

AUTOMOTIVE AXLES LIMITED

4th November, 2019

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 505010

National Stock Exchange Limited
Exchange Plaza, Plot No. C/1, G- Block
Bandra (E)
Mumbai - 400 051
Scrip Code: AUTOAXLES

Attn: Listing Department

Dear Sir/Madam,

Sub: Statement of Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2019 - Regulation 33 SEBI (LODR) Regulations, 2015

Please find enclosed herewith a Statement of Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2019 duly taken on record by the Board of Directors at their meeting held today (Monday, 4th November 2019) at Bharat Forge Limited, Mundhwa, Pune.

The 'Limited Review Report' issued by M/s S R Batliboi & Associates LLP, Statutory Auditors of the Company in respect of the said 'Results' is also enclosed.

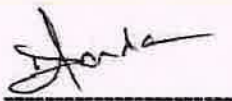
The Board Meeting started at 3.00 P.M and concluded at 5.15 P.M.

This is for your information and record.

Thanking you,

Yours Truly,

For Automotive Axles Limited



**Debadas Panda
Company Secretary**

Regd. Office & Mysuru Unit :

Hootagalli Industrial Area, Off Hunsur Road, Mysuru - 570 018, Karnataka. India

Telephone : 91 - 821 - 719 7500, Fax : 91 - 821 - 240 2451

Email : info@autoaxle.com, Website : www.autoaxle.com

CIN : L51909KA1981PLC004198



KALYANI

ISO 9001 : 2015 / IATF 16949 : 2016, EMS ISO 14001 : 2015 & BS OHSAS 18001 : 2007



MERITOR®

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Automotive Axles Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Automotive Axles Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar

Partner

Membership No.: 213803

UDIN: 19213803AAAAEF5455



Place: Pune

Date: November 4, 2019

AUTOMOTIVE AXLES LIMITED

(TS 16949 Company)

Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018

CIN : L51909KA1981PLC004198

Statement of unaudited Financial Results for the quarter and six months ended September 30, 2019

(Amount in Rupees Millions, except per share data)

	Particulars	For the three months ended			For the six months ended		For the year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from operations	2,000.47	4,184.48	4,983.76	6,184.95	9,721.70	19,390.42
II	Other income	20.91	13.63	8.67	34.54	17.74	29.60
III	Total income (I + II)	2,021.38	4,198.11	4,992.43	6,219.49	9,739.44	19,420.02
IV	Expenses						
a)	Cost of materials consumed	1,116.84	3,204.94	3,504.28	4,321.78	6,920.59	13,796.11
b)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	236.89	(337.68)	(100.06)	(100.79)	(225.25)	(347.53)
c)	Employee benefits expense	226.13	303.83	312.02	529.96	628.06	1,235.14
d)	Finance costs	3.29	3.24	2.00	6.53	3.82	5.49
e)	Depreciation and amortisation expense	91.40	93.65	122.52	185.05	247.36	461.86
f)	Other expenses	251.42	525.45	679.04	776.87	1,250.53	2,415.84
	Total Expenses	1,925.97	3,793.43	4,519.80	5,719.40	8,825.11	17,566.91
V	Profit before Exceptional Items and Tax (III - IV)	95.41	404.68	472.63	500.09	914.33	1,853.11
VI	Exceptional Items - Income / (Loss) (Refer note 5)	-	(20.24)	-	(20.24)	-	-
VII	Profit before tax (V - VI)	95.41	384.44	472.63	479.85	914.33	1,853.11
VIII	Tax expense: (Refer note 6)						
a)	Current tax	3.07	152.47	183.00	155.54	367.50	711.40
b)	Deferred tax	29.93	(14.20)	(30.87)	15.73	(63.66)	(73.79)
	Tax expense, net	33.00	138.27	152.13	171.27	303.84	637.61
IX	Profit for the period / year (VII - VIII)	62.41	246.17	320.50	308.58	610.49	1,215.50
X	Other comprehensive income						
a)	Items that will not be reclassified to profit or loss						
i)	Remeasurements gains/(loss) of the defined benefit plan	(0.72)	(3.35)	(13.82)	(4.07)	(24.43)	(43.82)
ii)	Tax on Remeasurements of the defined benefit plan	0.18	1.17	4.83	1.35	8.54	15.31
	Total other comprehensive income	(0.54)	(2.18)	(8.99)	(2.72)	(15.89)	(28.51)
XI	Total comprehensive income for the period /year, net of tax (IX + X)	61.87	243.99	311.51	305.86	594.60	1,186.99
XI	Paid up share capital (face value of Rs. 10/- each)	151.12	151.12	151.12	151.12	151.12	151.12
XII	Earnings per equity share (EPS) (Nominal value of share Rs. 10)						
	Basic / Diluted	4.13	16.29	21.21	20.42	40.40	80.43



