



TVS SRICHAKRA

REF:TSL:SEC:15/

27.8.2015

Bombay Stock Exchange Ltd.,
P J Towers
Dalal Street
Fort
Mumbai 400 001

National Stock Exchange of India Ltd.,
5th Floor
Exchange Plaza
Bandra (E)
Mumbai - 400 051

Dear Sirs,

Sub : Compliance of Clause 31 of the Listing Agreement – Filing of Annual Report 2014-15

FORM A

1.	Name of the Company	TVS Srichakra Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	N.A.
4.	Frequency of observation	N.A.
5.	To be signed by	
	• Managing Director	<i>Shobana Ramachandran</i>
	• Chief Financial Officer	<i>G. Mahadhar</i>
	• Auditor of the Company	<i>K. S. Lakshminarayana</i>
	• Audit Committee Chairman	<i>M. S. Kiran</i>

agm15/stock exc ltrs/1

TVS SRICHAKRA LIMITED

10, Jawahar Road, Post Box No. 81,
Madurai - 625 002. India

Phone : +91 - 452 - 2532116

Fax : +91 - 452 - 2531591

website : www.tvstyres.com

CIN : L25111TN1982PLC009414

Regd. Office : TVS Building, 7-B West Veli St., Madurai - 625 001.



TVS SRICHAKRA LIMITED

(CIN : L25111TN1982PLC009414)

Regd. Office : TVS Building, 7-B West Veli Street, Madurai 625 001

Website :www.tvstyres.com

Phone : 452 2443300 Fax : 452 2443466

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Company will be held at Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002, on Wednesday, the 23rd September, 2015 at 10.30 A.M. to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Mr. V Ramakrishnan (holding DIN 00002931) liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
4. To appoint M/s Sundaram & Srinivasan, (Firm Registration No. 004207S) Chartered Accountants, Madurai, the retiring Auditors, to hold office as Statutory Auditors of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, having Firm Registration No. 004207S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year, 2015, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

SPECIAL BUSINESS

5. 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 provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to Clause 49 of the Listing Agreement, Mr. A Arumugam (holding DIN 00899041), who has been appointed as Non Executive Independent Director of the Company for a term of five consecutive years, upto 2.12.2019, by the Board of Directors, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, for a term upto 2.12.2019, not liable to retire by rotation.

NOTICE (Contd.)

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule V to the Companies Act, 2013, the Company hereby accord its approval and consent for the appointment of Ms Shobhana Ramachandhran (holding DIN 00273837) as Managing Director of the Company, for a term of five (5) years with effect from 25.8.2015 and for the payment of remuneration, as may be decided by the Board of Directors, subject to a maximum of 5% of net profits of the Company, calculated as per the applicable provisions of the Act.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Ms Shobhana Ramachandhran, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites to the maximum as set out in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government, from time to time as minimum remuneration.

PERQUISITES AND ALLOWANCES

The value and details of which are set out in the explanatory statement to the notice convening this Annual General Meeting.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Ms Shobhana Ramachandhran, Managing Director, including the components / monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors other than the Managing Director or Whole-Time Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from 1st April, 2013

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to determine the manner and proportion in which the amount be distributed among Non-Executive Directors, including giving weightage to Audit Committee Members.

RESOLVED FURTHER THAT the total commission payable to Non-Executive Directors including Independent Directors shall not exceed Rs.10 lakhs per annum and Rs.15 lakhs per annum for Non Audit Committee Members and Audit Committee Members, respectively.

NOTICE (Contd.)

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

RESOLVED THAT the remuneration of Rupees Seventy five thousand (Rs.75,000/-), in addition to reimbursement of travel and out-of-pocket expenses, payable to Dr. I Ashok, Practising Cost Accountant, holding Membership No. 11929 allotted by The Institute of Cost Accountants of India, who was appointed as Cost Auditor of the Company for the financial year 2015-16 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, be and is hereby ratified

By Order of the Board

SHOBHANA RAMACHANDHRAN
Managing Director

Place : Madurai
Date : 23.5.2015

NOTES

1. **A Member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member.**

The proxy form duly stamped and executed, should be deposited at the Registered Office of the company at least forty-eight hours before the time fixed for the commencement of the meeting. 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.

Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.

2. The Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from 12th September, 2015 to 23rd September, 2015 (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend
4. In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year ended 31st March, 2008 is due for transfer to the said Fund in November, 2015.
5. Members who have neither received nor encashed their dividend warrant(s) for the financial year 2007-08 upto 2013-14, are requested to write to the Share Transfer Agent of the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s).
6. Members holding shares in physical form are requested to promptly notify in writing any change in their address / bank account details to the Share Transfer Agent of the Company at M/s Integrated Enterprises (India) Limited, Kences Towers, II Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017. Members holding in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Share Transfer Agent of the Company any change in address or demise of any members as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

NOTICE (Contd.)

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 with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment – re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
10. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Share Transfer Agent / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the 32nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Share Transfer Agent of the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 32nd Annual General Meeting of the Company, *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.tvstyres.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Madurai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : Secinvestorgrievances@tvstyres.com

13. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, read with Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for e-voting are as under

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Share Transfer Agent / Depository Participant(s)]
 - (i) Open email and open PDF file viz., "TVS Srichakra e-Voting.pdf" with your Client ID or Folio No. password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.

NOTICE (Contd.)

- (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password / PIN noted in step(i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click one-voting. Active Voting Cycles.
- (vii) Select “EVEN” of TVS Srichakra Limited
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority letter etc together with attested specimen signature of the duly authorized signatory(s) who are authorized to vote, to the Scrutinizer through e-mail to baloogetha@gmail.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy)
 - (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM
102599 (E voting Event Number) USER ID PASSWORD / PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free No. 1800 222 990
- V. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VI. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- VII. The e-voting period commences on 20.9.2015 (9.00 AM) and ends on 22.9.2015 (5.00PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialisation form, as on the cut-off date (record date) 16.9.2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VIII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 16.9.2015.

NOTICE (Contd.)

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off-date, that is 16.9.2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or corpserv@integratedindia.in

However, if you are already registered with NSDL, for e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free No. 1800 222 990

IX. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off-date only shall be entitled to avail the facility of e-voting as well as voting at the AGM through ballot paper.

X. The Board of Directors has appointed Sri N Balachandran, Practicing Company Secretary, Chennai, as the scrutinizer, for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of the e-voting will be announced by the Company on its website, www.tvstyres.com; and on the website of NSDL, on or before 26th September, 2015 before 5.30 PM. The results shall also be forwarded to the Stock Exchanges, in which the Company's shares are listed.

XI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 AM to 5.00 PM) on all working days except Saturdays, Sundays upto and including the date of the Annual General Meeting of the Company

NOTICE (Contd.)

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Item No. 3

Mr V Ramakrishnan

Mr V Ramakrishnan, appointed as Non-Executive Non-Independent Director of the Company, on 24.5.2014

Mr V Ramakrishnan aged 58 years, is a Master of Technology (M.Tech) in Mechanical Engineering, Post Graduate Diploma in Business Management (PGDBM) in Finance, Diploma in Public Speaking and extended training in Sweden and Germany.

Special capabilities

Lead strategic thought processes; articulate and guide thought process into action

Direct and lead the delivery of product and / or service by synthesizing business processes to meet the changing needs of the market

Seamlessly integrate market needs, organizational capability and the supply chain to utilize resources.

Build and sustain relationships with customers, suppliers, employees and other stakeholders

Mr V Ramakrishnan held senior management and middle positions in business unit and profit center management, strategic planning / diversification, business development, project implementation, marketing, manufacturing and engineering.

As a CEO with regional and world wide responsibilities established a six sigma manufacturing operation.

Mr V Ramakrishnan is the Managing Director of Organisation Development Pte Ltd., Singapore.

He teaches public policy for over a decade at the prestigious Lee Kuan School of Public Policy, Singapore, covering areas like governance, strategy risk management, cost management, project management and value for money performance and audits.

He has contributed four books, published internationally, on governance, board performance management, family business coaching and dashboard driven enterprise performance management.

He has been a board member of an Indian listed Company [Pricol(India)] between 2004 and 2013.

He does not hold any share in the Company and is not related to any director of the Company.

Except Mr V Ramakrishnan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution set out in Item No.4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange(s).

NOTICE (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

Item No. 5

Mr A Arumugam, was appointed as Non Executive Independent Director of the Company on 3.12.2014.

Mr A Arumugam aged 43 years, is a Bangalore-based independent investor and venture advisor.

He studied Engineering and Science at BITS, Pilani [M.Sc., BE (Chemistry), EEE] and earned his MBA from IIM, Ahmedabad. He is a Chevening Gurukul Scholar from LSE and a Fellow of the Australia India Institute at the University of Melbourne.

Till 2012, he was MD at JRE Partners, an Asian PE partnership between Rothschild, Jardine Matheson and Exor, that he set up and led out of Singapore and India. Prior to JRE, he was with Standard Chartered PE (and its JV with Temasek) and AIG's PE business in Asia. He began his career in 1995 with an ICICI-JP Morgan JV, as an investment banker in Mumbai.

He currently serves on the Board of the Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIM, Ahmedabad

He is an independent member on the Investment Committees of Infuse Ventures, India's first early-stage cleantech fund, and Ascent Capital, an India-focussed late-stage PE fund. His interests include value investing in listed equities, start-up mentoring and early-stage investing.

He does not hold any share in the Company and is not related to any director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr A Arumugam, is proposed to be appointed as an Independent Director of the Company, for five (5) consecutive years with effect from 3.12.2014. A notice has been received from a member proposing Mr A Arumugam as a candidature for the office of the Independent Director of the Company along with a deposit of Rs.1 Lakh.

In the opinion of the Board, Mr A Arumugam fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr A Arumugam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr A Arumugam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr A Arumugam as an Independent Director, for the approval by the Shareholders of the Company.

Except Mr A Arumugam, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution set out in Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange(s).

Item No. 6

Ms Shobhana Ramachandhran, aged 55 years is a Post Graduate in English Literature.

Ms Shobhana Ramachandhran has been with our Company from 1986 onwards and under her guidance and leadership, your Company has achieved phenomenal growth in the past 29 years. She has a rich experience in the tyre and rubber industry and holds Directorship in various companies, such as M/s Sundaram Industries Pvt Limited; M/s TVS Novotema Elastomeric Engineered Products Pvt. Limited; M/s Firestone TVS Pvt. Limited; M/s India Motor Parts & Accessories Limited; M/s TVS Srichakra Investments Limited; M/s TVS Europe Distribution

NOTICE (Contd.)

Limited, UK; M/s Pusam Rubber Products Limited; M/s Uthiram Rubber Products Limited; M/s Sundaram Finance Limited and M/s TVS Logistics Services Limited.

She also serves as member & office bearer of many charitable trusts & institutions focusing on education, welfare, health, etc.

She holds 2,74,051 equity shares in the Company and is related to Mr. R Naresh, Executive Vice Chairman of the Company.

She is also a Member of the Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Company.

The terms of appointment have been recommended by the Nomination and Remuneration Committee in the meeting held on 22.5.2015.

Your Board of Directors at their meeting held on 23.5.2015, re-appointed Ms Shobhana Ramachandhran as the Managing Director of the Company, for a period of five years, effective 25.8.2015, and for the payment of remuneration as may be decided by the Board of Directors, subject to a maximum of 5% of net profits of the Company, to be approved by the shareholders at the ensuing Annual General Meeting of the Company.

In addition to the above terms and conditions, she shall be entitled to the following

- A) Perquisites and allowances: In addition to the salary, she shall be entitled to the following perquisites and allowances.

Medical reimbursement: Medical Expenses incurred for the Managing Director and her family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

Provision of chauffeur driven car for use on Company's business

Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities to be used for the business of the Company.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated actual cost.

- B) Other Benefits

a) Contribution to Provident Fund, Superannuation Fund and annuity fund in accordance with the rules specified by the Company. Gratuity payable shall not exceed half a month's salary for each completed year of service.

ii) Encashment of leave at the end of the tenure.

iii) Personal Accident Insurance for an amount, the annual premium of which does not exceed Rs.10,000/-.

The above benefits will not be included in the computation of the ceiling on perquisites.

The Board of Directors be and is hereby authorized to alter or vary the scope of remuneration including the monetary value thereof, to the extent recommended by the Board of Directors, from time to time as may be considered appropriate and payable to the Managing Director within the overall limits specified by this resolution subject to the condition that in the event of there being no or inadequate profits, the remuneration shall be subject to the ceiling set out in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government, from time to time as minimum remuneration.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the Board recommends the Special Resolution set out at item no. 6 of the accompanying Notice for the approval of the

NOTICE (Contd.)

Members. The appointment of Ms Shobhana Ramachandhran is appropriate and in the best interest of the Company.

Except Ms Shobhana Ramachandhran, being an appointee, and Mr R Naresh, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution set out in Item No.6.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

At the Annual General Meeting held on 18th September, 2008, payment of Commission to non Whole-Time Directors has been approved for a period of five years with effect from 1st April, 2008 and upto 31st March, 2013.

Subsequently, at the Annual General Meeting held on 25th September, 2013, the Shareholders approved the payment of Commission to Non-Whole Time Directors for a period of five years from 1st April 2013 to 31st March 2018. It has subsequently been noted that in the notice convening the Annual General Meeting, the resolution was proposed as ordinary resolution and not as a special resolution as required under the Companies Act, 1956. At the meeting, the requisite majority of shareholders approved the said payment of commission. However, the Company has deemed it fit to propose the same resolution once again under the Companies Act, 2013 and obtain shareholders' approval by way of a Special Resolution with respect to payment of commission to Non Whole Time Directors on and from the 1st day of April 2013, for a period of five years, resolution passed unanimously by the Shareholders.

Your Company therefore proposes this Special Resolution for the approval / ratification of the Members.

All the Directors are interested in the resolution, except Mr R Naresh, Executive Vice Chairman, Miss Shobhana Ramachandhran, Managing Director or their relatives and other Key Managerial Personnel either financially or otherwise, in the resolution set out in Item No.7.

Item No. 8

The Board, on the recommendation of the Audit Committee at its meeting held on 22nd May, 2015, appointed Dr. I Ashok, Practising Cost Accountant, holding Membership No. 11929, allotted by The Institute of Cost Accountants of India, as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013, and fixed a sum of Rupees Seventy five thousand as remuneration payable to him, for the financial year 2015-16, subject to ratification by the shareholders of the Company.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payable to the Cost Auditor, as recommended by the Audit committee and approved by the Board, is required to be ratified by the Shareholders of the Company, at the ensuing Annual General Meeting of the Company.

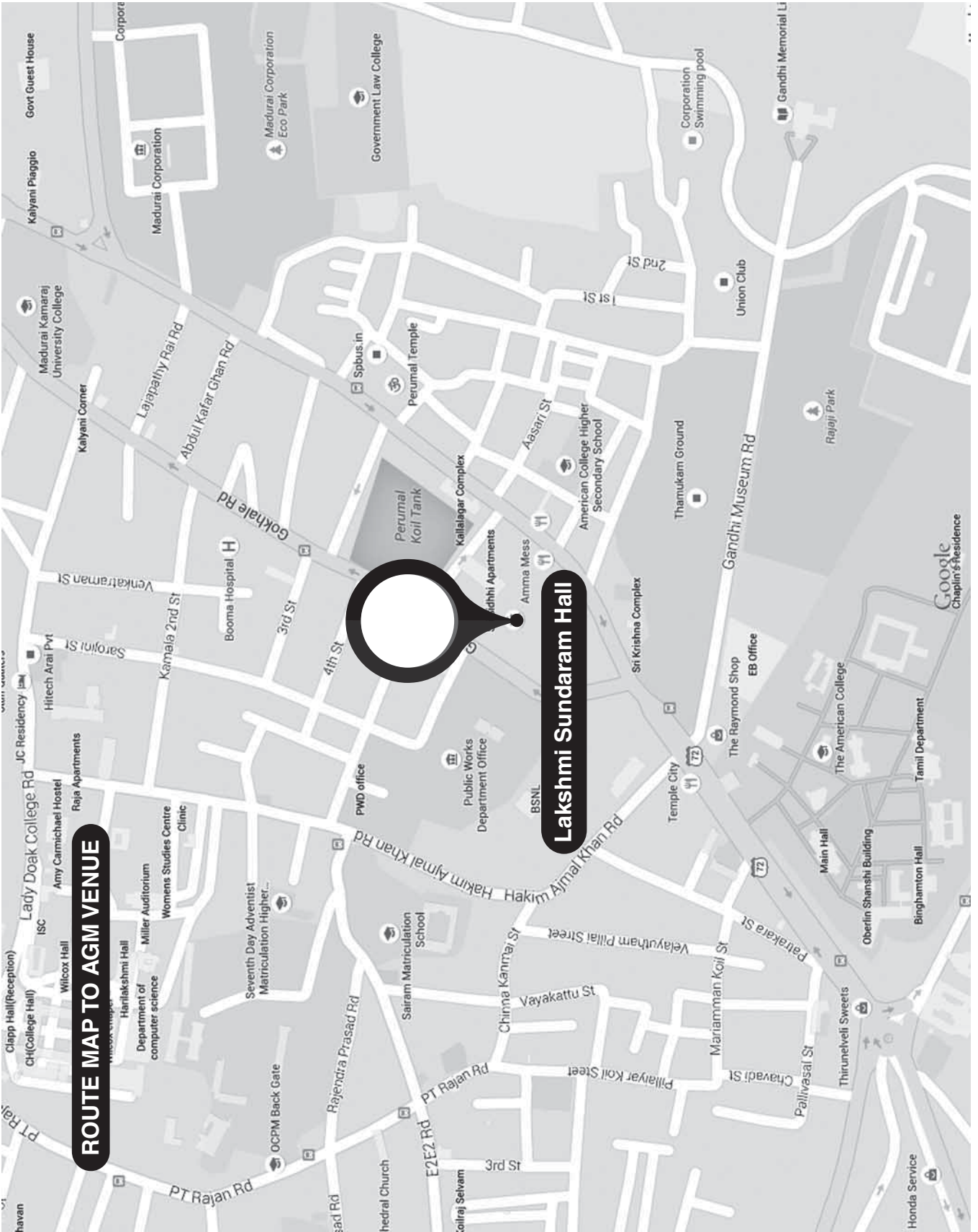
None of the Directors or Key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item No.8.

Accordingly, the Board recommends the ordinary resolution, as set out in item No.8, for ratification of the remuneration payable to the Cost Auditor by the Shareholders of the Company.

By Order of the Board

SHOBHANA RAMACHANDHRAN
Managing Director

Place : Madurai
Date :23.5.2015



ROUTE MAP TO AGM VENUE

Lakshmi Sundaram Hall



SOARING TO NEW HEIGHTS

ANNUAL REPORT | 2014-2015



CORPORATE INFORMATION

Board of Directors

S. NARAYANAN (Till 17.12.2014)
Chairman

R. NARESH
Executive Vice Chairman

SHOBHANA RAMACHANDHRAN
Managing Director

M.S. VIRARAGHAVAN

P.VIJAYARAGHAVAN

H. JANARDANA IYER

V. RAMAKRISHNAN

RASESH R DOSHI

A.ARUMUGAM (From 3.12.2014)

Audit Committee

M.S.VIRARAGHAVAN
Chairman

P.VIJAYARAGHAVAN

H. JANARDANA IYER

RASESH R DOSHI

Stakeholders Relationship Committee

SHOBHANA RAMACHANDHRAN
Chairman

P.VIJAYARAGHAVAN

V. RAMAKRISHNAN

Corporate Social Responsibility Committee

SHOBHANA RAMACHANDHRAN
Chairman

P.VIJAYARAGHAVAN

RASESH R DOSHI

Nomination and Remuneration Committee

M.S. VIRARAGHAVAN
Chairman

P.VIJAYARAGHAVAN

H. JANARDANA IYER

Registered Office
TVS Building,
7-B West Veli Street,
Madurai 625 001
Tamil Nadu.

