in Millions

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(ii)	Other non-operating income comprises:		
	a) Profit on sale of fixed assets	0.11	0.27
	b) Exchange gain	-	0.39
	c) Miscellaneous income	1.55	3.10
	Total	1.66	3.76

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(iii)	Provision / liabilities no longer required written back:		
	a) Warranty expenses provision (Refer Note 40)	2.76	-
	b) Liabilities no longer required written back	-	5.10
	Total	2.76	5.10

NOTE 22.a COST OF MATERIALS CONSUMED

Sl. No.	Particulars	For the period ended 31st March, 2015	For the period ended 30th September, 2014
		₹	₹
(a)	Opening stock	453.12	352.91
(b)	Add : Purchases	3,449.00	5,216.86
		3,902.12	5,569.77
(c)	Less : Closing stock	494.97	453.12
(d)	Less : Scrap sales and cash discount	162.76	280.35
	Total	3,244.39	4,836.30

Sl. No.	Particulars	For the period ended 31st March, 2015	For the period ended 30th September, 2014
		₹	₹
(i)	Raw materials consumed comprises:		
	Steel	627.06	946.86
	Castings	793.18	1,196.75
	Forgings	825.01	1,216.68
	Bought out finished (BOF)	854.76	1,255.11
	Others	144.38	220.90
	Total	3,244.39	4,836.30

NOTES

 forming part of the financial statements

₹ in Millions

NOTE 22.b CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the period ended	For the year ended
	31st March, 2015	30th September, 2014
	₹	₹
Inventories at the end of the year:		
(a) Finished goods	67.00	95.53
(b) Work-in-progress	508.17	511.09
	575.17	606.62
Inventories at the beginning of the year:		
(a) Finished goods	95.53	103.52
(b) Work-in-progress	511.09	346.64
	606.62	450.16
Net (increase) / decrease	31.45	(156.46)

NOTE 23 EMPLOYEE BENEFITS EXPENSE

Sl. No. Particulars	For the period ended	For the year ended
	31st March, 2015	30th September, 2014
	₹	₹
(a) Salaries and wages	311.83	519.55
(b) Contributions to provident and other funds [Refer Note 34 (I)]	28.67	45.50
(c) Staff welfare expenses	29.20	44.11
Total	369.70	609.16

NOTE 24 FINANCE COSTS

Sl. No. Particulars	For the period ended	For the year ended
	31st March, 2015	30th September, 2014
	₹	₹
(a) Interest on term loan	5.33	25.25
(b) Interest on working capital borrowings	32.54	42.78
(c) Interest on finance lease	1.07	2.47
(d) Interest on others	1.89	0.35
Total	40.83	70.85

NOTE 25 OTHER EXPENSES

Sl. No. Particulars	For the period ended	For the year ended
	31st March, 2015	30th September, 2014
	₹	₹
(a) Stores & spares consumed	120.68	188.00
(b) Power & fuel	90.05	175.85
(c) Increase / (decrease) in excise duty	(2.62)	0.91
(d) Travelling expenses	7.78	13.21
(e) Rent including lease rentals	8.00	1.17
(f) Repairs and maintenance - buildings	0.39	0.62
(g) Repairs and maintenance - plant & machinery	64.88	94.55
(h) Repairs and maintenance - others	8.75	20.09



NOTES forming part of the financial statements

₹ in Millions

NOTE 25 OTHER EXPENSES (CONTD.)

Sl. No.	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(i)	Rates & taxes	2.03	5.62
(j)	Insurance charges	4.03	6.60
(k)	Postage, telephone & telegram	2.14	2.61
(l)	Vehicle running expenses	0.32	0.90
(m)	Directors' sitting fees	0.24	0.58
(n)	Legal and professional charges	37.88	75.17
(o)	Auditors remuneration (Refer Note (i) below)	2.65	3.78
(p)	Technical fees	41.44	18.50
(q)	Bank charges / commission	0.53	1.21
(r)	Outside processing charges	173.38	257.00
(s)	Exchange loss	0.42	-
(t)	Product service	3.74	11.39
(u)	Warranty (net) (Refer note 40)	-	0.59
(v)	Freight charges	11.84	9.57
(w)	Loss on fixed assets sold/ scrapped/ written off	0.10	1.31
(x)	Provision for doubtful trade receivables (net)	0.80	2.65
(y)	Bad trade and other receivables, loans and advances written off	-	0.10
(z)	Miscellaneous expenses	13.18	20.53
	Total	592.63	912.51