AUTOMOTIVE AXLES LIMITED

(TS 16949 Company)

Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018

CIN : L51909KA1981PLC004198

Statement of Assets and Liabilities

(Amounts in Rupees Millions)

	Particulars	As at	
		30.09.2019	31.03.2019
		(Unaudited)	(Audited)
A	ASSETS		
I	Non-current assets		
	Property, plant and equipment	1,014.28	1,084.59
	Right of use assets	250.01	-
	Capital work in progress	1,580.56	1,154.96
	Intangible assets	8.65	3.86
	Financial assets		
	Loans	38.37	20.24
	Other financial assets	39.28	38.77
	Other non-current assets	79.54	445.52
	Deferred tax assets (net)	137.23	147.98
		3,147.92	2,895.92
II	Current assets		
	Inventories	1,906.72	1,843.70
	Financial assets		
	Loans	62.46	63.71
	Trade receivables	1,632.48	3,463.28
	Cash and cash equivalents	773.98	397.41
	Other bank balances	2.46	2.47
	Other financial assets	57.20	244.12
	Other current assets	408.49	422.11
		4,843.79	6,436.80
	Total assets (I+II)	7,991.71	9,332.72
B	EQUITY AND LIABILITIES		
III	Equity		
	Equity share capital	151.12	151.12
	Other equity	5,177.21	5,233.28
	Total equity	5,328.33	5,384.40
	Liabilities		
IV	Non-current liabilities		
	Financial liabilities		
	Borrowings	608.33	659.03
	Lease liabilities	115.94	-
	Other non-current liabilities	-	6.78
	Provisions	94.92	70.01
		819.19	735.82
V	Current liabilities		
	Financial liabilities		
	Borrowings		
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises; and	17.07	119.18
	(B) total outstanding dues of creditors other than micro enterprises and small	1,100.20	2,460.35
	Lease liabilities	15.17	-
	Other financial liabilities	291.48	182.01
	Other current liabilities	185.96	243.49
	Provisions	163.00	169.78
	Current tax liabilities (net)	71.31	37.69
		1,844.19	3,212.50
VI	Total liabilities (IV+V)	2,663.38	3,948.32
	Total equity and liabilities (III+VI)	7,991.71	9,332.72



Statement of cash flows

(Amounts in Rupees Millions)