Administrative Office
No. 10 Jawahar Road,
Madurai 625 002
Tamil Nadu.

Tel : 0452 2443300
Fax : 0452 2443466
Email : Secretarial@tvstyres.com
Secinvestorgrievances@tvstyres.com
Website : www.tvstyres.com

Subsidiary Companies
TVS Srichakra Investments Limited
TVS Europe Distribution Limited (UK)

Listing of Shares with
Bombay Stock Exchange Limited
National Stock Exchange Limited

Plant Location

Madurai
Vellaripatti Village, Melur Taluk,
Madurai – 625 122
Tamil Nadu.

Narasingampatti Village
Therkutheru, Melur Taluk,
Madurai – 625 122.
Tamil Nadu

Uttarakhand

Plot No.7, Sector - I, IIE, SIDCUL
Pant Nagar 263 153 Rudrapur
Tehsil – Kichha, Uttarkhand

Auditors
SUNDARAM & SRINIVASAN
Chartered Accountants,
New No.250, P.T. Rajan Road,
Madurai – 625 014,
Tamil Nadu.

Bankers
STATE BANK OF INDIA
DBS BANK LIMITED
KARUR VYSYA BANK LIMITED

Registrar and Share Transfer Agent

Integrated Enterprises (India) Limited,
"Kences Towers", II Floor,
No. I, Ramakrishna Street,
T. Nagar,
Chennai 600 017
Tamil Nadu
Tel : 044 2814801
e-mail : corpserv@integratedindia.in

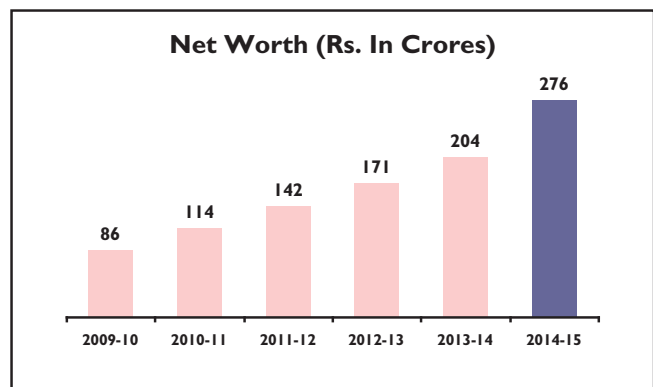
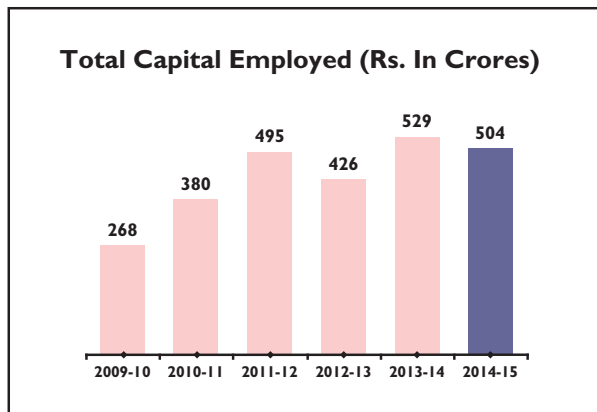
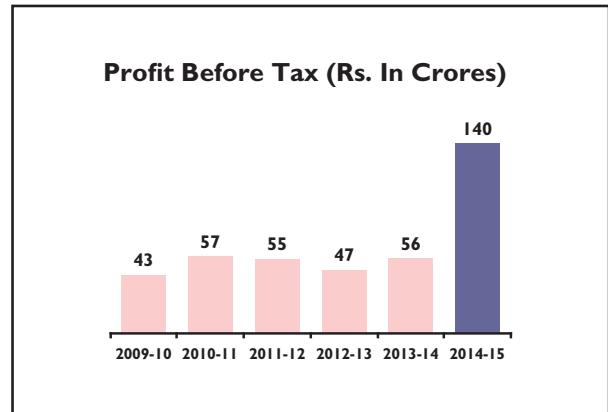
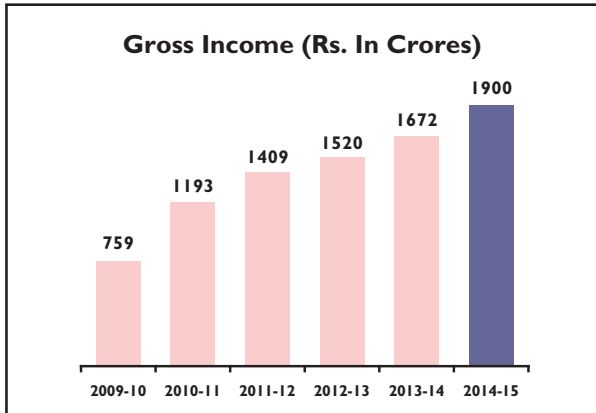


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FINANCIAL HIGHLIGHTS



SIX YEAR PERFORMANCE AT A GLANCE

Rs. In lakhs

PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
A. OPERATING RESULTS						
GROSS INCOME	75916	119318	140930	151989	167238	189971
PROFIT BEFORE DEPN. INT. & TAX	7077	10264	12689	12867	12115	20934
PROFIT BEFORE INT. & TAX	5899	8682	10610	10445	9748	16946
PROFIT BEFORE TAX (PBT)	4337	5717	5475	4727	5592	13957
PROFIT AFTER TAX (PAT)	2982	3917	3975	3568	4745	10379
DIVIDENDS	766	957	1034	574	1225	2588
DIVIDEND TAX	130	159	168	98	208	527
RETAINED PROFITS	2086	2801	2773	2896	3312	7264
B. FINANCIAL STATUS						
GROSS FIXED ASSETS	19232	24991	29312	30257	37001	44644
NET FIXED ASSETS	11538	16495	19873	21643	24977	28550
INVESTMENTS	261	261	1982	1928	1926	3201
NET CURRENT ASSETS	14977	21206	27629	19059	26000	18679
SHARE CAPITAL	766	766	766	766	766	766
RESERVES AND SURPLUS	7817	10618	13392	16288	19599	26863
NET WORTH	8583	11384	14158	17054	20365	27629
LOAN FUNDS	17446	25581	34029	23298	30352	20537
DEFERRED TAX LIABILITY (NET)	747	997	1297	2278	2186	2264
TOTAL CAPITAL EMPLOYED	26776	37962	49484	42630	52903	50430
C. KEY RATIOS						
PBDIT TO NET SALES (%) *	9.29	8.36	8.62	5.75	7.38	10.93
PBIT TO NET SALES (%) *	7.61	6.90	7.14	4.11	5.95	8.81
PBT TO NET SALES (%) *	5.38	4.17	3.48	0.24	3.29	7.22
PBIT TO AV. CAPITAL EMPLOYED (%)*	21.43	23.13	22.93	13.17	20.68	32.08
RETURN ON AVERAGE NET WORTH (%)	39.55	39.23	31.13	22.86	25.36	43.25
EARNINGS PER SHARE (Rs.)	38.94	51.15	51.92	46.59	61.97	135.55
DIVIDEND PER SHARE (Rs.) #	11.70	14.57	15.70	8.77	18.72	40.68
DIVIDEND PAY OUT (%) #	30.04	28.49	30.22	18.83	30.21	30.01
BOOK VALUE PER SHARE (Rs.)	112.09	148.67	184.90	222.72	265.96	360.83
DEBT EQUITY RATIO (NO.OF TIMES)	2.03	2.25	2.40	1.37	1.49	0.74

* Excluding other income

Including dividend tax

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 32nd annual report and the audited accounts for the year ended 31st March, 2015

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Details	Year ended 31.3.2015	Year ended 31.3.2014
Sales & Other Income	1899.71	1672.38
Profit before finance cost and depreciation	209.34	121.15
Less : Finance Cost	29.89	41.56
Depreciation	39.88	23.67
Profit after finance cost and depreciation	139.57	55.92
Less : Provision for		
Income tax	35.00	9.39
Deferred tax	0.78	(0.91)
Profit after tax	103.79	47.45
Surplus brought forward from Previous Year	164.04	135.72
Appropriations :		
Dividend payable	25.88	12.25
Dividend Tax payable	5.27	2.08
Transfer to General Reserve	-	4.80
Balance carried to Balance Sheet	236.68	164.04

OPERATIONS

TVS Srichakra Ltd witnessed a revenue growth of 13% during FY 2015, despite challenging economic environment and auto sector slow-down.

On a standalone basis, your Company achieved total net sales and Other Income of Rs.1899.71 crore as against Rs.1672.38 crore during the previous financial year. EBITDA was at Rs.209.34 crore as compared to Rs. 121.15 crore during the previous financial year. The net profit for the year under review was Rs.103.79 crore as against Rs.47.45 crore in the previous fiscal, a growth of almost 118%.

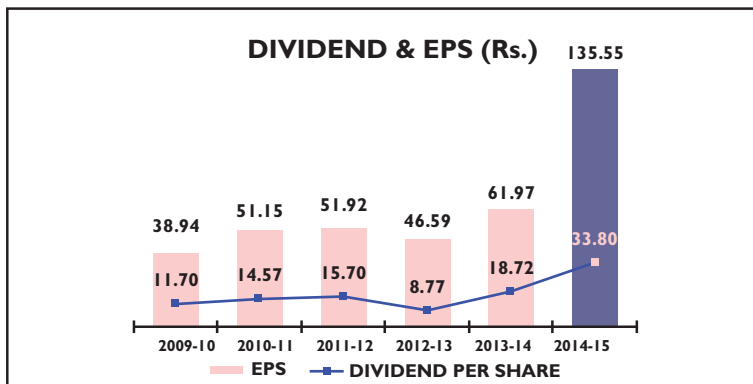
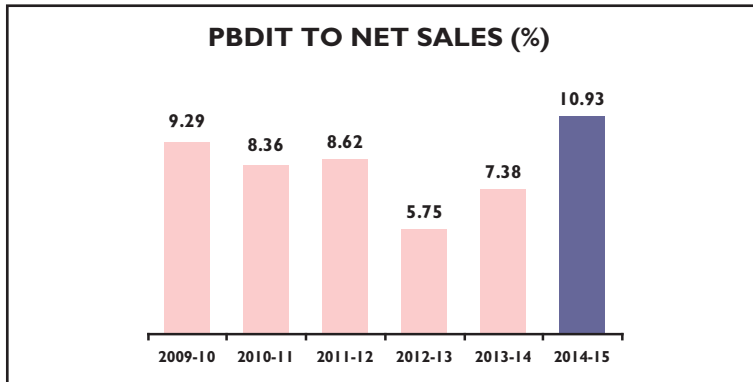
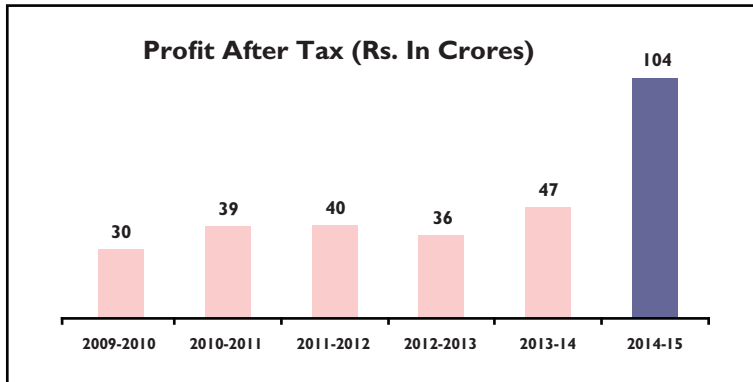
During the year, the Company recovered material price increase by price hike of its products, therefore was able to maintain its margin. Further, weak rupee helped in higher export realization.

HIGHLIGHTS OF CONSOLIDATED ACCOUNTS

Consolidated income for the year ended 31st March, 2015 increased by 12% to Rs.2180.51 crore as compared to Rs.1939.30 crore for the previous year ended 31st March, 2014.

Consolidated net sales for the year ended 31st March, 2015 were Rs.2176.43 crore as against Rs.1937.51 crore for the year ended 31st March, 2014, representing a growth of 12%.

Consolidated profit before tax was Rs.137 crores for the year ended 31st March, 2015 as against Rs.77 crores for the year ended 31st March, 2014.





DIRECTORS' REPORT (Contd.)

Consolidated profit after tax was Rs.99.63 crores for the year ended 31st March, 2015 as against Rs.56.58 crores for the year ended 31st March, 2014.

DIVIDEND

The Directors are pleased to recommend a dividend of Rs.33.80 per equity share of Rs.10/- each (338%) for the financial year ended 31st March, 2015 for the approval of the shareholders, at the ensuing Annual General Meeting (AGM). The total outgo for the current year amounts to Rs.31.15 crores including dividend distribution tax of Rs. 5.27 crores as against Rs. 14.33 crores including dividend distribution tax of Rs. 2.08 crores in the previous year.

SHARE CAPITAL

The paid up equity capital as on 31st March, 2015 was Rs.7,65,70,500/-. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

FINANCE

Cash and cash equivalent as at March 31, 2015 was at Rs.9.42 crores. The Company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

FIXED DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2015.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by the Company is given in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

As per the provisions of the Companies Act, 2013 (the Act) and The Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken CSR activities in the areas of education, agriculture, health and sanitation. These projects are largely in accordance with Schedule VII of the Act and the details are contained in the "Annual Report on CSR Activities" given in Annexure I.

INTERNAL CONTROL SYSTEMS

The Company has engaged the services of the Internal Auditor and continued to implement their suggestions and recommendations made by the internal auditor to improve the control environment and corrective actions thereon are presented to the Audit Committee of the Board.





DIRECTORS' REPORT (Contd.)

BUSINESS RISK MANAGEMENT

Key Business Risks are identified by the Company and reviewed by the Senior Management on a regular basis. In addition, the Board of Directors review the key risks identified and the mitigation plan initiated by the Company on a quarterly basis. The list of key risks is also revisited and modified as per the changing scenario.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement.

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and are also posted on the Company's website (www.tvstyres.com).

SUBSIDIARY COMPANIES

The following companies continue as subsidiaries of the Company and their audited accounts have been consolidated with those of the Company as on 31st March, 2015.

- a) TVS Srichakra Investments Limited
- b) TVS Europe Distribution Limited and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by clause 32 of the Listing Agreement with the Stock Exchanges, the Consolidated Financial Statements of the Company have been prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report.

The statement containing the salient features of the financial statement of Company's subsidiary(s) as referred to sub-section 3 of Section 129 of the Companies Act, 2013 in Form AOC I is given in Annexure 2.

DIRECTORS

Directors liable to retire by rotation

Mr V Ramakrishnan, Director, will be retiring at this Annual General Meeting and, being eligible, offers himself for re-appointment.

The brief resume of the aforesaid Director and other information have been detailed in the notice convening the Annual General Meeting of the Company. An appropriate resolution for his re-appointment is being placed for approval of the shareholders at the ensuing Annual General Meeting. Your Directors recommend his re-appointment as Director of the Company.

Appointment of Managing Director

Ms. Shobhana Ramachandhran was re-appointed as Managing Director of the Company, effective 25.8.2015, by the Board of Directors at their meeting held on 23.5.2015, on such terms and conditions, for a period of five years, as recommended by the Nomination and Remuneration Committee, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Appointment of new Independent Director

Mr A Arumugam was appointed as Additional Independent Director subject to approval of the shareholders.

Mr A Arumugam does not suffer any of the dis-qualifications mentioned in sub-section 6 of Section 149 of the Companies Act, 2013 and is not disqualified under Section 164 (2) of the Companies Act, 2013.



DIRECTORS' REPORT (Contd.)

The brief resume of Mr A Arumugam and other information have been detailed in the notice convening the Annual General Meeting of the Company. Appropriate resolution for his appointment is being placed for approval of the shareholders at the ensuing Annual General Meeting.

Necessary notice has already been received from a shareholder proposing his candidature to be appointed as a Director not liable to retire by rotation at the ensuing Annual General Meeting.

Your Directors recommend his appointment as an Independent Director of the Company till 2.12.2019.

Independent Directors Declaration

All Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they satisfy the criteria of independence as laid down in Section 149(6) of the Act and clause 49 of the Listing Agreement.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy and other details are stated in the Corporate Governance Report.

Disclosures pertaining to remuneration

As per section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the details pertaining to remuneration in respect of Directors / Key Managerial Personnel / Company Secretary / Employees are given in Annexure 3.

Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year ten Board Meetings and five Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. For other details please refer Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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;





DIRECTORS' REPORT (Contd.)

- c) the directors had 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) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DELISTING OF COMPANY'S SHARES FROM MADRAS STOCK EXCHANGE

Madras Stock Exchange Limited (MSE), vide its letter dated 22nd December, 2014 communicated to the Company their decision to withdraw the admission granted to the dealings on the Exchange for the Equity Shares of the Company for voluntary delisting and to remove the name of the Company from the Listed Securities of the MSE, with effect from 22nd December, 2014.

INDUSTRIAL RELATIONS

During the year, the Company maintained healthy, cordial and peaceful industrial relations with the workers and employees at all levels.

There are no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3)(h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is given in Annexure 4.

The Related Party Transaction Policy as approved by the Board is uploaded in the Company's website at the web link <http://www.tvstyres.com/policy/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf>

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

AUDITORS

Statutory Auditor

Pursuant to the provisions of Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, are being appointed as Statutory Auditors of the Company, from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has received a letter from them stating that the appointment, if made, shall be within the prescribed limit under Section 139(1) and 141 of the Companies Act, 2013. The Audit Committee and the Board recommend the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.





DIRECTORS' REPORT (Contd.)

Cost Auditor

The Board of Directors have appointed Dr. I Ashok, Cost Accountant, Madurai as Cost Auditor for carrying out the cost audit of the Company for the financial year 2015-16 subject to the approval of the Central Government.

The Company has received a letter from the said Cost Accountant, stating that the appointment, if made, will be within the prescribed limit under the Companies Act, 2013.

For the financial year under review, the Cost Audit Report will be filed with the Ministry of Corporate Affairs portal within the stipulated time in terms of Companies (Cost Accounting) Records Rules, 2011.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. N Balachandran, a Practising Company Secretary, to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Auditor is annexed as Annexure 5.

The Company had at the AGM held on 25th September, 2013 had transacted a business pertaining to commission payable for a period of five years to non-executive directors. The resolution was passed unanimously by the shareholders at the Annual General Meeting, but the resolution was mentioned as an Ordinary Resolution instead of Special Resolution. The Company proposes to ratify the same at the ensuing Annual General Meeting by passing a Special Resolution.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

The Managing Director and the Vice President – Finance (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2015.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rule, 2014 is annexed herewith as Annexure 6.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure 7.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of The Companies Act 2013 and read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of The Companies Act 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered





DIRECTORS' REPORT (Contd.)

Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

ACKNOWLEDGEMENT

The Directors thank the bankers, customers, dealers and vendors for their support and encouragement.

The Directors wish to place on record their appreciation for the contribution made by the employees which made it possible for the Company to achieve these results.

The Directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board

R NARESH
EXECUTIVE VICE CHAIRMAN

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

Madurai
23.5.2015



ANNEXURE 1 TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	<p>Women Development Programme – Promoting education, employment enhancing vocational skills training etc.</p> <p>Children Programme – promoting education including special education, vocational skills etc.,</p> <p>Environment & Sanitation awareness and general health programmes.</p> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is uploaded in the Company's website.</p> <p>Weblink : http://www.tvstyres.com/policy/CSR%20POLICY.pdf</p>
2.	Composition of the CSR Committee	<p>Ms Shobhana Ramachandhran (MD)</p> <p>Mr. P Vijayaraghavan</p> <p>Mr. Rasesh R Doshi (Independent Director)</p>
3.	Average net profit of the Company for last three financial years	Rs. 4935.29 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 98.70 lakhs
5.	Details of CSR spent during the financial year	
a)	Total amount spent during the year	Rs. 88.41 lakhs
b)	Amount unspent, if any	<p>Rs. 10.29 lakhs</p> <p>This amount will be spent in 2015 as a part of 2014 CSR expenditure.</p>

ANNEXURE 1 TO DIRECTORS' REPORT (Contd.)

c) Manner in which the amount spent during the financial year

Rs.in lakhs

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or program wise	*Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent - Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			1) Local area or other 2) Specify the State and district where projects or programs was undertaken		Sub heads 1) Direct expenditure on projects or programs 2) over head		
1	Women development Programme. Promoting education, employment enhancing vocational skills, training, etc among women	Education	Madurai District, Tamil Nadu	10.53	22.81	22.81	Arogya Welfare Trust, Madurai
2	Children Programmes Promoting Education including special education, employment enhancing vocational skills, computer learning/ usage skills etc among children	Education	Madurai District, Tamil Nadu	20.34	19.34	19.34	Arogya Welfare Trust, Madurai

ANNEXURE 1 TO DIRECTORS' REPORT (Contd.)

Rs.in lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Environment & Sanitation awareness and general health programmes	Health & Sanitation	Madurai District, Tamil Nadu	2.16	2.18	2.18	Arogya Welfare Trust, Madurai
4	Vocational Skills on catering, bakery, Agri based activities etc for women	Education & Agriculture	Madurai District, Tamil Nadu	15.92	1.47	1.47	Arogya Welfare Trust, Madurai
5	Making available safe drinking water	Health	Madurai District, Tamil Nadu	24	23.66	23.66	Arogya Welfare Trust, Madurai
6	Library Halls extension Project	Education	Madurai District, Tamil Nadu	6	-	-	
7	Education for special children	Education	Madurai District, Tamil Nadu	30	15.07	15.07	Arogya Welfare Trust, Madurai
8	Balance - Kept as Reserve		Madurai District, Tamil Nadu	11.05			
	TOTAL			98.70	88.41	88.41	

6. Reasons for not spending the amount

As a good corporate citizen, the Company has been implementing societal activities since many decades and has spent / committed a significant amount for CSR activities which is eligible under the CSR rules. As the implementation of the project is getting delayed due to various reasons, the unspent amount for the financial year 2014-15 of Rs. 10.29 lakhs will be carried over and utilised in the financial year 2015-16 alongwith the CSR expenditure for the financial year 2015-16.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

SHOBHANA RAMACHANDHRAN
CHAIRMAN OF THE CSR COMMITTEE /
MANAGING DIRECTOR

ANNEXURE 2 TO DIRECTORS' REPORT

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES - FORM AOC I

[Pursuant to first proviso to Sub-Section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

(Rs. in Cr) except % of Shareholding

Sl.No	1	2	3	4
Name of the Subsidiary	TVS Srichakra Investments Limited	TVS Europe Distribution Ltd	Universal Components UK Ltd *	Wrea Hurst Parts Distribution Limited**
Reporting Period for the subsidiary Concerned, if different from Holding Company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Reporting Currency and Exchange rate as on the last date of relevant financial year in case of Foreign subsidiaries	Not Applicable	GBP GBP = Rs.91.62	GBP GBP = Rs.91.62	GBP GBP = Rs.91.62
Share Capital	2.05	51.66	0.46	0.01
Reserves and Surplus	-1.05	-7.94	55.48	0.16
Total assets (Excluding Investments)	23.57	3.58	118.06	0.25
Total Liabilities	34.60	64.44	62.21	0.08
Investments	12.03	104.56	0.07	-
Turnover	0.34	1.24	260.03	0.24
Profit before Taxation	-0.32	-5.26	6.65	9.91
Provision for Taxation	-	1.03	4.22	-
Profit after taxation	-0.32	-4.23	2.43	9.91
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100%	58.97%	95%	100%

* Held through TVS Europe Distribution Ltd

** Held through Universal Components UK Ltd

- 1) Universal Components US (Inc), is yet to commence operations.
- 2) Names of the Subsidiaries which have been liquidated or sold during the year - Nil.
- 3) The following subsidiaries - Kellet (UK) Ltd (100%), Universal Components UK (Corporate Trustee) Ltd (100%), Reflected Light Limited (100%), Pollard Beaumont Limited (100%), European Truck and Trailer Limited (100%), Vanleuwen Tyres and Wheels, B.V.Holl (30%) are not consolidated since there are no transactions during the year 2014-15.

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

G V MAHADEVAN
Vice President - Finance

P SRINIVASAN
Secretary

K S NARAYANASWAMY
Partner
M.No. 8593

Place : Madurai
Date : 23.5.2015

ANNEXURE 2 TO DIRECTORS' REPORT (Contd.)

PART B : ASSOCIATES AND JOINT VENTURES

Statement Pursuant to Section 129(3) of the Companies Act 2013 related to Associate companies and Joint ventures

Rs. in Crores

Name of Associate/Joint Ventures	ZF Electronics TVS (India) Private Ltd*
1. Latest Audited Balance Sheet Date	31.03.2015
2. Share of Associate/Joint Ventures held by the company on the year end	50%
Amount of Investment in Associates/Joint Venture	0.54
Extent of Holding	50%
3. Description of Significant Influence	Jointly Controlled Entity
4. Reason why associate /Joint Venture is not Consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited balance sheet	8.22
6. Profit and Loss for the year before Tax	-1.19
i) Considered in Consolidation	-1.19
ii) Not Considered in Consolidation	Nil

* Held through TVS Srichakra Investments Limited

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

G V MAHADEVAN
Vice President - Finance

P SRINIVASAN
Secretary

K S NARAYANASWAMY
Partner
M.No. 8593

Place : Madurai
Date : 23.5.2015

ANNEXURE 3 TO DIRECTORS' REPORT

Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) & (ii) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Increase / Decrease in Remuneration
1.	Sri S Narayanan (ceased to be a Director w.e.f. 17.12.2014)	2.26	14.29%
2.	Sri R Naresh Executive Vice Chairman	148.96	284.66%
3.	Ms Shobhana Ramachandhran Managing Director	126.35	84.94%
4.	Sri M S Viraraghavan	5.03	25.89%
5.	Sri N H Atthreya (resigned from the Board w.e.f. 8.6.2014)	1.29	(67.74%)
6.	Sri Sitaram Rao Valluri (Resigned from the Board w.e.f. 7.7.2014)	0.85	(57.19%)
7.	Sri P Vijayaraghavan	5.16	25.57%
8.	Sri H Janardana Iyer	5.00	26.59%
9.	Sri V Ramakrishnan	2.76	Not Applicable
10.	Sri Rasesh R Doshi	4.86	Not Applicable
11.	Sri A Arumugam	1.06	Not Applicable
12.	Sri P Srinivasan Company Secretary	Not Applicable	29.55%
13.	Sri G V Mahadevan Chief Financial Officer	Not Applicable	19.65%

iii) The percentage increase in the median remuneration of employees in the financial year : 23.51%

iv) The number of permanent employees on the rolls of Company : 2900

v) Explanation on the relationship between average increase in remuneration and company performance:
On an average, employees received an increase of 23.80% during the financial year 2014-15. The remuneration components include a fair proportion of fixed and variable pay. The increase in fixed pay is periodically reviewed while the increase in variable pay is broadly aligned to the Company's performance during the financial year.

vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company – Profit before Tax

Rs. in Crores

Particulars	Managing Director	Executive Vice Chairman in the cadre of Managing Director	Chief Financial Officer	Secretary	Total
Remuneration	4.00	4.73	0.36	0.29	9.38
Remuneration (as % of PBT)	2.87%	3.39%	0.26%	0.20%	6.72%

ANNEXURE 3 TO DIRECTORS' REPORT (Contd.)

- vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year :

Particulars	As at 31.3.2015	As at 31.3.2014	Increase
Closing price of share at BSE (Rs.)	1536.75	302.25	408.44%
Market Capitalisation (Rs. in crores)	1176.69	231.43	408.44%
Price Earnings Ratio	11.34	4.88	132.41%

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average increase in salaries of employees other than managerial personnel in 2014-15 was 23.80%. Percentage increase in the managerial remuneration for the year was 190.42%.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Please refer point no. (vi).

- (x) Key parameters for any variable component of remuneration availed by the directors:

Commission within the ceiling of 1% of the net profits of the Company, as approved by the shareholders.

- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not applicable; and

- xii) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Director affirms that the remuneration paid is as per the Remuneration Policy of the Company.



ANNEXURE 4 TO DIRECTORS' REPORT

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

1. Details of contracts or arrangements or transactions not at arm's length basis.

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis.

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

ANNEXURE 5 TO DIRECTORS' REPORT

N. BALACHANDRAN, B.COM.,A.C.S.,
COMPANY SECRETARY IN PRACTICE

C/2 YAMUNA FLATS
16TH STREET
NANGANALLUR
CHENNAI - 600061
PH. No. 22670412
CELL: 9444376560

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
TVS Srichakra Limited
CIN : L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai- 625001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TVS Srichakra 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the year under audit covering the financial year ended on 31.03.2015 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 the Company for the financial year ended on 31.03.2015 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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 Overseas Direct Investment and External Commercial Borrowings;
- (V) The Following Regulation 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) Regulation, 1992;
 - c) 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;

ANNEXURE 5 TO DIRECTORS' REPORT (Contd.)

- (VI) Other laws specifically applicable to the company
- a. Public Liability Insurance Act, 1991,
 - b. Hazardous Wastes (Management and Handling) Rules, 1989 and amendment Rules 2003,
 - c. Energy Conservation Act, 2001,
 - d. Consumer Protection Act, 1986,
 - e. Legal Metrology Act, 2009,
 - f. Trade Marks Act, 1999,
 - g. Patents Act, 1970,
 - h. Designs Act, 2000,
 - i. Indian Boilers Act, 1923
 - j. Special Economic Zones Regulations

I have also examined compliance with the applicable clauses of the following:

- (I) The Ministry of corporate affairs has not notified applicable Secretarial Standards under companies Act 2013 and hence the same is not applicable during the year under audit;
- (II) The Listing Agreements entered into by the Company with National Stock Exchange, Bombay Stock exchange and Madras Stock Exchange (MSE)*. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

* shares are de-listed from MSE consequent to its closure.

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 provisions of the Act.

I further report that 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that commission payable for a period of 5 (five) years to non-executive directors was approved in the AGM held on 25-09-2013 by way of an ordinary resolution in place of special resolution.

I further report that there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under audit, there were no instances of :

- a. Public / Rights / Preferential issue of shares / Debentures / sweat equity.
- b. Redemption / Buy Back of securities.
- c. Merger / Amalgamations / reconstruction.
- d. Foreign Technical collaborations.

Place: Chennai
Date: 23.05.2015

Sd/-
Name of Company Secretary in Practice : **N Balachandran**
ACS No. : 5113
C P No : 3200

Note : This Report is to be read with the letter of even date by the secretarial auditor, which is enclosed to this report.

ANNEXURE 5 TO DIRECTORS' REPORT (Contd.)

N. BALACHANDRAN, B.COM., A.C.S.,
COMPANY SECRETARY IN PRACTICE

C/2 YAMUNA FLATS
16TH STREET
NANGANALLUR
CHENNAI - 600061
PH. No. 22670412
CELL: 9444376560

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members
TVS Srichakra Limited
CIN : L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai- 625001.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As Secretarial Audit report is neither an assurance as to be the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 23.05.2015

Sd/-
Name of Company Secretary in Practice : **N Balachandran**
ACS No. : 5113
C P No : 3200



ANNEXURE 6 TO DIRECTORS' REPORT

CONSERVATION OF ENERGY / RESEARCH AND DEVELOPMENT / TECHNOLOGY ABSORPTION/ FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rule 2014

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on conservation of energy

1. ELECTRICAL

33 KV dedicated line provided by Tamil Nadu Electricity Board resulting in reduction of transmission loss to 3.02% from 4.41%.

2. THERMAL

- i. In the 15 TPH Boiler, Sonic shoot blower installed and ID fan impeller replaced to avoid ash accumulation in bank tubes portion, resulting in boiler steam generation efficiency going up by 3.5%.
- ii. In the 10 TPH Boiler, air pre-heater and Mechanical Dust Collector replaced resulting in boiler generation efficiency going up by 3%.
- iii. In the 48" Calendar area, condensate recovery pump installed resulting increased recovery of 7.5 KL of water per day.
- iv. Separate steam leak correction team formed to control steam leak wastages resulting in reduction in wastage to the extent of 0.25 TPH.
- v. Damaged insulation & identified uninsulated steam lines were insulated resulting in reducing thermal heat loss to the extent of 0.2 TPH.

b) Steps taken by the Company for utilizing the alternate sources of energy

Company has generated 67,28,834 units through Wind energy during the year 2014-15.

c) Additional investments and proposals, if any, being implemented for reduction in consumption of energy. The Company has invested Rs.3.30 Crore in the following :

- i. For getting 33 KV dedicated supply from TNEB to reduce power cost & power interruptions, completed during the financial year 2014-15.
- ii. Lighting Energy Panel installation in all the modules – Under Progress.
- iii. With new steam flow meters in export plant, planned to arrive specific steam consumption in export plant, and planned to control the steam consumptions with respect to the production.
- iv. Thermography audit has been done for both electrical and steam equipments.

ANNEXURE 6 TO DIRECTORS' REPORT (Contd.)

B. TECHNOLOGY ABSORPTION:

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation :

Introduction of new process and product for improving process / product quality and introduction of products for OEM and AM.

2. Benefits derived as a result of the above efforts :

Company was able to develop a whole range of new products for OEM, Replacement Market and Export Market, in the shortest development cycle time.

3. Data relating to imported technology (Technology imported during the last three years reckoned from the beginning of the financial year) - N.A.

4. Expenditure on R&D:

Rs. in Crore

a)	Capital	2.47
b)	Recurring	14.68
c)	Total	17.15
d)	Total R&D expenditure as a percentage to total turnover	0.90%

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings Exports	Rs.206.57 Cr
Outgo	Rs.326.44 Cr

ANNEXURE 7 TO DIRECTORS' REPORT

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]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS

- | | | |
|------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) | CIN | L25111TN1982PLC009414 |
| ii) | Registration Date | 2 nd June, 1982 |
| iii) | Name of the Company | TVS SRICHAKRA LIMITED |
| iv) | Category / Sub-Category of the Company | Company having Share Capital |
| v) | Address of the Registered Office and contact details | TVS Building, 7-B West Veli Street,
Madurai 625 001
Tel : 0452 – 2443300 |
| vi) | Whether Listed Company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Integrated Enterprises (India) Limited
II Floor, Kences Towers,
No. 1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai 600017
Tel : 044 – 28140801 |

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
I.	Tyres and Tubes including road use tyres / tubes; this includes, two wheeler tyres and tubes, off the road tyres used in implements / forklifts / industrial tractors, and other machinery(s), non highway service tyres such as sand tyres, grader tyres, compactor tyres, and vintage tyres, Multi Purpose Tyres (MPT), flotation tyres, Radial tyres, tubeless tyres, farm tyres and tubes used therein and Solid resilient tyres.	221 – manufacture of rubber products 2211 – manufacture of rubber tyres and tubes 22111 / 22112 / 22113 and 22119	100%

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	TVS Srichakra Investments Limited	U65100TN2010PLC074498	Subsidiary	100%	2 (87)
2.	TVS Europe Distribution Limited	Foreign Company	Subsidiary		2 (87)
3.	Universal Components Ltd	Foreign Company	Subsidiary of item No. 2		2 (87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP 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	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	554017	-	554017	7.24	554017	-	554017	7.24	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2994544	-	2994544	39.11	2994544	-	2994544	39.11	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	3548561	-	3548561	46.34	3548561	-	3548561	46.34	NIL
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

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	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	3548561	-	3548561	46.34	3548561	-	3548561	46.34	NIL
B. PUBLIC SHARE HOLDING									
(1) Institutions									
a) Mutual Funds	-	650	650	0.01	-	650	650	0.01	NIL
b) Banks / FI	3771	800	4571	0.06	6791	800	7591	0.10	0.04
c) Central Govt	94	-	94	-	94	-	94	-	NIL
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	150	1250	1400	0.02	2408	1250	3658	0.05	0.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	4015	2700	6715	0.09	9293	2700	11993	0.16	0.07
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	578724	3646	582370	7.61	607489	3646	611135	7.98	0.38
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1790686	973790	2764476	36.10	1875657	895495	2771152	36.19	0.09

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

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	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	690380	35502	725882	9.48	626927	35502	662429	8.65	0.83
c)	Others (specify)	28596	450	29046	0.38	51330	450	51780	0.68	0.30
	Sub-Total B(2)	3088386	1013388	4101774	53.57	3161403	935093	4096496	53.50	0.07
	Total Public Share holding B = B (1) + B(2)	3092401	1016088	4108489	53.66	3170696	937793	4108489	53.66	-
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total A + B + C	6640962	1016088	7657050	100	6719257	937793	7657050	100	-

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	T V Sundram Iyengar & Sons Pvt. Ltd	2123115	27.73	N.A.	2123115	27.73	N.A.	NIL
2	Sundaram Industries Pvt. Ltd	750000	9.79	N.A.	750000	9.79	N.A.	NIL
3	Ms. Shobhana Ramachandhran (Promoter cum Director)	254051	3.32	N.A.	274051	3.58	N.A.	0.26
4	Sri R Haresh	201320	2.63	N.A.	151320	1.98	N.A.	0.65
5	Nitya Kalyanee Investment Ltd	121429	1.59	N.A.	121429	1.59	N.A.	NIL
6	Sri R Naresh (Promoter cum Director)	97656	1.27	N.A.	127656	1.67	N.A.	0.40
7	Sri R Haresh	945	0.01	N.A.	945	0.01	N.A.	NIL
8	Sri R Dinesh	45	0.00	N.A.	45	0.00	N.A.	NIL
	TOTAL	3548561	46.34		3548561	46.34		

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder	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
1	Sri R Naresh	97656	1.28	127656	1.67
	At the end of the year			127656	1.67
2	Ms Shobhana Ramachandhran	254051	3.32	274051	3.58
	At the end of the year			274051	3.58
3	Sri R Haresh	201320	2.63	151320	1.98
	At the end of the year			151320	1.98

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

iv) Shareholding Pattern of top ten shareholders (other than Directors / Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 shareholders	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
1	Gagandeep Credit Capital Pvt. Ltd	346770	4.53	346770	4.53
2	Nilesh Kishor Shah	92500	1.21	156000	2.04
3	Paramjit Mann	86813	1.13	86813	1.13
4	Rajiv M Doshi	76500	1.00	-	-
5	Anvil Fintrade Pvt.Ltd	67585	0.88	67585	0.88
6	Uday Nandlal Shah	65000	0.85	62700	0.82
7	Sharad Nandlal Shah	50000	0.65	50000	0.65
8	Religare Finvest Ltd	48663	0.64	48570	0.63
9	Kishor Nandlal Shah	32500	0.42	-	-
10	Shantikumar Girdharlal Shah	32500	0.42	32500	0.42
11	Tejas B Trivedi	-	-	49805	0.65
12	Finquest Securities Pvt Ltd	-	-	31699	0.41

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	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
1	Sri S Narayanan - Director *	2195	0.03	-	-
2	Sri M S Viraraghavan - Director	900	0.01	900	0.01
	At the end of the year			900	0.01
3	Sri N H Atthreya - Director @	1200	0.02	-	-
4	Sri P Vijayaraghavan - Director	150	-	150	-
	At the end of the year			150	-
5	Sri G V Mahadevan - KMP	100	-	100	-
	At the end of the year			100	-

The following Directors / Key Managerial Personnel (KMP) did not hold any shares

Sri Sitaram Rao Valluri - Director #

M/s H Janardana Iyer, V Ramakrishnan, Rasesh R Doshi, A Arumugam - Directors

Sri P Srinivasan, KMP

* Ceased to be a Director with effect from 17.12.2014

@ Resigned from the Board with effect from 8.6.2014

Resigned from the Board with effect from 1.7.2014

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

V. INDEBTEDNESS

Rs. in Crore

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	253.18	50.34	-	303.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	253.18	50.34	-	303.52
Change in Indebtedness during the financial year				
Addition	0.28	-	-	0.28
Reduction	48.09	50.34	-	98.43
Net Change	-47.81	-50.34	-	-98.15
Indebtedness at the end of the financial year				
i) Principal Amount	205.37	-	-	205.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	205.37	-	-	205.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR AND / OR MANAGER

Rs in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Ms SR	Sri R N	
1	Gross Salary	105.02	60.80	165.82
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961			
c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	296.00	413.00	709.00
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	Total (A)	400.81	473.70	874.51
	Ceiling as per the Act			

Ms SR - Ms. Shobhana Ramachandhran, Sri RN - Sri R. Naresh - Executive Vice Chairman

ANNEXURE 7 TO DIRECTORS' REPORT (Contd.)