Note	Particulars	For the period ended 31st March, 2015	For the year ended 30th September, 2014
		₹	₹
(i)	Payments to the auditors comprises (net of service tax input credit):		
a)	For statutory audit	1.50	2.60
b)	For other attest services	0.70	0.70
c)	Reimbursement of expenses	0.45	0.48
	Total	2.65	3.78

NOTE 26 COMMITMENTS

Sl. No.	Particulars	As at 31st March, 2015	As at 30th September, 2014
		₹	₹
	Commitments		
	Estimated amount of contracts remain to be executed and not provided for		
i)	Tangible asset	89.11	200.70
ii)	Intangible asset	-	-

NOTES forming part of the financial statements

₹ in Millions

NOTE 27 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

There are no Micro, Small and Medium Enterprises to whom the company owes dues which are outstanding for more than 45 days from the due date at the balance sheet date. The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 regarding Micro and Small enterprises determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

NOTE 28 FOREIGN EXCHANGE EXPOSURE :

There is no outstanding forward exchange contract as at 31st March 2015. Currency exposure as on 31st March 2015 that have not been hedged by a derivative instrument or otherwise are given below:

In Millions

Particulars	As at 31st March, 2015			As at 30th September, 2014		
	₹	Foreign Currency		₹	Foreign Currency	
Trade Payables	17.04	USD	0.27	11.18	USD	0.18
	20.81	EUR	0.30	13.13	EUR	0.17

NOTE 29. VALUE OF IMPORTS ON C.I.F. BASIS :

Particulars	For the period ended	
	31st March, 2015	30th September, 2014
	₹	₹
Raw Material	119.95	88.69
Consumable & Spares	18.18	5.54
Capital Goods	44.02	19.27
	182.15	113.50

NOTE 30. VALUE OF RAW MATERIALS, STORES & SPARES CONSUMED DURING THE PERIOD :

Particulars	For the period ended		For the period ended	
	31st March, 2015		30th September, 2014	
	Consumption %	(₹)	Consumption %	(₹)
a) Raw Material				
• Imports	3%	112.15	2%	80.59
• Indigenous	97%	3,132.24	98%	4,755.71
	100%	3,244.39	100%	4,836.30
b) Stores & Spares				
• Imports	2%	2.40	3%	4.82
• Indigenous	98%	118.28	97%	183.18
	100%	120.68	100%	188.00



NOTES forming part of the financial statements

₹ in Millions

NOTE 31. EXPENDITURE IN FOREIGN CURRENCY :

Particulars	For the period ended	For the period ended
	31st March, 2015	30th September, 2014
	₹	₹
Traveling expenses	0.13	1.18

NOTE 32. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS TO NON-RESIDENT SHAREHOLDERS :

Particulars	As at	As at
	31st March, 2015	30th September, 2014
No. of non-resident shareholders	1	1
No. of equity shares held	5,367,275	5,367,275
Amount of dividend paid (₹ in Millions)	13.42	10.73
Year to which dividend related - final dividend	2013-14	2012-13

NOTE 33. Pursuant to the notification of Schedule II to the Companies Act, 2013 the Company revised the estimated useful life of some of its assets with those specified in Schedule II and certain assets based on technical advise. Accordingly, the Company has depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st October, 2014, and has adjusted an amount of ₹ 4.24 Millions (net of deferred tax of ₹ 2.13 Millions) against the retained earnings in Reserves and Surplus and the depreciation expense in the Statement of Profit and Loss for the period is higher by ₹ 6.95 Millions.

NOTE 34. EMPLOYEE BENEFITS:**I Defined Contribution Plans:**

During the period, the Company has recognized the following amount in the Statement of Profit and Loss for the period ended 31st March 2015.

Particulars	For the period ended	For the year ended
	31st March, 2015	30th September, 2014
	₹	₹
Employers' Contribution to Provident Fund Including Family Pension Fund* (Excluding Administration Charges)	16.49	27.58
Superannuation Fund*	4.12	8.30
Employers' State Insurance	3.09	5.06

* Included in Contribution to Provident and Other Funds (Refer Note – 23)

NOTES forming part of the financial statements

₹ in Millions

II Defined Benefit Plan :

Contribution to Gratuity Fund:

In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation as on 31st March, 2014 was carried out in respect of the defined benefit plan of Gratuity based on the following assumptions.