	Particulars	For the six months ended	
		30.09.2019 (Unaudited)	30.09.2018 (Unaudited & Unreviewed)
I	Operating activities		
	Profit before tax	479.85	914.33
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	183.72	246.50
	Amortisation of intangible assets	1.33	0.86
	(Gain)/ loss on disposal of property, plant and equipment, net	(6.84)	(1.75)
	Exceptional items (Refer note 5)	20.24	-
	Provision for Warranty	26.05	98.94
	Finance costs (Including fair value changes in financial instruments)	6.43	3.82
	Finance income (Including fair value changes in financial instruments)	(23.37)	(13.95)
		687.42	1,248.75
	Working capital adjustments :		
	(Increase)/ decrease in trade receivables	1,830.80	(75.24)
	(Increase)/ decrease in loans	(16.89)	(48.42)
	(Increase)/ decrease in other financial assets	186.41	(149.54)
	(Increase)/ decrease in other assets	87.37	(107.82)
	(Increase)/ decrease in inventories	(63.02)	(298.57)
	Increase/ (decrease) in trade payables	(1,462.25)	114.09
	Increase/ (decrease) in other liabilities	(57.53)	(35.94)
	Increase/ (decrease) in other financial liabilities	65.62	3.71
	Increase/ (decrease) in provisions	(11.99)	(16.20)
		1,245.94	634.82
	Income tax paid	(121.93)	(285.76)
	Net cash flows from operating activities	1,124.01	349.06
II	Investing activities		
	Purchase of property, plant and equipment and right-of-use asset	(381.85)	(541.46)
	Proceeds from sale of property, plant and equipment	11.86	2.55
	Interest received	23.37	13.95
	Net cash flows used in investing activities	(346.62)	(524.96)
III	Financing activities		
	Proceeds from borrowings	-	80.00
	Interest paid	(37.60)	(3.82)
	Payment of lease liabilities	(7.97)	-
	Dividend paid to equity holders	(294.68)	(204.00)
	Dividend distribution tax	(60.57)	(41.94)
	Net cash flows used in financing activities	(400.82)	(169.76)
IV	Net increase/(decrease) in cash and cash equivalents (I + II + III)	376.57	(345.66)
	Cash and cash equivalents at the beginning of the year	397.41	442.19
V	Cash and cash equivalents at the end of the year	773.98	96.53
	Components of cash and cash equivalents as at the end of the year		
	Cash on hand	0.07	0.10
	Balances with banks		
	- in current accounts	468.91	96.43
	- in deposit accounts with original maturity of less than three months	305.00	-
	Total cash and cash equivalents	773.98	96.53

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities:-

As at April 01, 2019

Proceeds from borrowings

Repayment of borrowings

As at September 30, 2019

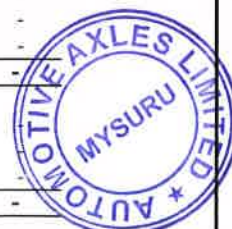
As at April 01, 2018

Proceeds from borrowings

Repayment of borrowings

As at September 30, 2018

Liabilities arising from financing activities	
Long term borrowings	Short term borrowings
730.00	-
-	-
-	-
730.00	-
-	-
80.00	-
-	-
80.00	-



AUTOMOTIVE AXLES LIMITED**(TS 16949 Company)****Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018****CIN : L51909KA1981PLC004198****Notes:**

- 1 The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meetings held on November 4, 2019.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with the relevant rules issued thereunder and in terms of Regulations 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- 3 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 113.12 million, and a lease liability of INR 130.30 million. The cumulative effect of applying the standard resulted in INR 6.76 million being debited to retained earnings, net of taxes. In the statement of profit and loss for the current period, operating lease expenses have changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

4 Segment information:

In line with the provisions of Ind AS 108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as a manufacturer of Automotive Components, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of segment information has been made.

- 5 Pursuant to an agreement between the Company and the Government of Madhya Pradesh ('Government'), on September 2012, the Company had taken a land on lease at Pithampur, Madhya Pradesh, for setting up a manufacturing unit and paid an upfront premium of INR 97 million (including a stamp duty of INR 20.24 million). The Company has applied to the Government for surrender of the land due to non-utilisation of the land. In accordance with the Agreement, a surrender charge of 50% of upfront premium paid is applicable on surrender of the land.

On July 25, 2019, the Company has entered into another agreement with the Government for acquisition of another land for 99 years for a consideration of INR 124.86 million. As per the communication from the Government, the Company has remitted INR 88.81 million and the balance amount payable of INR 36.05 million has been adjusted against the amount recoverable on surrender of the existing leasehold land. With respect to the balance amount of INR 37.95 million recoverable, in respect of the earlier land, from the government, the management basis its ongoing discussion with the government is confident of receiving the refund. Further, during the quarter ended June 30, 2019, the Company has provided for the initial registration and stamp duty charges, paid towards acquisition of the land amounting to INR 20.24 million.

- 6 The Company has exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, the Company has provided for income taxes for the quarter and six months ended September 30, 2019 and re-measured the accumulated balance of deferred tax assets as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax assets has resulted in a one-time additional deferred tax charge of INR 42.06 million in the unaudited financial results for the quarter and six months period ended September 30, 2019.

Place : Pune**Date : November 4, 2019****For and on behalf of the Board of Directors****Kumaradevan Srinivasan****Senior Vice President & Wholetime Director****DIN:08107660****KALYANI****MERITOR**