B. REMUNERATION TO OTHER DIRECTORS

Rs in lakhs

Sl. No.	Particulars of Remuneration	Name of Directors					
		Independent Directors	Sri M S V	Sri N H A	Sri S R V	Sri H J I	Sri R R D
1	Fee for attending Board Committee Meetings	1.00	-	0.05	0.90	0.45	0.15
2	Commission	15.00	4.10	2.64	15.00	15.00	3.21
3	Others, please specify	-	-	-	-	-	-
	Total (1)	15.10	4.10	2.69	15.90	15.45	3.36
	Other Non Executive Directors	Sri S N	Sri P V	Sri V R			
1	Fee for attending Board Committee Meetings	0.15	1.40	0.35			
2	Commission	7.05	15.00	8.42			
3	Others, please specify	-	-	-			
	Total (2)	7.20	16.40	8.77			

Sri M S V - Sri M.S. Viraraghavan, Sri N H A - Sri N.H. Athreya, Sri S R V - Sri Sitaram Rao Valluri,

Sri H J I - Sri H. Janardana Iyer, Sri R R D - Sri Rasesh R Doshi, Sri AA - Sri A. Arumugam

Sri S N - Sri S. Narayanan, Sri P V - Sri P. Vijayaraghavan, Sri V R - Sri V. Ramakrishnan

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	35.93	28.50	64.43
b)	Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	35.93	28.50	64.43

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for the year ending 31st March, 2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian tyre industry is more than 75 years old and TVS Srichakra has been able to achieve leadership position in the two wheeler tyre category in the country, though being one of the youngest Company in this business. The management discussion and analysis given below discusses the key issues of the business.

INDUSTRY STRUCTURE AND DEVELOPMENT

GLOBAL TYRE INDUSTRY

Increasing per capita income in developing nations, population growth oriented towards middle class, urbanization, infrastructural growth, and the green movement is all expected to drive growth in the Industry over the coming years.

This increasing sale of passenger vehicles, two-wheelers and commercial vehicles and the resultant strong demand for replacement of these tyres in the After Market, offers significant opportunities for all the players in this industry.

While there is enough opportunity, dependency on Original Equipment Manufacturers and volatile Raw material prices are likely to pose challenges to the players in this industry. Consumer demand for better Fuel efficiency and their increasing safety awareness is transitioning the industry to move towards technology advancement for high performance tyres.

INDIAN TYRE INDUSTRY

India is one of the largest automobile markets in the world, which consequently makes the country one of the leading markets for tyres. Indian automobile sector has reported a Compounded Annual Growth Rate (CAGR) of about 11% during the period 2009-14. The Indian tyre industry has been reporting consistent growth figures over the past few years, spurred by the growing passenger vehicles, two and three wheeler market.

The rise in population, disposable income, aspirations of the Indian middle class and increase in the supply of vehicle models for the domestic market have been the major factors augmenting growth in the Indian tyre industry. In addition, with the emergence of new technology, ultra-modern production facilities and availability of raw materials, the sector is poised to grow further. However, the industry has emerged as one of the most competitive markets in the world.

TWO WHEELER MARKET

Indian Economy grew by 7.5% in the FY 14-15 (April-December) as per the revised GDP calculation methodology. Inflation came under control mainly due to the steep fall in crude oil prices which in turn made the Reserve Bank of India cut rates in the latter half of FY 14-15. During the first Half year of FY 14-15, the Two Wheeler industry saw a growth of about 16% Year on Year (Y-o-Y) but the growth in the second half, was at 6% Y-o-Y. The overall growth for the full year of FY 14-15 was at 10% Y-o-Y.

This growth was primarily driven by the scooter segment which saw a 34% Y-o-Y growth whereas the motorcycle segment experienced a growth of just 5%. While the demand for Scooter has been influenced by the growing female users and the urban growth, the demand for Motorcycles with Low to mid-range engine capacity has been due to the tepid growth in the rural side. However, Motorcycles with High end engine capacity did witness a positive growth under the influence of the growing youth population supported through the urban market.





MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

OPPORTUNITIES AND THREATS

OPPORTUNITIES

Consistent increase in Two Wheeler sales over the last many years within India and the increasing Exports of Two Wheelers from the Indian OEM's to Africa and Latin America (LATAM) regions provided ample opportunity for the two wheeler tyre industry in replacement market and Exports through an increased demand. The ability to realize a greater value in these segments also offered the companies in this industry a better opportunity to increase their bottom line.

Increasing Export also offers a natural hedging to Foreign Exchange risks.

Your Company has been able to make good use of these opportunities in increasing the share in the After Market, but increase in Exports was marginal.

EXPANSION

Continuous strong growth rates in the two wheeler industry have also made your Company to expand its business and add capacities. Your Company has taken sufficient proactive steps to increase / plan the capacity to meet with the increase in demand over the next few years.

THREAT

While the immediate threats were from the volatile raw material prices, increasing competition in the Original Equipment segment and increase in imports of tyres, the larger ones are likely to arise from import of high performance tyres to support the increase in premium and super-premium two-wheeler sales and the interests evinced by the large tyre players in entering the two wheeler tyre market.

COMPETITION

In the light of this industry being highly competitive, there is a continuous struggle by all the players to gain market share; Cheaper imports from China and South-East countries during the year also added to the competitive pressures.

GROWTH

Your Company was able to increase its market share in the Original Equipment Manufacturer (OEM) segment and further consolidate the leadership position. In the After-Market segment, your Company was able to gain market share and increase its visibility. Your Company was able to sustain its volumes in Export segment in spite of a sluggish demand from European countries.

SEGMENT WISE PERFORMANCE

DOMESTIC OEM MARKET

Your Company registered a growth in excess of the Two and Three Wheeler Industry growth of 9.8% in comparison to the volumes of FY 13-14. This growth over the industry was possible due to our increased Share of Business (SOB) with major vehicle manufacturers from its current product lines as well as through new product additions.

During the year, your Company was successful in soliciting new OEMs as its customers and also made further in-roads into the premium segment two wheelers.





MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

AFTER MARKET

Your Company has achieved a significant growth of value in turnover during the year 2014-15 in the After Market, in spite of the falling Raw material prices. This growth has been possible due to increased visibility driven by focused advertising efforts, rapid network expansion as well as new product offering undertaken during the year. Your Company, in spite of the competition, was able to end the year with an improved Debtors Turnover Ratio as compared to the previous year. Eleven new products were introduced during the year with a focus on tubeless tyres in-line with the growing demand from customers. In order to expand its reach and increase the service levels, your Company has opened new Depots during the year. The recent launch of its new logo has been received well in the market and has also created positive vibes in increasing the sales.

EXPORTS

Your Company has entered new markets for the sale of Off - Highway Tyres and also expanded the distribution channel for the sale of two wheeler tyres. Commercial sale of Tractor Radial commenced during the year, In order to improve the visibility of the brand, your Company participated in various international shows.

INDUSTRY AND BUSINESS OUTLOOK

Indications of Industry growth forecasts for the FY 2015-16 looks a bit subdued. The two wheeler industry is expected to grow at the rate of 5-6%, with the growth of the scooter segment overshadowing the Motorcycle segment. However, the yesteryear sales of vehicles will continue to drive the After Market segment growth and is estimated to be at 10% over 14-15.

BUSINESS STRATEGY

Your Company holds the market leadership position in the OEM segment and plans to hold onto that position. In the After market segment your Company has been gaining share and plans to further grow its share this year too. To support this growth, your Company has plans to continue its investment in brand building. Your Company also plans to invest time and resources towards product innovation for release of high performance tyres to the market. Your Company strives to provide the best two wheeler conveyance solution in the industry while maintaining low cost of manufacturing.

RISKS AND CONCERNS

Your Company's primary business risks are arising out of its larger presence and orientation towards the OEM segment. Continuous availability of trained and skilled manpower is a concern that your Company has to deal with. Though your Company witnessed improvement in power situation in Tamil Nadu during the previous year, availability of adequate power is continues to be an area of concern. However, your Company has created plans to deal with these risks and concerns.

PRODUCT PORTFOLIO

Your Company has plans to introduce High Performance Tyres including Textile radials during this year to strengthen the product range, in meeting with the complete demands in the two wheeler tyre industry. In addition your Company has also planned for introduction of radial products in the Off-Highway agricultural segment.

SUSTAINABLE DEVELOPMENT

The Company in cognizance of various business risks that it faces has proactively taken steps to mitigate these risks. To achieve distributed and diversified segmental revenue mix, significant efforts are underway





MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

to increase the after-market and export business. In order to increase the after-market business your Company has taken initiatives for brand building and improves the top of the mind recall quotient. A separate vertical has been created for brand management with induction of professionals.

The share of tubeless tyres in two-wheeler market has significantly increased in the FY 2015 and your Company believes this trend to accelerate in the coming years. Your Company is fully geared up to cater to this surge in demand. Your Company is keeping pace with the trends and has one of the best offering in terms of the tubeless products.

Lastly, your Company is consistently monitoring the power and human resources situation, including that arising out of the proposed capacity expansions, and taking timely measures to deal with these issues.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved overall revenue growth of 15% over the previous year. The domestic segments of OE and AM have shown a growth higher than the respective industry growths indicating an increased market share. However, growth in exports remained subdued during the year.

During the year, your Company was able to retain the benefits of the falling material prices, which was achieved through strong procurement strategies. Strong growth in the After-market as well as rupee weakening against Euro for most part of the year resulted in a better realization. These actions along with more effective controls on material consumption resulted in a lower material cost compared to the previous year.

Wage settlement for a four year term was successfully executed during the year. Increase in wages cost as a fall out of this settlement and increases in power costs could be well managed by way of increasing the capacity utilization across both the plants at Madurai and Uttarakhand, respectively. This increased utilization has also helped the Company keep the other operational costs within control.

Revised credit policies with dealers in the After-market, coupled with a strong working capital management has played a crucial role in bringing down the interest costs in comparison to earlier years.

Current in-roads made into the AM as well as the medium and long-term intent of growing the share in this segment warranted increased spending on promotional and branding campaigns.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The Company has employed more than 2950 employees, on its rolls both direct and indirect, as at the end of the year.

EMPLOYEE ENGAGEMENT INITIATIVES

As a part of Middle management development, program has been rolled out for enhancing the leadership skills among the middle level managers. To increase the effectiveness of front line sales members, Sales





MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Effectiveness program has been conducted.

Communication meetings, recreation activities have been held to create a cohesive team of energetic & motivated employees and maintain harmonial industrial relations.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

Your Company is aiming at ensuring 100% safety in the manufacturing and other related processes. Towards this, several safety awareness programs were conducted for our employees by industrial experts periodically. Induction training for all new employees and improved handling of contract labour and permit systems, your Company focusses on prevention of accidents.

Unsafe conditions are tracked on a perpetual basis and actions initiated to reduce the same. Awareness is created amongst the workers to check their individual machines on safety aspects and to initiate corrective actions through the Department concerned.

Do's & don'ts of each machinery, process wise, is displayed and regular pep talk is also conducted on the shop floor to create the awareness on safety.

Senior management team is actively involved as mentors for supporting safety activities to achieve our goal as "ZERO ACCIDENT & ZERO HEALTH HAZARDS".

"NEAR MISS" incidents are captured and corrective and preventive actions are taken immediately with proper horizontal deployment in other similar work places.

Started following work permit system for height work, hot work, etc., for all employees including contract labour to prevent any unsafe act, conditions during their operation.

Conducting regular inspection for all plant machineries available inside our factory including contractors for avoiding unsafe conditions.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Your Company is committed to Corporate Social Responsibility initiatives and the details of activities initiated / completed during the year are given as an Annexure to Directors Report.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's views, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, economic conditions, global and domestic supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. may influence the Company's operations or performance.





CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company. Company also believes in the philosophy of continuous improvement in all facets of its operations. Budgets, investment proposals, significant developments are placed before the Board. Audit, Share Transfer and Shareholder and Investors Committee meets in sufficient intervals to consider aspects relevant to each committee.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business and Ethics and Code of Conduct for Prevention of Insider Trading for Board and Senior Management Personnel.

The Company believes that good corporate governance is essential to achieving long-term corporate goals and for meeting the needs and aspirations of its stakeholders, including shareholders.

There are comprehensive internal control management reporting systems on all functions and they are reviewed by the Senior Management and the Board.

The Company would constantly endeavor to improve on these aspects.

Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

GOVERNANCE STRUCTURE

Governance structure of the Company comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This facilitates in bringing about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

BOARD OF DIRECTORS

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

COMMITTEE OF DIRECTORS

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.

MANAGEMENT STRUCTURE

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities.



CORPORATE GOVERNANCE (CONTD.)

2. BOARD OF DIRECTORS

The Board of Directors (the Board), consisting persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

COMPOSITION AND CATEGORY OF DIRECTORS

As at 31st March, 2015, the board consists of eight (8) directors, all the directors except Executive Vice Chairman and Managing Director are non-executive directors.

In terms of clause 49 of the Listing Agreement, the Company is required to have fifty per cent of its directors as independent directors. Out of the six non-executive directors, four directors are Non-Executive Independent Directors viz., M/s M S Viraraghavan, H Janardana Iyer, Rasesh R Doshi and A Arumugam.

The Company has already a Woman Director, which satisfies the requirement laid under Section 149(1) of the Companies Act, 2013 and Clause 49 II (A) of the Listing Agreement.

Thus the composition of the Company's Board is in conformity with the Act and listing agreement.

DIRECTORS' PROFILE

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

BOARD TRAINING AND INDUCTION

A formal Letter of Appointment is issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected commitments. Each newly appointed Independent Director is taken through a formal induction program including presentation from the Managing Director on certain important aspects of the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Managing Director also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

BOARD MEETINGS

The Company, in consultation with the directors, prepares and circulates a tentative annual calendar for the meetings of the committees / board in order to facilitate and assist the directors in planning their schedules well in advance to participate in the meetings.

The Company regularly places, before the Board for its review, the information as required under clause 49 of the Listing Agreement such as annual operating plans, capital expenditure budget and its quarterly updates, quarterly results, minutes of meetings of Audit Committee and other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company is prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any etc.,

Comprehensively drafted notes for each agenda item along with background materials, wherever necessary, are circulated well in advance to the Committee / Board, to facilitate the directors in making value addition as well as exercising their business judgment in the committee/ board meetings.

CORPORATE GOVERNANCE (Contd.)

During the year 2014-15, the Board met 10 times on 23.4.2014, 24.5.2014, 8.6.2014, 3.7.2014, 9.8.2014, 11.9.2014, 8.11.2014, 3.12.2014, 6.2.2015 and 30.3.2015 and the gap between two meetings did not exceed 120 days.

ATTENDANCE AND OTHER DIRECTORSHIPS

Details of director's attendance at the board meetings during the year and at the last Annual General Meeting (AGM) held on 11th September, 2014 and also the number of other Directorships and committee memberships / chairmanships as on 31st March 2015 is as follows :

Name of the Director	Category	Attendance Particulars		Directorships in other Companies		Committees in which Chairman / Member of other Companies	
		Board Meetings	AGM	Chairman	Director	Chairman	Director
Mr. S Narayanan	NE	3	No	N.A.	N.A.	N.A.	N.A.
Mr. R Naresh	EVC	9	Yes	3	3	-	-
Ms Shobhana Ramachandhran	MD	9	Yes	-	12	-	3
Mr. M S Viraraghavan	NE-I	10	Yes	-	-	-	-
Mr. N H Atthreya (resigned from the Board w.e.f. 8.6.2014)	NE-I	-	No	N.A.	N.A.	N.A.	N.A.
Mr. Sitaram Rao Valluri (resigned from the Board w.e.f. 7.7.2014)	NE-I	1	No	N.A.	N.A.	N.A.	N.A.
Mr. P Vijayaraghavan	NE	10	Yes	-	1	-	-
Mr. H Janardana Iyer	NE-I	9	Yes	-	-	-	-
Mr. V Ramakrishnan (appointed as Director w.e.f. 24.5.2014)	NE	6	Yes	-	-	-	-
Mr. Rasesh R Doshi (appointed as Director w.e.f. 24.5.2014)	NE-I	6	Yes	-	3	-	-
Mr. A Arumugam (appointed as Director w.e.f. 3.12.2014)	NE-I	2	N.A.	-	3	-	-

EVC – Executive Vice Chairman

MD – Managing Director

NE – Non Executive

NE-I – Non Executive – Independent



CORPORATE GOVERNANCE (Contd.)

None of the director is a director in more than ten Public Limited Company(s) or serve as an Independent Director in more than seven listed Companies. Further, none of the directors on the board is a member of more than ten committees or Chairman of more than five committees across all companies in which they are Directors. Membership of Committees include only Audit and Stakeholders Relationship Committee as covered under clause 49 of the Listing Agreement, as per the disclosures made by the Directors.