Particulars	As at	
	31st March, 2015	30th September, 2014
	%	%
Discount Rate	9.20%	8.50%
Expected Return on Plan Assets	0.00%	8.50%
Salary Escalation Rate – Staff	7.50%	7.50%
Salary Escalation Rate – Workmen	5.00%	5.00%
Attrition Rate – Staff	7.50%	14.00%
Mortality table	India Assured lives (2006-08) Ultimate Mortality table	

Change in present value of obligation:

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Opening Present Value of Obligation	94.54	78.89
Current Service Cost	6.39	13.32
Interest on Defined Benefit Obligation	8.49	6.53
Benefits Paid	(3.51)	(4.12)
Net Actuarial Losses/(Gains) Recognized During the Year	(1.33)	(0.08)
Closing Present Value of Obligation	104.58	94.54

Change in fair value of assets:

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Opening Fair Value of Plan Asset	94.54	53.50
Expected Return on Plan Assets	7.62	5.86
Actuarial Gains/(Losses)	(2.12)	4.30
Contribution by Employer	4.00	35.00
Benefits Paid	(3.51)	(4.12)
Closing Fair Value of Plan Assets	100.53	94.54

Note: The details with respect to investment by the fund manager (Life Insurance Corporation of India) in to major category of plan assets have not been disclosed, in



NOTES forming part of the financial statements

₹ in Millions

absence of such information being made available.

Reconciliation of present value of defined benefit obligation and the fair value of plan assets :

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Closing Present Value of Funded Obligation	104.58	94.54
Closing Fair Value of Plan Assets	100.53	94.54
Unfunded Liability	(4.05)	-
Unrecognized Actuarial Gains/(Losses)	-	-
Unfunded Net Asset/(Liability) Recognized in Balance Sheet	(4.05)	-

Amount recognized in the balance sheet :

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
Closing Present Value of Obligation	104.58	94.54
Closing Fair Value of Plan Assets	100.53	94.54
Liability Recognised In The Balance Sheet		
(i) Other long term liabilities	4.05	-
(ii) Other current liabilities	-	-
	(4.05)	-

Expenses recognized in statement of profit and loss :

Particulars	Gratuity	
	For the period ended 31st March, 2015	As at 30th September, 2014
Service Cost	6.39	13.32
Interest Cost	8.49	6.53
Expected Return on Plan Asset	(7.62)	(5.86)
Actuarial Gains/(Losses)	0.79	(4.37)
Net Cost	8.05	9.62

NOTES forming part of the financial statements

₹ in Millions

Experience adjustments

Particulars	As at	As at	As at	As at	As at
	31st	30th	30th	30th	30th
	March,	September,	September,	September,	September,
	2015	2014	2013	2012	2011
Present Value of Defined Benefit Obligations	104.58	94.54	78.89	69.90	61.07
Fair Value of Plan Assets	100.53	94.54	53.50	52.71	50.32
Funded Status [Surplus/ (Deficit)]	(4.05)	-	(25.39)	(17.19)	(10.75)
Experience Adjustment on Plan Liabilities	(1.33)	(0.08)	(0.10)	(0.24)	(2.65)
Experience Adjustment on Plan Assets	(2.12)	4.30	0.15	1.43	(4.15)

Expected payment / contribution within next one year ₹ 10.50 Million

The estimated rate escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

III Other long term benefits - funded: Leave Salary

Particulars	As at	As at
	31st March, 2015	30th September, 2014
	₹	₹
Discount Rate	9.20%	8.50%
Expected Return on Plan Assets	9.20%	8.00%
Salary Escalation Rate – Staff	9.20%	7.50%
Salary Escalation Rate – Workmen	7.50%	5.00%
Attrition – Staff	7.50%	14.00%
Mortality table	India Assured lives (2006-08) Ultimate Mortality table	

Particulars	Leave salary	
	As at	As at
	31st March, 2015	30th September, 2014
Leave salary		
Other current liabilities	4.07	13.88
Total	4.07	13.88

Note: The details with respect to investment by the fund manager (Life Insurance Corporation of India) in to major category of plan assets have not been disclosed, in absence of such information being made available.



NOTES forming part of the financial statements

₹ in Millions

NOTE 35 SEGMENT REPORTING

The company is predominately engaged in the business of manufacturing and sale of automotive components, which constitutes a single business segment. The company has no export sales or limited export sales, as such there are no reportable geographic segments. Hence the segment information as per Accounting Standard -17 "Segment reporting" is not disclosed.