A formal letter of appointment is given to the director at the time of appointment, which explains the role, function, duties and responsibilities expected of him as a director.

The Company has a familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company.

ACCESS TO INFORMATION AND UPDATION TO BOARD

The Board reviews all information provided periodically for discussion and consideration at its meetings in terms of clause 49 of the Listing Agreement. These are submitted either as a part of the agenda papers well in advance of the Board Meetings or are tabled in the course of the Board Meetings.

The Board also reviews the declarations made by the Managing Director and Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

CODE OF CONDUCT

The Company has in place the Code of Conduct for Business and Ethics for members of the Board and Senior Management Personnel approved by the Board. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed in the Company's website www.tvstyres.com. All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2015. The annual report contains a declaration to this effect signed by the Managing Director, as compliance officer of the Code.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

In terms of Clause 49(VIII)(E) of the Listing Agreement, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationship with other directors are provided in the notice convening the ensuing Annual General Meeting (AGM) of the Company.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, its Directors individually as well as the working of Audit, Nomination and Remuneration Committees.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 29th March, 2015, inter alia, to discuss the evaluation of the

- performance of Non-Independent Directors (including Chairman of the Company) and the Board of Directors as a whole;
- quality, content and timelines of flow of information between the management and the Board which is necessary for the Board to perform its duties effectively and reasonably.

All the Independent Directors were present at the meeting.



CORPORATE GOVERNANCE (Contd.)

COMMITTEES OF THE BOARD

For better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. The board determines and reviews the terms of reference of these Committees from time to time. Each of these Committee meetings are convened by the respective Committee Chairman who also informs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to respective directors individually and tabled at the board meeting.

3. AUDIT COMMITTEE

TERMS OF REFERENCE

Terms of reference of Audit Committee covers the matters specified for Audit Committees under Clause 49 of the Listing Agreement and section 177(4) of the Companies Act, 2013. The role of the Audit Committee is as prescribed under clause 49 (III) (D) of the Listing Agreement.

The Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

FINANCIAL REPORTING AND RELATED PROCESSES

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting and oversight of financial information submitted to the stock exchanges, regulatory authorities or the public.

Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.

Reviewing financial and operational performance of Management Discussion & Analysis and investments made by the Company.

Discussing with the statutory auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).

INTERNAL CONTROLS AND GOVERNANCE PROCESSES

Reviewing the adequacy and effectiveness of the Company's system, internal controls and discuss with the management, Company's major financial risk exposures and steps taken by the management to monitor and control such exposure.

Oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

CORPORATE GOVERNANCE (Contd.)

AUDIT

Reviewing the scope of statutory auditors, annual audit plan and Internal Audit Plan with a view to ensure adequate coverage.

Reviewing significant audit findings from statutory and internal audit carried out, the recommendations and management's response thereto.

Reviewing and recommending to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.

Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.

To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.

Review annual Cost Audit Report submitted by the Cost Auditor.

OTHER DUTIES

To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.

To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

COMPOSITION, NAMES OF MEMBERS AND CHAIRPERSON

The Audit Committee consists of M/s M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi, all non-executive directors of the Company with Sri. M S Viraraghavan as its Chairman.

The Company Secretary acts as the Secretary of the Audit Committee.

Chairman of the Audit Committee was present at the last AGM held on 11th September, 2014.

The Composition of the Committee is in accordance with section 177(2) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

PARTICULARS OF THE MEETINGS AND ATTENDANCE BY THE MEMBERS OF THE AUDIT COMMITTEE ARE GIVEN BELOW :

Date of the meeting	Members present (M/s)
24.5.2014	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
9.8.2014	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
7.11.2014	M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi
6.2.2015	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
30.3.2015	M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi

Senior Management also attend the meetings as and when required.

CORPORATE GOVERNANCE (Contd.)

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Pursuant to the provisions of section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, NRC was constituted during the financial year.

The Nomination and Remuneration Committee consists of M/s M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer all non-executive Directors of the Company with Sri M S Viraraghavan as its Chairman.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain defined criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

THE PARTICULARS OF MEETINGS AND THE ATTENDANCE BY THE MEMBERS OF THE NRC ARE GIVEN BELOW :

Date of the meeting	Members present (M/s)
24.5.2014	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
3.7.2014	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
3.12.2014	M S Viraraghavan and P Vijayaraghavan
6.2.2015	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer

REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Employees and uploaded in the Company's website at the web link <http://www.tvstyres.com/policy/REMUNERATION%20POLICY.pdf>

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The non-executive directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A non-executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of

CORPORATE GOVERNANCE (Contd.)

Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

- A non-executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee;
- The total commission payable to the directors shall not exceed 1% of the net profit of the Company;
- The Commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

REMUNERATION OF MANAGING DIRECTOR

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of performance bonus.
- In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 - c. responsibility required to be shouldered by the Managing Director & CEO and the industry benchmarks and the current trends;
- the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Sitting fee of Rs.5,000/- each is paid to the non-executive directors for every meeting of the board and / or committee thereof attended by them, which is within the limits, prescribed under the Act.

The details of remuneration paid and the number of shares held by the Non-Executive Directors are as follows:

(a) Name	(b) Sitting Fees paid [Rs. in lakhs]	(c) Commission paid [Rs. in lakhs]	(d) Total [Rs.in lakhs]	(e) No. of shares
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(a) Mr S Narayanan	(b) 0.15	(c) 7.05	(d) 7.20	(e) 2195	(a) Mr M S Viraraghavan	(b) 1.00	(c) 15.00	(d) 16.00	(e) 900,	(a) Mr N H Atthreya	(b) Nil	(c) 4.10	(d) 4.10	(e) 1200,	(a) Mr Sitaram Rao Valluri	(b) 0.05	(c) 2.64	(d) 2.69	(e) Nil,	(a) Mr P Vijayaraghavan	(b) 1.40	(c) 15.00	(d) 16.40	(e) 150,	(a) Mr H Janardana Iyer	(b) 0.90	(c) 15.00	(d) 15.90	(e) Nil	(a) Mr V Ramakrishnan	(b) 0.35	(c)		
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CORPORATE GOVERNANCE (Contd.)

8.42 (d) 8.77 (e) Nil (a) Mr Rasesh R Doshi (b) 0.45 (c) 15.00 (d) 15.45 (e) Nil (a) Mr A Arumugam (b) 0.15 (c) 3.21 (d) 3.36 (e) Nil

Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2014-2015 :

(a) Name (b) Designation (c) Salaries & Allowances (d) Commission (e) Perquisites (f) Total [Rs. in lakhs]

(a) Ms Shobhana Ramachandhran (b) Managing Director (c) 98.51 (d) 296.00 (e) Nil (f) 394.51; (a) Mr R Naresh (b) Executive Vice Chairman (c) 60.80 (d) 413.00 (e) Nil (f) 473.80

Presently, the Company does not have a scheme for grant of any stock option either to the Executive Directors or its employees.

REMUNERATION OF SENIOR MANAGEMENT EMPLOYEES

- i. In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:
 - a) the relationship of remuneration and performance benchmark is clear;
 - b) balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - c) the remuneration is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive;
 - d) the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market;
- ii. the Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, the nomenclature of Shareholders / Investors Grievance Committee was renamed as Stakeholders' Relationship Committee in line with the provisions of the Act. The Committee consists of Ms. Shobhana Ramachandhran, Mr. P Vijayaraghavan and Mr. V Ramakrishnan as its members. Ms. Shobhana Ramachandhran, is the Chairman of the Committee. The Committee met two times during the year.

Company Secretary is the Compliance Officer of the Committee.

The Committee oversees and reviews all matters connected with share transfers, duplicate share certificate, and other issues pertaining to shares. The committee also looks into the redressal of investors grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc., The Company, as a matter of policy, disposes investor complaints within a span of three days.

There were no complaints received during the year 2014-15.



CORPORATE GOVERNANCE (Contd.)

All the queries and complaints received during the financial year ended 31st March, 2015 were duly redressed and no queries were pending for resolution on this date.

All requests for dematerialization of shares were carried out within the stipulated period and no share certificate was pending for dematerialization.

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practising Company Secretary carries out a Reconciliation of Share Capital (ROSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital, and the report are placed for the perusal of the Board.

ROSC Audit Report confirms that the total issued and the listed capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized form held with NSDL and CDSL.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013.

The Committee consists of Ms. Shobhana Ramachandran, Mr. P Vijayaraghavan and Mr. Rasesh R Doshi as its members. During the year, the Committee had two meetings.

The terms of reference of the Committee are as follows:-

- a) to frame the CSR Policy and its review from time-to-time.
- b) to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- c) to ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

7. WHISTLE BLOWER POLICY

Various risk associated with the business have increased with the rapid expansion of business in terms of volume, value and geography. Risk of fraud misconduct is one such risk. The Audit Committee is committed to ensure fraud-free work environment for which the Committee has laid down a Whistle Blower Policy providing a platform to all the director, employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct. The policy is posted on Company's website (www.tvstyres.com).

During the year, no instance was reported under this policy.

8. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiary(s) has not been formulated.

The Audit Committee of Directors reviews the financial statements.

The minutes of the Board Meetings of unlisted subsidiary company is periodically placed before the Board. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary.

CORPORATE GOVERNANCE (Contd.)

9. GENERAL BODY MEETING

Location and time where the annual general meetings were held during the last three years:

Year	Location	Date & Time
2011-12	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	27.9.2012 10.30 AM
2012-13	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	25.9.2013 10.30 AM
2013-14	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	11.9.2014 10.30 AM

One special resolution was put through in the year 2013-14.

The Company successfully completed the process of obtaining approval of its Members on the following resolution through Postal Ballots during the year 2014:

The Company has obtained approval under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 through Postal Ballot.

Particulars	Total No. of valid votes	Votes assenting the resolution	% of votes cast	Votes dissenting the resolution	% of votes cast
Borrowing Powers – Section 180(1)(c)	3678872	3676757	99.94	2115	0.06
Section 180(1)(a)	3673583	3671440	99.94	2143	0.06

Mr. N Balachandran, Practising Company Secretary conducted the Postal Ballot exercise

10. DISCLOSURES

RELATED PARTY TRANSACTIONS

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with related parties during the financial year which are in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which is available on the Company's website

DISCLOSURE OF ACCOUNTING TREATMENT

The Company follows the Accounting Standard 18 (AS18) issued by The Institute of Chartered Accountants of India and Company (Accounting Standards) Rule, 2006

RISK MANAGEMENT

The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures, to ensure that executive management controls risk through means of a properly defined framework.

CORPORATE GOVERNANCE (Contd.)

INSTANCES OF NON-COMPLIANCE(S), IF ANY

There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the year.

DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL

The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the company at large.

CEO AND CFO CERTIFICATION

The Managing Director (CEO) and the Vice President – Finance (CFO) of the Company have certified to the Board on financial and other matters in accordance with Clause 49 (IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2015.

COMPLIANCE WITH MANDATORY / NON-MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements in terms of Clause 49 of the Listing Agreement. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are published in Business Line and Dinamalar and Dalal Street Investment Journal . These results are simultaneously posted on the website of the Company at www.tvstyres.com and also uploaded on the website of National Stock Exchange of India Ltd. and the Bombay Stock Exchange of India Ltd.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting, Date, Time and Venue	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002
Financial Year	1 st April to 31 st March
Financial Calendar 2015-16 (tentative)	
Financial reporting for the quarter ending	Financial calendar
30 th June 2015	Before 14 th August, 2015
30 th September, 2015	Before 14 th November, 2015
31 st December, 2015	Before 14 th February, 2016
31 st March, 2016	Before 30 th May, 2016
Date of Book closure	12.9.2015 to 23.9.2015 (Both days inclusive)
Dividend Payment Date	Dividend will be paid on 5.10.2015
Listing on Stock Exchanges	
Name of the Stock Exchange	Stock code / Symbol
Bombay Stock Exchange Ltd	509243
National Stock Exchange of India Ltd	TVSSRICHAK
ISIN allotted by Depositories (Company ID Number)	INE421C01016

Note : annual listing fees and custodial charges for the year 2015-16 were duly paid to the above Stock Exchanges and to the Depositories.

CORPORATE GOVERNANCE (Contd.)

SHARE TRANSFER SYSTEM

Shares lodged for transfers are normally processed within seven days from the date of lodgement, if the documents are valid in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the Depositories within three days. Grievances received from shareholders and other miscellaneous correspondence on change of address, mandates, etc are processed by the Share Transfer Agent of the Company within three days.

Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Clause 47(c) of the Listing Agreement with Stock Exchanges.

Certificates have also been received from a Company Secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and participants) Regulations, 1996.

The Company as required under clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely Secinvestorgrievances@tvstyres.com, Secretarial@tvstyres.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

Shareholders are, therefore, requested to correspond with the Share Transfer Agent for transfer / transmission of shares, change of address and queries pertaining their shareholdings, dividends, etc., at the address given in this report.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

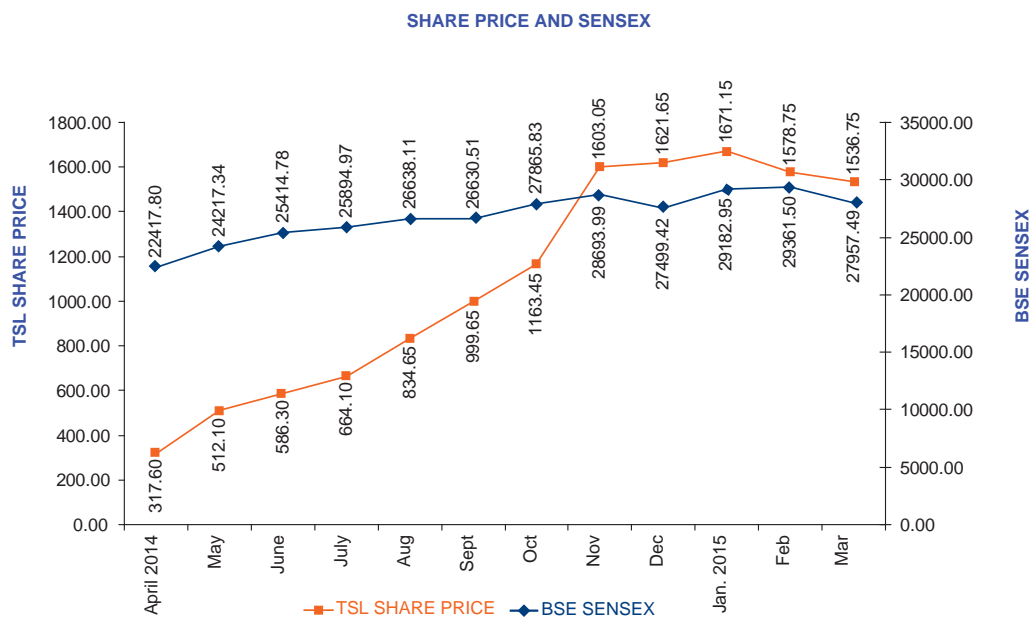
No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 500	19610	95.96	1832321	23.93
501 to 1000	501	2.45	365375	4.77
1001 to 2000	171	0.84	251583	3.29
2001 to 3000	51	0.25	132958	1.74
3001 to 4000	28	0.14	95864	1.25
4001 to 5000	20	0.10	92505	1.21
5001 – 10000	18	0.09	125224	1.64
10001 & above	37	0.18	4761220	62.18
Total	20436	100.00	7657050	100.00

CORPORATE GOVERNANCE (Contd.)

Share Price Data

Month	Bombay Stock Exchange Ltd (BSE)		National Stock Exchange Ltd (NSE)	
	High	Low	High	Low
April 14	339.90	304.95	339.10	302.80
May 14	520.10	324.80	508.65	325.55
June 14	634.40	510.05	635.55	572.95
July 14	692.40	585.05	687.55	585.00
Aug. 14	847.65	652.75	849.15	651.95
Sept. 14	1110.65	876.35	1115.50	875.60
Oct. 14	1178.40	995.20	1122.65	993.75
Nov. 14	1731.90	1200.75	1734.85	1200.25
Dec. 14	1806.65	1566.95	1804.65	1565.95
Jan. 15	1719.35	1600.55	1715.95	1602.80
Feb. 15	1809.05	1564.50	1805.75	1570.75
Mar. 15	1566.75	1444.25	1565.30	1441.20

Share price performance in comparison to broad based indices – BSE SENSEX:





CORPORATE GOVERNANCE (Contd.)

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Out of 4108489 shares held by persons other than promoters, 3170696 shares have been dematerialized as on 31st March, 2015 accounting to 77.17%.

The Company has already achieved 100% of promoter group's shareholding in dematerialized form consisting of 3548561 equity shares of face value of Rs.10/- each

Details of public funding obtained in the last three years - No capital has been raised in the last three years

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity

REGISTRAR & SHARE TRANSFER AGENT OF THE COMPANY

M/s Integrated Enterprises (India) Limited, Chennai, are acting as common agency for all investor servicing activities relating to both electronic and physical segments. Their address is :

M/s Integrated Enterprises (India) Limited
"Kences Towers" II Floor, No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600017

Phone 044 – 28140801 – 803

Fax 044 – 28142479

Email corpserv@integratedindia.in

PLANT LOCATIONS

TAMIL NADU

1. Vellaripatti Village, Melur Taluk, Madurai District, Pin 625 122
2. Narasingampatti Village, Therkuthuru, Melur Taluk, Madurai District, Pin 625 122

UTTARAKHAND

Plot No.7, Sector – 1, Integrated Industrial Estate, SIDCUL, Pantnagar 263153, Rudrapur, Tehsil – Kichha, District Udham Singh Nagar, Uttarkhand

ADDRESS FOR COMMUNICATION

TVS Srichakra Limited, No.10, Jawahar Road, Madurai 625 002

Phone : 0452 2420461

Fax : 0452 2420266

Email : Secinvestorgrievances@tvstyres.com;
Secretarial@tvstyres.com

website : www.tvstyres.com

COMPLIANCE OFFICER

Mr. P Srinivasan, Secretary

TVS Srichakra Limited, 10 Jawahar Road, Madurai 625 002

Phone : 0452 – 2420461 to 2420468

Fax : 0452 – 2420266

Email id – Srinivasan.P@tvstyres.com



CORPORATE GOVERNANCE (Contd.)

NON MANDATORY DISCLOSURES

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below :

THE BOARD

The non-executive Directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment.

SHAREHOLDERS RIGHTS

The quarterly / half-yearly / annual results of the Company are published in English and Vernacular newspapers and are also displayed on the Company's website namely www.tvstyres.com and in the official website of the stock exchanges, where the shares of the Company are listed / traded, as soon as the results are approved by the board. The results are not sent to the shareholders individually.

AUDIT QUALIFICATION

The statutory financial statements of the Company are unqualified.

REQUEST TO SHAREHOLDERS

Shareholders are requested to follow the general safeguard procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

DEMAT OF SHARES

Shareholders are requested to convert their physical holding to demat / electronic form through any of the Depository Participants (DPs) to avoid any possibility of loss, mutilation, etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

REGISTRATION OF ELECTRONIC CLEARING SERVICE (ECS) MANDATE

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from members holding shares in electronic mode for deletion of / change in such bank details. Members, who wish to change such bank account details, are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the Share Transfer Agent of the Company or their respective DPs

TRANSFER OF SHARES IN PHYSICAL MODE

Shareholders should fill in complete and correct particulars in the transfer deed, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the share transfer department.