NOTE 36 RELATED PARTY TRANSACTIONS :

a. List of Related Parties and Relationships

Relationship	Name of Related Parties
(i) Entity having substantial Influence	Meritor Heavy Vehicle System LLC., USA Meritor Inc., Troy BF Investments Ltd- Pune
(ii) Other Related Parties with whom the Company had transactions : -	
Enterprises under Common Control / Enterprises over which Key Management Personnel have significant influence	Meritor Brazil Meritor HVS, Sweden Meritor H.V.S Cameri Spa - Italy Meritor H.V.S -Nc Fletcher Meritor Automotive Inc Fletcher, USA Meritor Automotive Inc., Ohio, USA Meritor LLC Florance Meritor Xuzhou Axle Co Ltd, China Meritor HVS (India) Limited Fonderie Venissieux, France Meritor HVBS CWMBRAN Meritor Heavy Vehicle System LLC., Maxtown Meritor York Sistemas Automotrices Meritor HVS (S) PTE Limited, Singapore Bharat Forge Limited
Key Management Personnel	Dr. N. Muthukumar President & Whole time Director Mr. S. Ramkumar Chief Financial officer & Company Secretary

b. Transactions with Related Parties

Sl No.	Name of Related Parties	Entity having substantial Influence	Enterprises Under Common Control	Key Management Personnel	Total
Transactions during the period					
1)	Purchase of Goods				
	Bharat Forge Limited		92.91 (180.33)		92.91 (180.33)
	Meritor Heavy Vehicle System LLC., USA	10.37 (7.90)			10.37 (7.90)
	Meritor, Brazil		- (0.13)		- (0.13)
	Meritor HVS, Sweden		45.43 (15.83)		45.43 (15.83)
	Meritor H.V.S Cameri Spa - Italy		8.05		8.05

NOTES forming part of the financial statements

₹ in Millions

b. Transactions with Related Parties

Sl No.	Name of Related Parties	Entity having substantial Influence	Enterprises Under Common Control	Key Management Personnel	Total
			(4.79)		(4.79)
	Meritor York		-		-
			(0.19)		(0.19)
	Meritor Automotive Inc, Fletcher, USA		0.57		0.57
			(6.52)		(6.52)
	Meritor LLC Florence		2.76		2.76
			(2.34)		(2.34)
	Meritor Automotive Inc., Ohio, USA		0.32		0.32
			(0.30)		(0.30)
	Meritor Heavy Vehicle System LLC - Maxtown		2.79		2.79
			(0.54)		(0.54)
	Meritor HVBS CWMBRAN		-		-
			(0.72)		(0.72)
	Meritor HVS (India) Limited.		1.58		1.58
			(1.06)		(1.06)
	Meritor Xuzhou Axle Co Ltd, China		0.07		0.07
			-		-
	Fonderie Venissieux, France		59.91		59.91
			(29.93)		(29.93)
	Sistemas Automotrices		0.06		0.06
			-		-
2)	Sale of Goods				
	Meritor HVS (India) Limited.		3,540.63		3,540.63
			(6,025.21)		(6,025.21)
	Meritor HVS (S) PTE Limited, Singapore		0.01		0.01
			-		-
3)	Services Received				
	Bharat Forge Limited		50.78		50.78
			(86.98)		(86.98)
	Meritor HVS (India) Limited		38.24		38.24
			(17.48)		(17.48)
4)	Trade Advance Received				
	Meritor HVS (India) Limited		-		-
			(121.45)		(121.45)
5)	Other Recoveries				
	Meritor HVS (India) Limited		-		-
			(8.15)		(8.15)
6)	Trade Advances Paid				
	Bharat Forge Limited		-		-
			(7.10)		(7.10)
7)	Purchase of Fixed Assets				
	Bharat Forge Limited		-		-
			(8.57)		(8.57)
8)	Managerial Remuneration and Sitting Fee				



NOTES forming part of the financial statements

₹ in Millions

b. Transactions with Related Parties

Sl No.	Name of Related Parties	Entity having substantial Influence	Enterprises Under Common Control	Key Management Personnel	Total
	Dr. N. Muthukumar			5.22 (7.54)	5.22 (7.54)
	Mr. S. Ramkumar			4.33 (7.43)	4.33 (7.43)
Amount Outstanding at the Balance Sheet Date					
9)	Debit balance				
	Meritor HVS (India) Limited		1,461.76 (1,544.86)		1,461.76 (1,544.86)
10)	Credit balance				
	Meritor HVS (India) Limited		24.71 (132.79)		24.71 (132.79)
	Bharat Forge Limited		23.74 (11.64)		23.74 (11.64)
	Meritor HVS LLC USA	- (0.79)			- (0.79)
	Meritor Automotive Inc, Fletcher, USA		3.48 (5.46)		3.48 (5.46)
	Meritor H.V.S Cameri Spa - Italy		5.16 (2.09)		5.16 (2.09)
	Meritor HVS, Sweden		12.96 (0.02)		12.96 (0.02)
	Meritor LLC Florance		0.07 (0.76)		0.07 (0.76)
	Meritor Automotive Inc., Ohio, USA		0.04 -		0.04 -
	Meritor Xuzhou Axle Co Ltd, China		0.07 -		0.07 -
	Fonderie Venissieux, France		31.59 -		31.59 -
	Sistemas Automotrices		0.11 -		0.11 -
	Meritor Inc., Maxton, USA		- (0.29)		- (0.29)
11)	Dividend Paid				
	BF Investments Ltd	13.42 (10.74)			13.42 (10.74)
	Meritor Heavy Vehicle System LLC., USA	13.42 (10.73)			13.42 (10.73)

1. Related Party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.
2. The above amounts exclude reimbursement of expenses.
3. No amount is/has been written off or written back during the year in respect of debts due from or to related party except as disclosed above.
4. Figures in brackets relate to the previous year.

NOTES forming part of the financial statements

₹ in Millions

NOTE 37. FINANCE LEASE

The Company has taken certain vehicles and office equipments under finance lease on non- cancelable basis. The minimum lease payments under agreement is given below:

Particulars	For the period ended	
	31st March, 2015	30th September, 2014
Amount repayable not later than one year	9.25	8.68
Amount repayable later than one year and not later than five years	10.27	14.81
Amount repayable more than five years	-	-
Total	19.52	23.49
Less: Interest payable	2.38	2.71
Present value of minimum lease payments	17.14	20.78

NOTE 38. EARNINGS PER SHARE

SI No	Particulars	For the period ended	
		31st March, 2015	30th September, 2014
1.	Profit after tax attributable to ordinary shareholders	105.42	181.79
2.	Weighted average number of shares outstanding during the year	15,111,975	15,111,975
3.	Nominal value of ordinary shares	10.00	10.00
4.	Basic and diluted earnings per ordinary share	6.98	12.03

NOTE 39. INCOME TAX

a) Deferred Tax

The net deferred tax liability comprises the tax impact arising from timing differences on account of :

SI No	Particulars	As at	
		31st March, 2015	30th September, 2014
	Depreciation & Amortisation	339.42	356.69
	Provision for Employee Benefits & Others	(16.65)	(29.04)
	Total Timing Difference	322.77	327.65
	Net Deferred Tax Liability Relating to the Above	111.72	111.35

b) Transfer Pricing

The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is of the view that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



NOTES forming part of the financial statements

₹ in Millions

NOTE 40. DETAILS OF PROVISIONS UNDER AS - 29 (PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS)

Particulars	As at	
	31st March, 2015	30th September, 2014
Nature of expenses	Warranty	Warranty
Probable outflow estimated within	Two Year	Two Year
Liability as at beginning of the period	23.36	33.33
Amount provided during the period	14.14	11.90
Amount utilized during the period	(3.57)	(10.56)
Amount reversed during the period	(16.90)	(11.31)
Liability as on end of the period (Refer note (i) below)	17.03	23.36

Note (i)

Particulars	As at	
	31st March, 2015	30th September, 2014
	₹	₹
With in one Year	10.02	12.29
Above one Year	7.01	11.07

NOTE 41. CONTINGENT LIABILITY

Particulars	As at	
	31st March, 2015	30th September, 2014
Contingent liabilities		
a) Excise matters under appeal The Company has won the case at Commissioner of Central excise (appeals) however the department has appealed against this order with Customs, Excise and Service tax Appellate Tribunal.	1.80	1.80
b) Stamp Duty and Registration Fees The Company has been allotted a 99 years irrevocable lease pertaining to 41.50 Acres of Industrial Land at Salampur, Depalpur District, Indore, Madhya Pradesh (MP). The District Registrar of Stamps, MP vide Order dated 17th October, 2012 has demanded Stamp duty of ₹ 11.45 Million and Registration Fees of 75% of Stamp duty of ₹ 8.59 Million, aggregating to ₹ 20.04 Million. The same was Appealed before Collector of Stamps and the order was pronounced in favour of District Registrar of Stamps, MP. Against this order, Company went for further appeal and the matter is pending for hearing.	20.04	-

NOTES forming part of the financial statements

NOTE 42. Current period figures represent operations for 6 months i.e. October 1, 2014 to March 31, 2015, while the previous year figures represents operations for 12 months starting 1st October, 2013 to September 30, 2014 and hence are not comparable. Schedule III of the Companies Act, 2013 has become effective from 1st October, 2014 for the preparation of financial statement. Previous year's figures have been regrouped or reclassified wherever necessary to correspond to the current period's grouping/ classification and disclosure.