CORPORATE GOVERNANCE (Contd.)

In terms of SEBI's circular no. MRD/DoP/Cir-05/1009 dated 20th May, 2009, it has become mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

CONSOLIDATION OF MULTIPLE FOLIOS

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Share Transfer Agent of the Company.

UPDATION OF ADDRESS

Shareholders are requested to update their address registered with the Company, directly through the share transfer agent, to receive all communications promptly.

Shareholders holding shares in electronic form are requested to deal only with their DPs in respect of change of address and furnishing bank account number etc.,

SMS ALERTS

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the respective transfers. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs) and made a request for such service. No charge will be levied by NSDL /CDSL on DPs for providing this facility to investors. Further information is available on the website of NSDL and CDSL, namely www.nsdl.co.in and www.cdslindia.com respectively.

TIMELY ENCASHMENT OF DIVIDENDS

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation / losing your right to claim owing to transfer of unclaimed dividends beyond seven years to Investors Education and Protection Fund (IEPF).

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders who have not encashed their dividend warrants in respect of dividend declared for the financial year ended 31st March, 2008 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Information in respect of the unclaimed dividend of the Company with due date for remittance to IEPF is given below:

Financial Year	Date of declaration	Date of transfer to special account	Date of transfer to IEPF
31.3.2008	18.9.2008	24.10.2008	21.11.2015
31.3.2009	25.9.2009	31.10.2009	28.11.2016
31.3.2010	20.9.2010	19.3.2010	16.4.2017
31.3.2011	3.8.2011	8.9.2011	6.10.2018
31.3.2012	27.9.2012	2.11.2012	1.12.2019
31.3.2013	25.9.2013	31.10.2013	30.11.2020
31.3.2014	11.9.2014	17.10.2014	15.11.2021



CORPORATE GOVERNANCE (Contd.)

UNCLAIMED SHARE CERTIFICATES

In terms of the provisions of Clause 5A of the Listing Agreement, (introduced vide SEBI circular dated 16th December, 2010) the unclaimed share certificates were dematerialized and transferred to “Unclaimed Suspense Account” with M/s Geojit BNP Paribas Financial Services Limited, Kochi. As required under this clause of the Listing Agreement, the Company sent reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. Action has been taken thereafter to transfer the unclaimed shares to “Unclaimed Suspense Account” to comply with the requirement of this clause of the Listing Agreement. As and when the shareholder approaches the Company with required documents, the Company shall credit the shares lying in the suspense account to the demat account of the shareholder.

PERMANENT ACCOUNT NUMBER (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee(s), members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.



CORPORATE GOVERNANCE (Contd.)

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

To the Members of
TVS Srichakra Limited

We have examined the compliance of conditions of Corporate Governance by TVS Srichakra Limited, for the year ended on 31.3.2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

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

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207S

Madurai
23.5.2015

K S NARAYANASWAMY
Partner
Membership No. 8593



CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION

The Board of Directors

TVS Srichakra Limited

We certify that –

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 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 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 we 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 that there were
 - i) no significant changes in internal control over financial reporting during the year;
 - ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) no instances of significant fraud of which we have become 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.

G V MAHADEVAN
VICE PRESIDENT – FINANCE

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

Madurai
23.5.2015

CERTIFICATE

The Shareholders

TVS Srichakra Limited

I, Shobhana Ramachandhran, Managing Director of the Company, hereby confirm that all the Members of your Board and the Senior Management Personnel of your Company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2015.

Madurai
23.5.2015

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH 2015

To

The Members of TVS SRICHAKRA LIMITED,
7B, West Veli Street,
Madurai - 625001

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of TVS SRICHAKRA LIMITED, MADURAI – 625001 (“the Company”), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the standalone financial statements that give a 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.





OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read together with the annexure to our report 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;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes on accounts (Note 27 (o)) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

For Sundaram & Srinivasan,
Chartered Accountants
Firm registration No. 004207S

K S Narayanaswamy
Partner
Membership No. : 8593

Madurai
23.5.2015



ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at reasonable intervals. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii) (a) Physical verification of stock of finished goods, stores, spare parts and raw materials has been conducted by the Management at reasonable intervals.
(b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the accounts.
- iii) (a) The Company has not granted any loan during the year.
(b) A sum of Rs.34.59 crores has been granted to a wholly owned subsidiary Company as advance in an earlier year, which is interest free. This along with an advance of Rs.0.01 crore made during the year is outstanding at the year end. (Maximum outstanding during the year : Rs.34.60 Crores). No amounts have been received back during the year.
- iv) The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and there are no major weaknesses in such internal control system.
- v) The Company has not accepted deposits from the public.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, the dues of Income Tax, Sales Tax, Excise Duty & Service Tax which have not been deposited on account of any dispute are furnished below:



Rs. in Crores

Forum Where Dispute is Pending	Income-Tax	Sales Tax	Excise Duty & Service Tax
High Court	-	-	0.10
Customs, Excise and Service Tax Appellate Tribunal	-	-	1.58
Commissioner	-	-	1.71
Commissioner (Appeals)	3.53	-	0.02
Joint Commissioner	-	0.01	0.20
Joint Commissioner (Appeals)	-	0.29	-
Deputy Commissioner	-	0.08	0.79
Deputy Commissioner (Appeals)	-	3.34	-
Assistant Commissioner	-	5.78	-
Appellate Tribunal	0.11	-	-
Income Tax Office CPC (TDS)	1.73	-	-
Commercial Tax Officer	-	0.02	-

(c) There are no amounts due and outstanding which are required to be transferred to Investor Education and Protection Fund.

- viii) The Company does not have any accumulated losses and no loss cash or otherwise has been incurred by the Company in the current financial year or preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Bank.
- x) The Company has not given any guarantee during the year.
- xi) The Company has not availed any term loan during the year. In our opinion, the term loans availed during earlier years were applied for the purposes for which the loans were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No.004207 S

K.S. Narayanaswamy
Partner
Membership No: 8593

Madurai
23.5.2015

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No.	Rs. in Crores	
		31.3.2015	31.3.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	7.66	7.66
(b) Reserves and Surplus	2	268.63	195.99
(c) Money received against share warrants			
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	73.83	112.86
(b) Deferred tax liabilities (Net)	4	22.64	21.86
(c) Other Long-term liabilities	5	14.91	9.66
(d) Long-term provisions	6	7.71	2.80
4 Current liabilities			
(a) Short-term borrowings	7	102.07	152.13
(b) Trade payables	8	134.55	215.70
(c) Other current liabilities	9	134.82	99.95
(d) Short-term provisions	10	33.60	19.98
Total		<u>800.42</u>	<u>838.59</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	11	264.12	224.61
(ii) Intangible assets	11	2.98	4.71
(iii) Capital work-in-progress	11	14.17	16.18
(iv) Intangible assets under development	11	4.23	4.27
(b) Non-current investments	12	32.01	19.26
(c) Long-term loans and advances	13	64.81	52.54
(d) Other non-current assets	14	7.46	12.46
2 Current assets			
(a) Inventories	15	209.84	206.65
(b) Trade receivables	16	166.80	266.38
(c) Cash and cash equivalents	17	9.42	7.94
(d) Short-term loans and advances	18	24.58	23.59
Total		<u>800.42</u>	<u>838.59</u>
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

K S NARAYANASWAMY

Place : Madurai
Date : 23.5.2015

GV MAHADEVAN
Vice President-Finance

P SRINIVASAN
Secretary

Partner
Membership No. 8593

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

		Rs. in Crores	
Particulars	Note No.	31.3.2015	31.3.2014
I. Revenue from operations	19	1895.99	1670.99
II. Other income	20	3.72	1.39
III. Total Revenue (I + II)		1899.71	1672.38
IV. Expenses:			
Cost of materials consumed	21	1137.99	1086.01
Purchases of Traded goods		2.83	3.50
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(17.37)	14.73
Employee benefit expenses	23	164.23	124.88
Finance costs	24	29.89	41.56
Depreciation and amortization expense	11	39.88	23.67
Other expenses	25	402.69	322.11
Total expenses		1760.14	1616.46
V. Profit before exceptional and extraordinary items and tax (III-IV)		139.57	55.92
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		139.57	55.92
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		139.57	55.92
X. Tax expense :			
(1) Current tax		35.00	13.68
Less: MAT Credit Entitlement		-	- 4.29
Net of MAT Credit Entitlement		35.00	9.39
(2) Deferred tax		0.78	- 0.92
XI. Profit/(Loss) for the period from continuing operations (IX-X)		103.79	47.45
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		103.79	47.45
XVI. Earnings per equity share: (in Rs.)			
Basic and Diluted		135.55	61.96
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY

Place : Madurai
Date : 23.5.2015

GV MAHADEVAN
Vice President-Finance

P SRINIVASAN
Secretary

Partner
Membership No. 8593

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

Particulars	31.3.2015	31.3.2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	139.57	55.92
Adjustments for :		
Depreciation	39.88	23.67
Interest paid	29.89	44.24
Interest received	(1.11)	(0.82)
(Profit)/Loss on Sale of Assets	0.01	0.03
Provision for doubtful debts		1.58
Provision for doubtful debts withdrawn	(1.93)	
Assets Condemned	0.33	
Non operating income	(0.68)	(0.57)
	66.39	68.13
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	205.96	124.05
Adjustments for :		
Trade Receivables	101.51	(81.53)
Other Receivables	1.87	11.46
Inventories	(3.19)	46.52
Trade and other payables	(25.66)	(75.58)
	74.53	(99.13)
Cash Generated From Operations	280.49	24.92
Direct taxes paid	38.48	10.15
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	242.01	14.77
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(84.32)	(72.19)
Proceeds from disposal of assets	0.02	0.13
Investments Purchased	(12.75)	
Investments sold off		0.02
Non operating income	0.68	0.57
Interest received	1.11	1.10
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(95.26)	(70.37)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(33.10)	(44.25)
Proceeds/(Repayment) from short-term borrowings	(50.06)	36.84
Proceeds/(Repayment) of long-term borrowings	(48.09)	33.71
Loan to subsidiary	(0.01)	(1.06)
Dividend & Dividend tax paid	(14.01)	(6.59)
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)	(145.27)	18.65
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1.48	(36.95)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	7.94	44.89
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	9.42	7.94

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

Place : Madurai
Date : 23.5.2015

G V MAHADEVAN
Vice President-Finance

R NARESH
Executive Vice Chairman
DIN : 00273609

P SRINIVASAN
Secretary

AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of TVS Srichakra Limited for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement and is based on and is in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company by our report dated 23.5.2015 to the members of the Company.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No.8593

Place : Madurai
Date : 23.5.2015

NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

NOTE I - SHARE CAPITAL

	31.3.2015	31.3.2014
Authorised		
1,00,00,000 Equity Shares of Rs. 10 each	10.00	10.00
Issued, Subscribed and fully Paid Up:		
76,57,050 Equity Shares of Rs. 10 each	7.66	7.66
Subscribed & Paid up		
76,57,050 Equity Shares of Rs. 10 each fully paid	7.66	7.66
Subscribed but not fully Paid up		
Equity Shares of Rs. 10 each, not fully paid up	-	-
Total	7.66	7.66

	Equity Shares	
	No.'000	Rs. in Crores
Shares outstanding at the beginning of the year	7657.05	7.66
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	7657.05	7.66

Other Information :

Equity Share holders holding more than 5% of the total Share capital of the Company

TV Sundram Iyengar & Sons Private Limited	27.73%	27.73%
Sundaram Industries Private Limited	9.79%	9.79%

Rights, preferences and restrictions attached to shares -

Equity shares - The Company has one class of equity share having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 2 - RESERVES AND SURPLUS

	31.3.2015	31.3.2014
a. Capital Reserves		
Opening Balance	0.01	0.01
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	0.01	0.01
b. Securities Premium Account		
Opening Balance	0.93	0.93
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	0.93	0.93
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	0.46	0.46
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	0.46	0.46
d. Other Reserves - General Reserve		
Opening Balance	31.01	26.21
(+) Current Year Transfer	-	4.80
(-) Written Back in Current Year	-	-
Closing Balance	31.01	31.01
e. Surplus		
Opening balance	163.58	135.26
(+) Net Profit/(Net Loss) For the current year	103.79	47.45
(-) Proposed Dividend	25.88	12.25
(-) Dividend Tax	5.27	2.08
(-) Transfer to Reserves	-	4.80
Closing Balance	236.22	163.58
Total	268.63	195.99

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 3 - LONG TERM BORROWINGS

	31.3.2015	31.3.2014
Secured		
(a) Term loans		
from banks	73.83	109.19
from other parties	-	3.67
Total	<u>73.83</u>	<u>112.86</u>

Additional Information :

Details of Security for Secured Loans

- a) Term Loan Availed from State Bank of India is secured by exclusive first charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist, Uttarakhand and buildings thereon, belonging to the Company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No. 519 / 1B2, located at Narasingampatti Village, Madurai.
- b) Term Loan from Karur Vysya Bank Ltd., is secured by hypothecation of Specific Plant & Machinery located at Pant Nagar, Uttrakhand as well as Specific Plant and Machinery located at Vellaripatti Village, Madurai.
- c) Term Loan from Sundaram Finance Ltd., is secured by hypothecation of Specific Plant & Machinery located at Pant Nagar, Rudrapur, Uttrakhand as well as Specific Plant and Machinery located at Vellaripatti Village, Madurai.
- d) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village, Madurai.

31.3.2015 31.3.2014

NOTE 4 - DEFERRED TAX LIABILITY/ASSETS

i) Deferred Tax Liability		
a) On account of Depreciation on Fixed Assets	24.84	25.58
b) On account of timing Differences in Recognition of Expenditure	(2.20)	(3.72)
Total	<u>22.64</u>	<u>21.86</u>

NOTE 5 - OTHER LONG TERM LIABILITIES

(a) Trade Payables	-	-
(b) Others	14.91	9.66
Total	<u>14.91</u>	<u>9.66</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 6 - LONG TERM PROVISIONS

	31.3.2015	31.3.2014
(a) Provision for employee benefits		
Leave Encashment (unfunded)	2.93	2.32
Gratuity	4.78	0.48
(b) Others	-	-
(c) Provision for Taxation	-	-
Total	<u>7.71</u>	<u>2.80</u>

NOTE 7 - SHORT TERM BORROWINGS

Secured

(a) Loans repayable on demand

from banks	102.07	101.79
from other parties	-	-

Unsecured

(a) Loans repayable on demand

from banks	-	50.34
from other parties	-	-

Total	<u>102.07</u>	<u>152.13</u>
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Additional Information :

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by a first charge by way of hypothecation of Stock of Raw Materials, Stores, Work in Progress, Finished goods and Book Debts.

Working Capital facilities are also secured through a second charge on the assets created out of the term loans including:

- EM of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E, Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the Company and
- EM over Land [1.90 acres] and Buildings at S No. 519 / IB 2 Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District belonging to the Company.

NOTE 8 - TRADE PAYABLES

	31.3.2015	31.3.2014
i) To Micro Small and Medium Enterprises	-	-
ii) Others	134.55	215.70
Total	<u>134.55</u>	<u>215.70</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 9 - OTHER CURRENT LIABILITIES

	31.3.2015	31.3.2014
(a) Current maturities of long-term debt	29.47	38.53
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	0.90	4.11
(d) Unpaid dividends	1.55	1.23
(e) Others-Other Creditors	102.90	56.08
Total	134.82	99.95

NOTE 10 - SHORT TERM PROVISIONS

(a) Provision for employee benefits

Leave encashment	0.52	0.23
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(b) Provisions

Taxation Less Advance Tax	1.93	5.42
Dividend	25.88	12.25
Dividend Tax	5.27	2.08
Total	33.60	19.98

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 11 - FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2014	Additions	Deletions	As at 31 March 2014	Depreciation charge for the year	On Deletions	As at 31 March 2015	As at 31 March 2014
a Tangible Assets								
Land - Freehold	1.12	0.84	-	-	-	-	1.96	1.12
Land - Leasehold	2.85	-	-	0.16	0.03	-	2.66	2.70
Buildings	73.70	14.56	0.44	11.32	4.93	0.19	71.76	62.37
Plant and Machinery	253.99	49.21	0.98	117.67	26.07	0.92	159.40	136.32
Furniture and Fixtures	4.39	0.41	-	2.25	0.43	-	2.12	2.14
Vehicles	1.19	0.48	0.12	0.50	0.16	0.09	0.98	0.69
Office equipment	5.10	1.86	0.04	2.55	1.32	0.04	3.09	2.55
Others (Electrical)	20.85	8.30	-	4.14	2.86	-	22.15	16.72
Total	363.19	75.66	1.58	138.59	35.80	1.24	264.12	224.61
b Intangible Assets								
Computer software	6.82	0.54	-	2.11	2.27	-	2.98	4.71
Licence	-	1.81	-	-	1.81	-	-	-
Total	6.82	2.35	-	2.11	4.08	-	2.98	4.71
c Capital Work In Progress								
Total	-	-	-	-	-	-	14.17	16.18
d Intangible assets under Development								
Total	-	-	-	-	-	-	4.23	4.27
GRAND TOTAL	370.01	78.01	1.58	140.70	39.88	1.24	285.50	249.77
Previous Year	302.57	67.74	0.30	117.16	23.67	0.13	249.77	

Rs. in Cr

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 12 NON CURRENT INVESTMENTS

	Rs. In Cr	
	As at 31 March 2015	As at 31 March 2014
Non Trade		
Investment in Equity instruments	32.10	19.35
Less : Provision for diminution in the value of Investments	0.09	0.09
Total	32.01	19.26

Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs. In Cr)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No'- Basis of Valuation
		As at 31 March 2015	As at 31 March 2014			As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014		
Investment in Equity Instruments											
TVS Europe Distribution Ltd	Subsidiary	3325000/ 1 GBP	2125000/ 1 GBP	Unquoted	Fully paid	59	56	29.43	17.21	yes	-
TVS Srichakra Investments Ltd	Subsidiary	2050000/ Rs 10	2050000/ Rs 10	Unquoted	Fully paid	100	100	2.05	2.05	yes	-
Van Leeuwen Tyres & Wheels BV	Associate	15000 / 1 Euro	15000 / 1 Euro	Unquoted	Fully paid	30	30	0.09	0.09	yes	-
Sai Regency Power Corporation Private Limited	Others	150000/ Rs 10/-	-	Unquoted	Fully paid	0.9	-	0.15	-	yes	-
Mytrah Vayu (Manjira) Private Limited	Others	381840/ Rs 10/-	-	Unquoted	Fully paid	9.02	-	0.38	-	yes	-
Total								32.10	19.35		
Less : Provision for diminution in the value of Investments								0.09	0.09		
Total								32.01	19.26		

Addition during the year	No. of Shares	value in Cr
TVS Europe Distribution Ltd	1200000	12.22
Sai Regency Power Corporation Private Limited	150000	0.15
Mytrah Vayu(Manjira) Private Limited	381840	0.38

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 13 - LONG TERM LOANS AND ADVANCES

	31.3.2015	31.3.2014
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	14.25	4.12
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<u>14.25</u>	<u>4.12</u>
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	12.76	9.03
	<u>12.76</u>	<u>9.03</u>
c. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	34.59	34.58
	<u>34.59</u>	<u>34.58</u>
d. Other loans and advances		
Secured, considered good	-	-
Unsecured, considered good	3.21	4.81
	<u>3.21</u>	<u>4.81</u>
Total	<u>64.81</u>	<u>52.54</u>