Signatures to notes 1 to 42

On behalf of the Board of Directors

In terms of our report attached.

For **Deloitte Haskins & Sells**

Chartered Accountants

S. GANESH

Partner

For and on behalf of the Board of Directors

Dr. B. N. KALYANI

Chairman

Dr. N. MUTHUKUMAR

President & Whole time Director

S. RAMKUMAR

Chief Financial Officer & Company
Secretary

Place : Pune

Date : 13th May 2015

Place : Pune

Date : 13th May 2015



NOTICE OF 34th ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting (AGM) of the Members of Automotive Axles Limited, will be held at the Registered Office of the Company at Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018, Karnataka, India on Wednesday, 5th August 2015 at 12.30 p.m. (IST) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the period ended 31st March, 2015 and Balance Sheet as at 31st March, 2015 together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares for the year ended 31st March 2015.
3. To appoint Director in place of Dr. N. Muthukumar (DIN – 06708535) who retires by rotation and being eligible offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors, Deloitte Haskins & Sells, Bangalore (Firm Registration No: 008072S) as approved by Members at the 33rd AGM as Statutory Auditors of the Company to hold office until the conclusion of 36th AGM and to fix their remuneration.

SPECIAL BUSINESS :

5. Appointment of Ms. Sudhasri A as an Independent Director of the Company :

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

“RESOLVED THAT pursuant to the Section 161(1) of the Companies Act, 2013 Ms. Sudhasri A (DIN: 07143791) who was appointed as the Additional Director of the Company by the Board of Directors on 31st March 2015 and holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director, pursuant to Section 149 & 152 and the other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges.

RESOLVED FURTHER THAT Ms.Sudhasri A (DIN: 07143791), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company.

By Order of the Board of Directors
For Automotive Axles Limited

S. Ramkumar

Chief Financial Officer &
Company Secretary

Place: Pune
Date: 13th May 2015

Registered Office : Hootagalli Industrial Area
Off Hunsur Road Mysuru 570 018

CIN : L51909KA1981PLC004198
Phone No. : 0821-7197500
Email : sec@autoaxle.com
Web : www.autoaxle.com

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item No. 5 of the Notice is annexed.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and proxy need not be a member of the company.**
3. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions /authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case, a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
4. Corporate Members are requested to send a board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
5. The register of Members and Share Transfer Books will remain closed from 3rd August 2015 to 5th August, 2015 (both days inclusive) for determining the names of the members eligible for dividend on equity shares, if declared at the meeting.
6. Dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be paid to those members, whose name appear either on the Company's Register of Members or on the List of Beneficial owners in the records of Depositories as on the date of the Annual General Meeting.
7. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants along with the Email IDs or changes in Email IDs and those holding shares in physical form are requested to intimate to the Registrar & Share Transfer Agents of the Company.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants and Members holding shares in physical form can submit their PAN details to our Registrar & Share Transfer Agent.
9. Equity Shares of the Company are under compulsory demat trading by all investors. Those Members who have not dematerialised their shareholding are advised to dematerialise their shareholding to avoid any inconvenience in future.
10. Those Members who have so far not encashed their Dividend Warrants for the below mentioned Financial Years, may claim or approach the Company's Registrar & Share Transfer Agents for the payment thereof, as the same will be transferred to the Investor Education and protection Fund of the Central Government, pursuant to section 205C of the Companies Act, 1956, on the Respective due date(s) mentioned there against. Kindly note that after such date, the members will not be entitled to claim such dividend

Year	Particulars	Date of Declaration	Due date of Transfer
2007-08	65% Dividend	21-Jan-2009	20-Feb-2016
2008-09	27% Dividend	15-Jan-2010	14-Feb-2017
2009-10	85% Dividend	21-Jan-2011	20-Feb-2018
2010-11	100% Dividend	17-Jan-2012	16-Feb-2019
2011-12	100% Dividend	06-Feb-2013	07-Mar-2020
2012-13	20% Dividend	10-Feb-2014	11-Mar-2021
2013-14	25% Dividend	05-Feb-2015	06-Mar-2022



11. The Members are requested to present the duly filled Attendance slips before the commencement of the Meeting.
12. Members are requested to bring their copy of the Annual Report to the Meeting
13. Shareholders may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.
14. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 34th AGM by electronic means and the business that may be transacted through e-Voting Services. The facility of casting the votes by members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') shall be provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholder voting electronically are as under:

 - i. The voting period begins on 2nd August 2015 (9.00 AM) and ends on 4th August 2015 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th July 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com
 - iii. Click on Shareholders.
 - iv. Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii. If you are a first time user, for members holding shares in Demat Form & Physical Form, follow the steps given below:
 - a. PAN – enter 10 digit alpha-numeric PAN issued by Income Tax Department
 - b. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
 - c. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
 - d. DOB - Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
 - e. Dividend Bank Details - Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for **AUTOMOTIVE AXLES LIMITED**
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xviii. **Note for Non-Individual Shareholders and Custodians :**
- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. 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 email to helpdesk.evoting@cdslindia.com.
- xx. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th July 2015.



- xxi. Any person who acquires the shares and becomes a member of the Company after the despatch of the notice of the AGM and holds shares as on the cut-off date, may obtain the login id and password by sending request to helpdesk.evoting@cdslindia.com.
- xxii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility
- xxiii. Ms. Pracheta M, Practicing Company Secretary (Membership No. ACS 22452 & CP No.9838) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xxiv. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxv. Members who do not have access to e-voting facility, may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Pracheta M, Practicing Company Secretary (Membership No. ACS 22452 & CP No.9838) at the Registered Office of the Company not later than August 4th, 2015 (6:00 p.m.). Ballot Form received after this date will be treated as invalid.
- xxvi. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- xxvii. The facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not already casted their votes by remote e-voting or ballot shall be able to exercise their right at the meeting.
- xxviii. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- xxix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.autoaxle.com and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- xxx. All the documents referred to in the Notice, Explanatory Statement or Annexure to the notice shall be available for inspection at the registered office of the Company between 10.30 a.m. to 12.30 p.m. on all working days till the date of the Annual General meeting.

ANNEXURE TO NOTICE

The following Explanatory Statements sets out material facts relating to the item No. 5 mentioned in the Notice, as required under Section 102 the Companies Act, 2013

Item No.5

Pursuant to the provisions of Sections 149 and 152 and other applicable provisions read with the Schedule IV of the Companies Act, 2013 the requirement of having a Woman Director and optimum combination of Independent Directors, Ms. Sudhasri A., (DIN:07143791) has been appointed as non-retiring Independent Director and the item is being placed before the members for their approval. The Company has received a notice from a member proposing her candidature as required under section 152 of the Companies Act, 2013.

The Company has received a declaration from Ms. Sudhasri A in writing that she meets the criteria of independence as provided under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, she fulfills

the condition specified in the Act and the rules framed thereunder for appointment as Independent Directors and she is independent of the management. The Board also considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of her as Independent Director on the Board of the Company and not liable to retire by rotation. The draft letters of appointment setting out the terms and conditions of appointment of independent directors shall be open for inspection by the members at the registered office of the Company during the office hours.

The Board recommends the resolution set out in Item No. 5 of the notice for the approval by the members of the Company.

Brief Profile along with other details of said Director is provided in the end of the Annexure.

Except Ms. Sudhasri A, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5.

Profile of the Directors as required under clause 49 of the Listing Agreement with the stock exchanges with respect to the Director seeking appointment/re-appointment on the board of the company is as under:

Dr. N. Muthukumar (50) has done Ph.D in Business Administration from Annamalai University, MBA from Thiagarajar School of Management and is Masters in App Sciences from Guindy Engg College, Anna University, Chennai. He has completed his Bachelor's Degree in Chemistry from Sacred Heart College, Tirupattur.

He commenced his career with TVS Srichakra Tyres as Management Trainee in 1987 and became Head of Manufacturing Systems in the same organisation by 1994. In 1998 he headed the Business Process Re-engineering in TVS group and post successful completion became Head Operations for Sundaram Industries Limited. In 2002, he moved to TTK-LIG Limited and was heading Indian Operations as well as Global Continuous Improvement Leader for SSL International INC. In 2008, he joined Automotive Axles and now heading the Organisation.

Ms. Sudhasri A (43) is a Member of Institute of Chartered Accountant and a qualified Company Secretary and currently pursuing her profession as a Practicing Chartered Accountant. She has 10 years of rich experience in the field of Taxation, Accountancy, finalization of accounts & audit. She renders consultancy services to various business organisations.