NOTE 14 - OTHER NON-CURRENT ASSETS

MAT Credit Entitlement	7.46	12.46
Total	<u>7.46</u>	<u>12.46</u>

NOTE 15 - INVENTORIES AS CERTIFIED BY MANAGING DIRECTOR

a. Raw Materials and components at cost	124.59	139.25
b. Work-in-progress at cost	12.11	11.98
c. Finished goods at lower of cost and realisable value	65.24	48.02
d. Stock-in-trade at cost	0.30	0.28
e. Stores and spares at cost	7.60	7.12
Total	<u>209.84</u>	<u>206.65</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 16 - TRADE RECEIVABLES

	31.3.2015	31.3.2014
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	<u>163.72</u>	<u>264.16</u>
	163.72	264.16
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	3.08	2.22
Unsecured, considered Doubtful		1.93
Provision for Doubtful debts	-	<u>(1.93)</u>
	<u>3.08</u>	<u>2.22</u>
Total	<u>166.80</u>	<u>266.38</u>

NOTE 17 - CASH AND CASH EQUIVALENTS

a. Balances with banks		
- In Unpaid Dividend Accounts	1.55	1.24
- In Margin money	0.01	3.79
- As Security Deposit for a vendor	2.67	2.67
- In Current Accounts	4.39	0.06
b. Cash on hand	0.80	0.18
Total	<u>9.42</u>	<u>7.94</u>

NOTE 18 - SHORT TERM LOANS AND ADVANCES

a. Loans and advances to related parties

Unsecured, considered good	-	-
	<u>-</u>	<u>-</u>

b. Others

Prepaid expenses	3.63	3.16
Accrued income	-	0.84
Others	20.95	19.59
Total	<u>24.58</u>	<u>23.59</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 19 - REVENUE FROM OPERATIONS

	31.3.2015	31.3.2014
Sale of products	2045.80	1801.35
Sale of services	—	—
Other operating revenues	14.54	12.09
Less: Excise duty	164.35	142.45
Total	<u>1895.99</u>	<u>1670.99</u>

NOTE 20 - OTHER INCOME

Interest Income - Current Investments	1.11	0.82
Provision for doubtful debts withdrawn	1.93	—
Other non-operating income (net of expenses directly attributable to such income)	0.68	0.57
Total	<u>3.72</u>	<u>1.39</u>

NOTE 21 - COST OF MATERIALS CONSUMED

Opening Stock	139.25	171.30
Add : Purchase (includes processing Rs. 36.25 Cr) (Previous year - Rs. 28.95 Crore)	1123.33	1053.96
Total	<u>1262.58</u>	<u>1225.26</u>
Less : Closing Stock	124.59	139.25
Cost of Materials consumed	<u>1137.99</u>	<u>1086.01</u>

NOTE 22 - (INCREASE) / DECREASE IN STOCK

Opening Stock Finished goods & Traded goods	48.30	54.91
Opening Stock Work in progress	11.98	20.10
Closing Stock of Finished goods & Traded Goods	65.54	48.30
Closing Stock of Work in progress	12.11	11.98
(Increase) / Decrease in Finished goods & Traded Goods	- 17.24	6.61
(Increase) / Decrease in Work in progress	- 0.13	8.12
Total (Increase) / Decrease in Stock	<u>- 17.37</u>	<u>14.73</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

NOTE 23 - EMPLOYEE BENEFIT EXPENSES

	31.3.2015	31.3.2014
(a) Salaries and wages	126.92	100.61
(b) Contributions to -		
(i) Superannuation Fund	0.71	0.65
(ii) Gratuity fund contributions	4.78	0.48
(iii) Provident Fund and other Fund	8.02	6.43
(c) Remuneration to Whole time directors	8.59	3.27
(d) Staff welfare expenses	15.21	13.44
Total	<u>164.23</u>	<u>124.88</u>

NOTE 24 - FINANCE COSTS

Interest expense	29.39	41.38
Other borrowing costs	0.50	0.18
Total	<u>29.89</u>	<u>41.56</u>

NOTE 25 - OTHER EXPENSES

Consumption of Stores & Spares	47.31	39.52
Power & Fuel	70.11	70.88
Repairs to building	2.31	2.06
Repairs to machinery	5.47	5.61
Repairs Others	0.64	1.31
Insurance	3.55	2.87
Rates & taxes	17.21	3.51
Telephone & Internet Charges	1.23	0.96
Travelling Expense	8.24	6.30
Exchange Rate Gain & Loss (Net)	4.73	0.84
Bank charges	1.82	2.68
Advertisement and sales promotion	30.22	15.34
CSR Activities	0.88	-
Freight Out	60.54	48.99
Bad Debts written off	3.07	-
Provision for doubtful debts	-	1.58
Loss on Sale of Fixed Assets (net)	0.01	0.03
Assets condemned	0.33	-
Commission to non Whole time directors	0.85	0.62
Director's Sitting Fees	0.04	0.02
Commission & Discount	100.54	81.42
Rent & Lease rentals	16.25	16.02
Audit Fees	0.20	0.09
Donation	0.03	0.06
Consultancy	13.29	12.22
Warranty Claims	8.62	6.74
Advance written off	0.91	-
Other expenses	4.29	2.44
Total	<u>402.69</u>	<u>322.11</u>



26. SIGNIFICANT ACCOUNTING POLICIES:

1. AS 1: DISCLOSURE OF ACCOUNTING POLICIES:

The financial statements are prepared on a going concern concept under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act 2013 and after considering the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

2. AS 2: VALUATION OF INVENTORIES:

Raw Materials, stores and spares are valued at cost arrived by applying the Weighted Average Method. Cost consists of cost of materials, Cess, Duty & Freight.

Work in progress is valued at cost applying weighted average method. Cost includes cost of Materials, Labour and other appropriate overheads.

Finished goods are valued at lower of cost and realizable value. Cost for this purpose comprises materials, labour and other appropriate overheads and Excise Duty.

3. AS 3: CASH FLOW STATEMENTS:

The Cash flow statement has been prepared under 'Indirect method' set out in AS-3 and pursuant to the listing agreement with the stock exchanges.

4. AS 6: DEPRECIATION ACCOUNTING:

The Companies Act, 2013 stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be depreciated over the useful life of the asset. This method has been followed by the Company.

All tangible assets are depreciated under the straight line method. The Company has adopted useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs. 5000 or below acquired during the year is continued to be depreciated in full retaining Rs.1 per asset.

Depreciation is provided for on pro-rata basis on additions and deletions made during the year.

The carrying amount of assets as on the first day of the financial year is depreciated over the remaining useful life of the asset as per schedule II of the Companies Act, 2013. Where the remaining useful life of an asset is Nil, the carrying amount is written-off in the statement of profit and loss after retaining the residual value.

5. AS 9: REVENUE RECOGNITION:

Income of the company is derived from sale of manufactured goods and includes excise duty but exclude sales tax and value added tax.

Domestic sales are recognized net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Export sales are recognized on the basis of date of bill of lading. Export benefits, if any, are recognized on post shipment basis.

Interest incomes are recognized using the time proportion method based on the rates implicit in the transaction. Dividend income is recognized when the right to receive dividend is established.





26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6. AS 10: ACCOUNTING FOR FIXED ASSETS:

Gross block of fixed assets are shown at the costs of acquisition, which includes taxes, duties (net of CENVAT and VAT input credits availed) and other identifiable direct expenses incurred.

7. AS 11: ACCOUNTING FOR EFFECTS IN FOREIGN EXCHANGE RATES:

Transactions are recorded at equivalent rupee values at the exchange rate prevailing on the date of transaction or at the rates that closely approximate the rate at the date of the transaction.

The difference on account of fluctuation at the rate of exchange prevailing on the date of transaction and the date of realization is recognized in the statement of profit and loss.

Foreign currency assets and liabilities are restated at the rates ruling at the year end and the difference is recognized in the statement of profit and loss.

Forward premium in respect of forward exchange contracts is amortized and recognized over the life of the contract.

8. AS 13: ACCOUNTING FOR INVESTMENTS:

All the investments are long term investments. Investments are stated at cost. Diminutions in respect of long-term investments are provided for when there is a permanent diminution in the value of such investments.

9. AS 15 (REVISED): ACCOUNTING FOR RETIREMENT BENEFITS:

The Company provides for gratuity, a defined benefit retirement plan, covering eligible employees. In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the employees' salary and tenure of employment. Liabilities with regard to the retirement plan are determined by an independent actuarial valuation at the balance sheet date, based on which the Company contributes all the ascertained liabilities to the Company's gratuity fund maintained by ICICI Prudential Life Insurance Co. Ltd

Leave encashment is provided for based on actuarial valuation.

Employees above a certain category are participants in the Company's superannuation fund, for which the Company makes annual contributions based on their salaries to a fund maintained by the Life Insurance Corporation of India.

The Company makes its statutory contribution to the employees' provident fund to the Employees' Provident Fund Organization of the Government of India.

The Company makes contribution to the employees' health scheme for those employees governed by the ESI Act.

The Company has adopted the revised accounting standard on employees benefit (AS-15, revised) issued by the Institute of Chartered Accountants of India.



26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(Rs. In Crores)

LEAVE ENCASHMENT		
Particulars	31.3.2015	31.3.2014
Obligations at period beginning	2.55	2.50
Service Cost	0.46	0.42
Interest cost	0.16	0.20
Actuarial (gain)/loss	1.14	(0.01)
Benefits paid	(0.86)	(0.56)
Obligations at the period end	3.45	2.55

GRATUITY		
Particulars	31.3.2015	31.3.2014
Obligations at period beginning	12.57	11.74
Service Cost	1.56	0.54
Interest cost	0.96	1.05
Actuarial (gain)/loss	4.18	(0.20)
Benefits paid	(0.60)	(0.56)
Obligations at the period end	18.67	12.57

GRATUITY		
Change in plan assets	31.3.2015	31.3.2014
Plan assets at the beginning of the year	12.08	10.34
Expected return on the plan assets	0.95	0.86
Actuarial gain/(loss)	0.97	0.04
Contributions	0.49	1.40
Benefits paid	(0.60)	(0.56)
Plan assets at the year end, fair value	13.89	12.08

Reconciliation of the defined plan obligations and fair value of plan assets at the year end:

Fair value of the plan assets at the year end	13.89
Defined plan obligations at the year end	18.67
Assets/(liabilities) recognized in the Balance Sheet	4.78

Gratuity cost:	31.3.2015	31.3.2014
Service Cost	1.56	0.54
Interest Cost	0.96	1.05
Expected return on plan assets	(0.95)	(0.86)
Actuarial (gains)/losses	3.21	(0.24)
Net gratuity cost	4.78	0.49

26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Assumptions:	Gratuity	Leave Encashment
Discount Factor	7.82%	7.82%
Estimated Return on Plan Assets	8.00%	–
Salary Increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	58 & 60 Years	58 & 60 Years

10. AS 16: Borrowing Cost:

Interests on borrowings are capitalized wherever there is substantial period of time between the date of borrowing and date on which the assets are put to use.

11. AS 17: Segment reporting:

The company operates only in one segment and hence the disclosure requirements of Accounting Standard on Segment reporting (AS 17) issued by the Institute of Chartered Accountants of India are not applicable.

12. AS 19: Leases:

The operating lease entered in an earlier year is for a period of 10 years.

The details of maturity profile of future operating lease payments are furnished below:

- a. The total of future minimum lease payments under non-cancellable operating lease for each of the following periods (Net):

	Rs. In Crores
– Not later than one year	10.66
– Later than one year and not later than five years	53.04
– Later than five years	1.01

- b. Total of minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date Not Applicable
- c. Lease payments recognized in the Statement of Profit and Loss for the year under the head rent paid Rs. 7.12 Crores.

13. AS 20: Earnings Per Share:

Basic earnings per share are disclosed in the Statement of Profit and Loss. There is no diluted earning per share as there are no dilutive potential equity shares.

14. AS 22: Accounting for taxes on income:

The company provides for current taxes at current rates under the provisions of the Income Tax Act, 1961. Disputed taxes are not provided for, but disclosed in the notes on accounts. The company provides for deferred tax arising on account of temporary and reversible timing differences on account of depreciation, employees' benefits and expenditure which are allowed under the Income tax act only on payment basis.

26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

15. AS 25: Interim financial reporting:

Quarterly results are published in accordance with the guidelines issued by the Securities and Exchange Board of India. The recognition and measurement principles as laid down in the standard are followed with respect to such results. Quarterly financial results are also subjected to a limited financial review by the auditors as required.

16. AS 26: Intangible Assets:

The company amortizes intangible assets taking into consideration the useful life based on the estimates made by the management. Where the management considers that an intangible asset does not have a value as at the end of the accounting year, such intangible asset is fully amortized.

17. AS 28: Impairment of Assets:

The company makes an assessment on the balance sheet date to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. If any such indication exists, the recoverable amounts are estimated and an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

18. AS 29: Provisions, Contingent Liabilities and Contingent Assets:

- Provisions for expenses are made on estimated basis, based upon the judgment of the company.
- Contingent Liabilities are not provided for but disclosed in the notes on accounts.
- There are no contingent assets.

Rs. in Crores

Contingent liabilities :	31.3.2015	31.3.2014
Balance at the beginning of the year	74.88	50.04
Additions / (Deletions) during the year	9.09	24.84
Balance at the end of the year	83.97	74.88
Liabilities disputed and not provided for:		
- Income tax, Sales Tax & Excise duty:		
Balance at the beginning of the year	22.74	2.15
Additions / (Deletions) during the year	(14.67)	20.59
Balance at the end of the year	8.07	22.74

27 NOTES ON ACCOUNTS

- a) The company values Raw materials, Work in progress, Stores & Spares by applying weighted average price method. In respect of Raw materials, Cost consists of Material cost, cess, duties & Freight. In respect of Work in progress cost consist of Material cost, Labour and other appropriate overheads.
- b) i) All tangible assets are depreciated under the straight line method by adopting useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or below acquired during the year are considered not material and are depreciated in full retaining Re.1 per asset. Consequent to the re-assessment of the useful life of assets based on technical evaluation and depreciating assets costing Rs.5000 or below acquired during the year in full retaining Re.1 per asset, depreciation charged is lower by Rs.0.74 Crores.

- ii) The useful life other than that described in Schedule II adopted are furnished below.

Category of Plant & Machinery	No of Years
Plant & Machinery other than Gen set	20
Moulds / Trolley / Weighing balances / Drums / PCI Stand /	
Storage stand / Motors / Pumps	6

- iii) A sum of Rs.3.56 Crores towards transitional provisions in respect of assets whose useful life is already exhausted as on 01.04.2014 has been charged to statement of profit and loss.
- iv) The company amortizes intangible assets taking into consideration the useful life based on the estimates made by the management. Where the management considers that an intangible asset does not have a value as at the end of the accounting year, such intangible asset is fully amortized. Consequent to the above, the amount amortized is higher by Rs.1.81 Crores.
- c) Included under Rates & Taxes is a sum of Rs.11.99 Crores towards sales tax relating to prior years.
- d) The company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application.

The value of main Raw materials used are as follows:

	Rs. in Crores	
	31.3.2015	31.3.2014
Materials consumed comprise of :		
Natural Rubber	275.76	293.35
Synthetic Rubber	180.83	200.50
Carbon	175.19	155.54
Chemicals	69.77	54.43
Oils	25.92	22.88
Beadwire	24.26	20.70
Fabric	164.32	148.20
Valves	24.87	24.61
Purchase of traded goods		
Tyre	2.46	3.05
Tube	0.02	0.02
Flap	0.35	0.43
e) CIF Value of Imports		
1 Raw Materials	308.00	298.22
2 Spares	0.04	0.16
3 Capital Goods	4.13	2.75

27 NOTES ON ACCOUNTS (Contd.)

		Rs. in Crores	
		31.3.2015	31.3.2014
f)	Consumption of imported and indigenous raw materials and components		
		%	%
		Rs. in Cr.	Rs. in Cr.
a)	Imported	26.32	33.55
		289.99	354.61
b)	Indigenous	73.68	66.45
			702.45
g)	Consumption of imported and indigenous Stores and Spares		
		%	%
a)	Imported	-	22.00
			8.69
b)	Indigenous	100.00	47.31
			78.00
			30.83
h)	Earnings in foreign exchange		
	F.O.B. value of goods exported	206.57	223.76
i)	Expenditure incurred in Foreign Currency on		
a)	Consultancy	4.21	4.12
b)	Interest	6.19	9.97
c)	Other Matters	3.87	2.29
j)	a) Remuneration to Managing Director		
	Salaries & Allowances	0.89	0.81
	Commission	2.96	1.23
	Contribution to Provident & Other Funds	0.15	0.13
	b) Remuneration to Executive Vice Chairman		
	Salaries & Allowances	0.61	-
	Commission	4.13	1.23
k)	Interest Paid includes:		
a)	Interest on Fixed Loans	8.40	23.15
b)	Interest Capitalised	-	0.74
l)	Tax deducted at Source from Interest	0.05	0.07
m)	Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	13.58	12.70
n)	Details of the Audit Fees		
a)	for audit Fees	0.12	0.07
b)	for taxation matters	0.03	-
c)	for Certification	0.03	0.01
d)	for reimbursement of expenses	0.02	0.01

27 NOTES ON ACCOUNTS (Contd.)

	Rs. in Crores	
	31.3.2015	31.3.2014
o) Contingent Liabilities not provided for:		
a) Estimated amount of contracts remaining to be executed on capital account	53.96	10.93
b) On Letters of Credit opened by Company's Bankers	27.77	63.23
c) Excise Duty under Dispute	2.06	2.47
d) Sales Tax under Dispute	0.64	16.63
e) Income Tax under Dispute	5.37	3.64
f) Customs duty on goods lying at Bonded Warehouse	2.24	0.72
p) Details of Research and Development Expenditure:		
(i) Capital Expenditure		
a) Plant & Machinery	1.82	5.94
b) Electrical Installations	-	-
c) Vehicles	0.07	0.05
d) Computers	-	0.07
e) Furniture	0.06	0.01
f) Buildings	0.03	1.96
g) Intangible Assets	-	0.05
h) Capital work in progress (P & M)	0.49	0.19
	Total	
	2.47	8.27
(ii) Revenue Expenditure:		
a) Raw Materials consumed	1.17	8.41
b) Stores & Spares consumed	0.31	0.06
c) Salaries, Wages, Bonus and Allowances	3.55	2.78
d) Freight	0.25	0.10
e) Rent including lease rentals	0.13	0.02
f) Rates & Taxes	0.28	0.19
g) Insurance	0.03	-
h) Travelling expenses	1.60	0.61
i) Repairs & Maintenance	1.17	1.43
j) Consultancy - Foreign	3.34	4.60
k) Consultancy - Domestic	0.13	1.46
l) Others	2.72	1.69
	Total	
	14.68	21.35
Total Research and Development expenditure	17.15	29.62

27 NOTES ON ACCOUNTS (Contd.)

q) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)

Description of relationship and Names of related parties:

- | | |
|----------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Subsidiaries | TVS Srichakra Investments Ltd.,
TVS Europe Distribution Ltd. |
| 2. Associates | TV Sundram Iyengar & Sons Private Limited
Van Leeuwen Tyres & Wheels B.V., Holland |
| 3. Joint venturer | ZF Electronics TVS (India) P Ltd |
| 4. Key Management Personnel | Sri R Naresh, Executive Vice Chairman
Ms Shobhana Ramachandran, Managing Director |
| 5. Enterprise with Common Key Management Personnel | Sundaram Industries Private Limited |

(Rs. in Crores)

Sl.	Particulars	TVS Srichakra Investments Ltd.,	TVS Europe Distribution Ltd.,	TV Sundram Iyengar & Sons Private Limited	ZF Electronics TVS (India) P Ltd	Ms Shobhana Ramachandran	Sri R Naresh	Sundaram Industries Private Limited
A	Transactions for the year ended 31.3.2015							
1	Purchases			0.84 (0.71)				3.45 (2.87)
2	Sales			38.10 (88.80)				1.15 (1.37)
3	Interest Paid							
4	Interest Received			(0.18)				
5	Services rendered			5.06 (5.35)				(0.04)
6	Services received			5.54 (0.95)	0.01	4.03 (2.21)	4.74 (1.23)	0.92 (0.04)
7	Loans Accepted / Repaid							
8	Loans Given			(20.00)				
9	Loans Repaid			(20.00)				
10	Investments		12.22					
11	Sale of Investments							
12	Advance	0.01 (1.06)						
B	Outstanding as on 31.3.2015							
1	Receivable	34.59 (34.59)		0.64 (7.84)				(0.11)
2	Payable			4.26		2.96 (1.23)	4.13 (1.23)	1.35

Figures in brackets are that of previous year.