The Director does not hold any share in the company and also does not hold Directorship in any other company.

By Order of the Board of Directors
For Automotive Axles Limited

S. Ramkumar
Chief Financial Officer &
Company Secretary

Place: Pune
Date: 13th May 2015

Registered Office : Hootagalli Industrial Area
Off Hunsur Road Mysuru 570 018



Automotive Axles Limited

CIN: L51909KA1981PLC004198

Registered Office:

Hootagalli Industrial Area, Off Hunsur Road, Mysore – 570 018

Ph : 0821 – 7197500 Website : www.autoaxle.com Email : sec@autoaxle.com

BALLOT FORM

(In lieu of E-voting) Sr. No. :

- 1 Name :
- 2 Registered Address of the sole/first named Shareholder :
- 3 Name (s) of the Joint Shareholder (s) if any :
- 4 Registered Folio/DPID & Client ID No. :
- 5 No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 34th Annual General Meeting of the Company dated August 4th, 2015 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (x) mark at the appropriate box below.

Item No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Financial Statements for the year ended March 31st, 2015 and the reports of the Board of Directors and Auditors thereon.			
2	Declaration of Final Dividend on equity shares for the year ended March 31st, 2015			
3	Re-appointment of Dr. N. Muthukumar as a Director who retires by rotation.			
4	Ratification of appointment of M/s. Deloitte Haskins & Sells as Auditors of the Company			
5	Appointment of Ms. Sudhasri A. as an Independent Director of the Company			

Place :

Date:

Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6:00 p.m. on August 4th, 2015 shall only be considered.

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Ms. Pracheta. M., Practicing Company Secretary, c/o. Automotive Axles Limited, Hootagalli Industrial Area, Off Hunsur Road, Mysore – 570 018 or to her email id cscapracheta@gmail.com, so as to reach by 6:00 p.m. on July 30, 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/ DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization / Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.



Automotive Axles Limited

CIN: L51909KA1981PLC004198

Registered Office:

Hootagalli Industrial Area, Off Hunsur Road, Mysore – 570 018

Ph : 0821 – 7197500 Website : www.autoaxle.com Email : sec@autoaxle.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered address :

E-mail Id :

Folio No. :

*Client Id :

*DP ID :

I/We, being the member (s) of shares of Automotive Axles Limited, hereby appoint:

1 Name :

Address :

E-mail Id :

Signature, or failing him

1 Name :

Address :

E-mail Id :

Signature, or failing him

1 Name :

Address :

E-mail Id :

Signature

Item No.	Resolution	Vote *(Optional See Note 4)		
		For	Against	Abstain
1	Adoption of Financial Statements for the year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon.			
2	Declaration of Final Dividend on equity shares for the year ended March 31, 2015			
3	Re-appointment of Dr.N.Muthukumar as a Director who retires by rotation.			
4	Ratification of appointment of M/s.Deloitte Haskins & Sells as Auditors of the Company			
5	Appointment of Ms.Sudhasri A. as an Independent Director of the Company			

Signed this..... day of..... 2015

Signature of Member

Signature of Proxy holder(s)

Please affix Revenue Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- *It is optional to indicate your preference. If you leave the 'For', 'Against' or Abstain column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.



Automotive Axles Limited

CIN: L51909KA1981PLC004198

Registered Office:

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Ph : 0821 – 7197500 Website : www.autoaxle.com Email : sec@autoaxle.com

ATTENDANCE SLIP

NAME OF THE MEMBER/PROXY*

DPID / CLIENT ID**

FOLIO NO.

No. of Shares held

I hereby record my presence at the 34th Annual General Meeting held at the Registered Office of the Company at Hootagalli Industrial Area, Off Hunsur Road, Mysore – 570 018 on Wednesday, August 5, 2015 at 12.30 p.m. (I.S.T.)

SIGNATURE OF THE MEMBER/PROXY*

* Strike out whichever is not applicable.

** Applicable for Members holding shares in Dematerialised form.

Note: Please handover this slip at the entrance of the Meeting Venue.

E-VOTING*

Users who wish to opt for e-voting may use the following login credentials.

EVSN (E Voting Sequence No.)

User ID

PAN

PASSWORD

Refer the instructions
the notice for
password

*Please follow steps for e-voting procedure as given in the Notice of AGM



Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking-statements, whether as a result of new information, future events or otherwise.



Automotive Axles Limited
www.autoaxle.com

If undelivered please return to

Automotive Axles Limited
Hootagalli Industrial Area
Mysuru – 570 018
Karnataka