27 NOTES ON ACCOUNTS (Contd.)

		Rs. in Crores	
		31.3.2015	31.3.2014
r)	Trade Payables and Short Term Provisions includes:		
a)	Acceptances	3.39	83.22
b)	Due to Managing Director	2.96	1.23
c)	Due to Executive Vice Chairman	4.13	1.23
d)	Due to Non-Whole Time Directors	0.85	0.62
s)	No amount is due as on 31st March, 2015 for credit to Investor Education and Protection Fund.		
t)	Details of Earnings Per Share		
	Profit after tax	Rs. In Crores 103.79	47.45
	No. of equity shares	Nos 7,657,050	7,657,050
	Face value of share	Rs 10.00	10.00
	Basic Earnings per share	Rs 135.55	61.96
u)	Terms of repayment of Term Loan		
	1. Term loan from State Bank of India is repayable in 66 monthly installments commencing from October 2010		
	2. Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2014 (with a moratorium of 12 months)		
	3. Term loan from KarurVysya Bank Limited is repayable in 72 monthly installments commencing from October 2011		
	4. Hire Purchase Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
	5. ECB Loan from DBS Bank Limited is repayable in 20 Quarterly installment commencing from January 2014		
v)	An amount of Rs. 33.80 per share (338%) has been recommended by the board of directors towards dividend.		
w)	Figures of the previous year have been regrouped/reclassified wherever necessary to conform to current year's classification.		

SHOBHANA RAMACHANDHRAN
Managing Director
 DIN : 00273837

R NARESH
Executive Vice Chairman
 DIN : 00273609

As per our report attached
 For SUNDARAM & SRINIVASAN
Chartered Accountants
 Firm Registration No. 004207 S
 K S NARAYANASWAMY

Place : Madurai
 Date : 23.5.2015

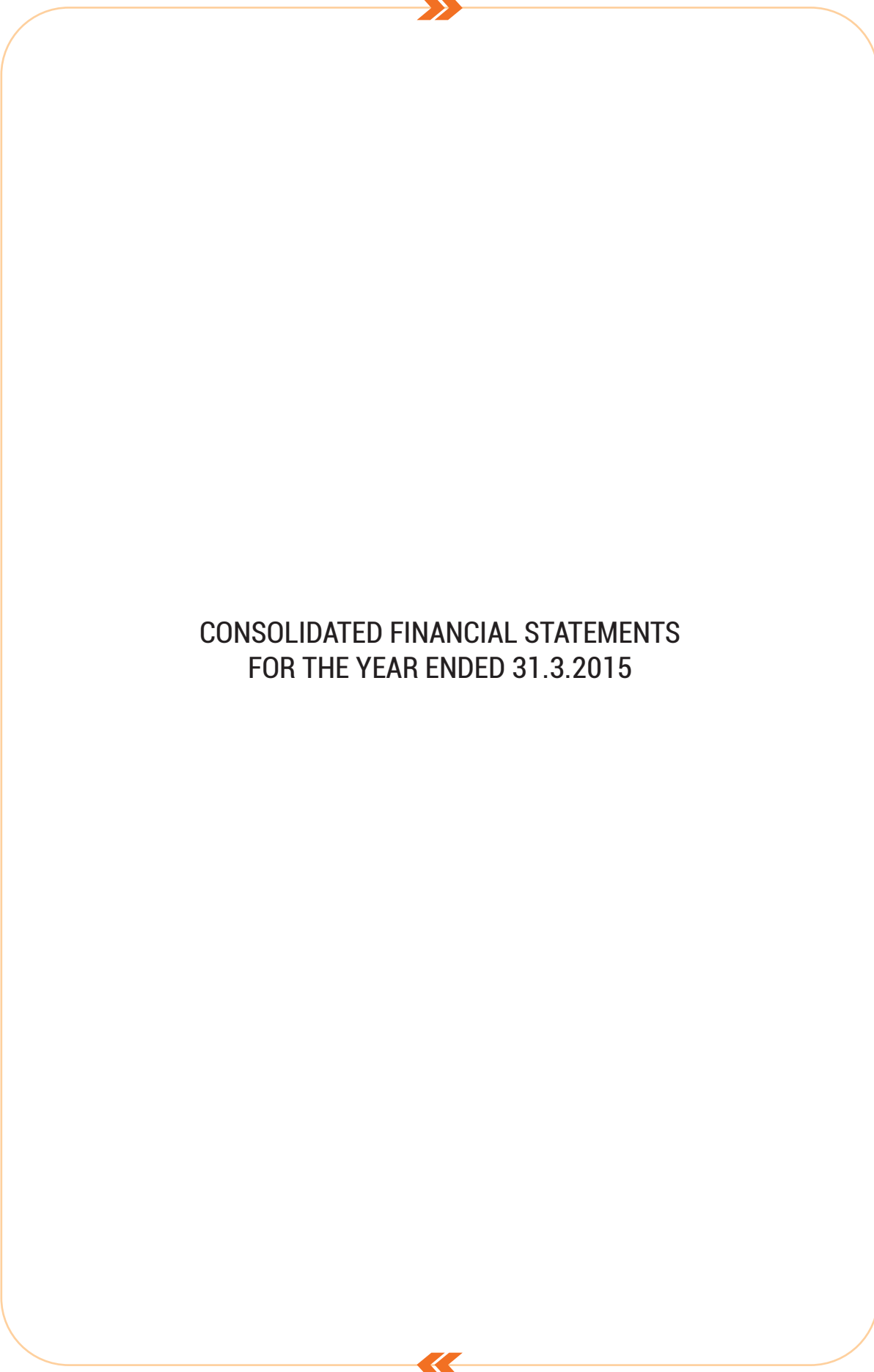
GV MAHADEVAN
Vice President-Finance

P SRINIVASAN
Secretary


Partner
 Membership No. 8593



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**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.3.2015**



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH 2015

To

The Members of TVS SRICHAKRA LIMITED,
7B, West Veli Street
MADURAI – 625001.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TVS SRICHAKRA LIMITED, MADURAI - 625001 (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), its Joint Venture Company, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements


The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Indian Subsidiary Company and Indian Joint Venture 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. The respective Board of Directors of the companies included in the Group which include its Indian Subsidiary Company and its Indian Joint Venture Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH 2015 (CONTD.)

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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, which includes its Indian Subsidiary Company and its Indian Joint Venture Company as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters


We did not audit the financial statements of the Subsidiaries and Joint Venture Company, whose financial statements reflect total assets of Rs. 247.31 Crores as at 31st March, 2015, total revenues of Rs. 280.44 Crores and net cash flows amounting to Rs. 0.49 Crores for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the aforesaid Subsidiaries and Joint Venture Company, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Company incorporated in India and Joint Venture Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH 2015 (CONTD.)

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified 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 of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Company and Joint Venture Company incorporated in India, none of the directors of the holding Company, its Indian Subsidiary Company and of its Joint Venture Company incorporated in India is disqualified as on 31st March, 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company, its Indian Subsidiary Company and its Indian Joint Venture Company— Refer Note 27(p) to the consolidated financial statements.
 - ii. The Holding Company, its Indian Subsidiary Company and its Indian Joint Venture Company did not have any material foreseeable losses 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 Holding Company and its Subsidiary Company incorporated in India and Joint Venture Company incorporated in India, wherever such amounts were required to be transferred.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 23.5.2015

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI

- i) (a) The Holding Company, its Wholly Owned Subsidiary Company TVS Srichakra Investments Limited, incorporated in India and Joint venture Company ZF Electronics TVS (India) Private Limited, incorporated in India (hereinafter 'Indian Companies') have maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Indian Companies have a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at reasonable intervals. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Indian Companies and the nature of its assets.
- ii) (a) Physical verification of stock of finished goods, stores, spare parts and raw materials has been conducted by the Management of Holding Company at reasonable intervals. In respect of Indian Joint Venture Company, as reported by the Statutory Auditor of that Company, the coverage of physical verification of inventories carried out by the Management during the year did not include certain raw materials amounting to Rs.38,07,054 as at March 31, 2015 and the frequency of verification is not reasonable. In respect of Wholly Owned Indian Subsidiary Company, clause (ii) of this order is not applicable having regard to the nature of the company's business.

(b) The procedures of physical verification of inventories followed by the Management of Holding Company are reasonable and adequate in relation to the size of the company and the nature of its business. In respect of Indian Joint Venture Company, as reported by the Statutory Auditor of that Company, the procedures followed by the Management for physical verification of inventory are not reasonable and adequate because of the reason specified in Clause (ii) (a) above.

(c) The Indian Companies have maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the accounts.
- iii) (a) The Indian Companies have not granted any loan during the year.

(b) A sum of Rs.34.59 Crores & Rs.0.01 Crore has been granted by the Holding Company to its wholly owned Indian Subsidiary Company as advance in an earlier year and during the year respectively, which is interest free.
- iv) The Indian Companies have an adequate internal control system commensurate with the size of the Companies and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and there are no major weaknesses in such internal control system. In respect of its Indian Joint Venture Company, as reported by the Statutory Auditor of that Company, except for certain items of inventory which are of special nature for which suitable alternative sources do not exist, there is an adequate internal control system commensurate with the size of the Company.
- v) The Indian Companies have not accepted deposits from the public.
- vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. In respect of Indian Joint Venture Company, the prescribed accounts and records have been made and maintained. In respect of Indian Wholly Owned Subsidiary Company, maintenance of cost records are not required.
- vii) (a) The Indian Companies are generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI (CONTD.)

to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales-Tax, Service Tax, Customs Duty, excise duty and Cess were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues of Income tax, Sales Tax, Excise duty & Service tax which have not been deposited on account of any dispute are furnished below. In respect of Wholly Owned Indian Subsidiary Company, there are no dues relating to Income tax and Service tax which have not been deposited on account of disputes with the related authorities.

A. Holding Company

Forum Where Dispute is Pending	Rs in Crores		
	Income-tax	Sales Tax	Excise Duty & Service Tax
High Court	-	-	0.10
Customs, Excise and Service Tax Appellate Tribunal	-	-	1.58
Commissioner	-	-	1.71
Commissioner (Appeals)	3.53	-	0.02
Joint Commissioner	-	0.01	0.20
Joint Commissioner (Appeals)	-	0.29	-
Deputy Commissioner	-	0.08	0.79
Deputy Commissioner (Appeals)	-	3.34	-
Assistant Commissioner	-	5.78	-
Appellate Tribunal	0.11	-	-
Income Tax Office CPC (TDS)	1.73	-	-
Commercial Tax Officer	-	0.02	-

B. Indian Joint Venture Company

Forum Where Dispute is Pending	In Rupees	
	Income-tax	Sales Tax
Deputy Commissioner of Income Tax, Madurai	30,360	-
Assistant Commissioner of Income Tax, Madurai	73,000	-
Appellate Deputy Commissioner (CT), Madurai	-	2,36,368 *

* Includes TNGST Rs.1,50,640 and CST Rs.85,728

- (c) There are no amounts due and outstanding which are required to be transferred to Investor Education and Protection Fund.
- viii) The Holding Company does not have any accumulated losses and no loss cash or otherwise has been incurred by the Company in the current financial year or preceding financial year. In respect of Wholly Owned Indian Subsidiary Company, there are accumulated losses at the end of the year but has not incurred cash losses in the current year and the immediately preceding financial year. In respect of Indian Joint Venture Company, there are no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date but not in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Indian Companies have not defaulted in repayment of dues to Bank.
- x) The Indian Companies have not given any guarantee during the year.



ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI (CONTD.)

- xi) The Holding Company and Wholly Owned Indian Subsidiary Company has not availed any term loan during the year. In our opinion, the term loans availed by the Holding Company during earlier years were applied for the purposes for which the loans were obtained. In respect of Indian Joint Venture Company, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Indian Companies have been noticed or reported during the year.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 23.5.2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

Rs. in Crores

Particulars	Note No.	31.3.2015	31.3.2014
I. EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	1	7.66	7.66
(b) Reserves and surplus	2	274.62	205.75
(c) Money received against share warrants			
2 Minority interest		30.80	30.69
3 Non-current liabilities			
(a) Long-term borrowings	3	129.68	178.26
(b) Deferred tax liabilities (Net)	4	22.98	21.99
(c) Other Long term liabilities	5	19.05	14.17
(d) Long-term provisions	6	7.79	2.42
4 Current liabilities			
(a) Short-term borrowings	7	112.94	165.73
(b) Trade payables	8	188.21	270.06
(c) Other current liabilities	9	140.16	104.85
(d) Short-term provisions	10	35.66	23.64
TOTAL		969.55	1025.22
II. ASSETS			
Non-current assets			
I (a) Fixed assets			
(i) Tangible assets	11	296.48	253.95
(ii) Intangible assets	11	85.16	89.62
(iii) Capital work-in-progress	11	14.18	16.19
(iv) Intangible assets under development	11	4.23	4.27
(b) Non-current investments	12	0.53	0.01
(c) Long-term loans and advances	13	30.37	18.78
(d) Other non-current assets	14	7.49	12.50
(e) Goodwill on consolidation		0.03	0.03
2 Current assets			
(a) Inventories	15	264.19	257.14
(b) Trade receivables	16	224.78	328.86
(c) Cash and cash equivalents	17	11.35	9.38
(d) Short-term loans and advances	18	30.76	34.49
TOTAL		969.55	1025.22
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

Place : Madurai
Date : 23.5.2015

GV MAHADEVAN
Vice President - Finance

P SRINIVASAN
Secretary
Membership No. 8593

K S NARAYANASWAMY
Partner

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

		Rs. in Crores	
Particulars	Note No.	31.3.2015	31.3.2014
I. Revenue from operations	19	2176.43	1937.51
II. Other income	20	4.08	1.79
III. Total Revenue (I + II)		2180.51	1939.30
IV. Expenses:			
Cost of materials consumed	21	1148.76	1100.90
Purchases of Traded goods		183.73	168.90
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(22.40)	4.29
Employee benefit expenses	23	195.92	150.79
Finance costs	24	31.09	49.64
Depreciation and amortization expense	11	41.83	25.53
Other expenses	25	453.32	362.25
Total expenses		2032.25	1862.30
V. Profit before exceptional and extraordinary items and tax (III-IV)		148.26	77.00
VI. Exceptional items		11.26	-
VII. Profit before extraordinary items and tax (V - VI)		137.00	77.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		137.00	77.00
X Tax expense:			
(1) Current tax		38.20	16.91
Less: MAT Credit Entitlement		-	(4.29)
Net of MAT Credit Entitlement		38.20	12.62
(2) Deferred tax		0.99	(0.81)
XI Profit/(Loss) for the period from continuing operations (IX-X)		97.81	65.19
Minority interest		1.82	-8.61
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		99.63	56.58
XVI Earnings per equity share: (In Rs.)			
Basic and Diluted		130.11	73.89
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S

Place : Madurai
Date : 23.5.2015

GV MAHADEVAN
Vice President - Finance

P SRINIVASAN
Secretary
Membership No. 8593

K S NARAYANASWAMY
Partner

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	31.3.2015	31.3.2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before taxation	148.26	77.00
Adjustments for :		
Depreciation	41.83	25.53
Finance Costs	31.09	49.68
Security Premium credited on Shares issued by Subsidiary	0.33	-
Increase in Shareholding of Subsidiary	0.53	-
Interest received	(1.12)	(0.83)
Minority Share of Profits/loss	1.82	(8.61)
Adjustment for foreign exchange reserve	(0.47)	1.70
Provision for doubtful debts withdrawn	(1.93)	-
Provision for doubtful debts	-	1.61
Dividend Received	(0.25)	(0.25)
Assets condemned	0.33	-
Loss on Sale of Assets	0.01	0.01
Non operating income	(1.01)	(0.63)
	<u>71.16</u>	<u>68.21</u>
	<u>219.42</u>	<u>145.21</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for :		
Trade Receivables	106.01	(100.34)
Other Receivables	6.63	9.97
Inventories	(7.05)	35.84
Trade and other payables	(29.35)	(58.65)
	<u>76.24</u>	<u>(113.18)</u>
Cash Generated From Operations	<u>295.66</u>	<u>32.03</u>
Direct taxes paid	<u>40.01</u>	<u>18.20</u>
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u>255.65</u>	<u>13.83</u>
Extraordinary & Exceptional Items	<u>(11.26)</u>	<u>-</u>
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u>244.39</u>	<u>13.83</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(85.92)	(91.02)
Proceeds from disposal of assets	0.02	0.20
Dividend received	0.25	0.25
Non-operating income	1.01	0.63
Rent received	-	-
Sale of investments	-	0.01
Investments Purchased	(0.52)	-
Interest received	1.12	1.25
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	<u>(84.04)</u>	<u>(88.68)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Cost	(34.28)	(49.67)
Increase in Minority equity	0.11	8.34
Proceeds/ (Repayment) from short term borrowings	(52.79)	45.17
Proceeds/(Repayment) of long-term borrowings	(57.12)	40.65
Dividend & Dividend tax paid	(14.30)	(6.88)
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)	<u>(158.38)</u>	<u>37.61</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1.97</u>	<u>(37.24)</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	<u>9.38</u>	<u>46.62</u>
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	<u>11.35</u>	<u>9.38</u>

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

Place : Madurai
Date : 23.5.2015

G V MAHADEVAN
Vice President-Finance

R NARESH
Executive Vice Chairman
DIN : 00273609

P SRINIVASAN
Secretary

AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of TVS Srichakra Limited for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement and is based on and is in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company by our report dated 23.5.2015 to the members of the Company.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No.8593

Place : Madurai
Date : 23.5.2015

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Rs. in Crores

NOTE I - SHARE CAPITAL

Particulars	31.3.2015	31.3.2014
Authorised		
1,00,00,000 Equity Shares of Rs. 10 each	10.00	10.00
Issued, Subscribed and fully Paid Up:		
76,57,050 Equity Shares of Rs. 10 each	7.66	7.66
Subscribed & Paid up		
76,57,050 Equity Shares of Rs. 10 each fully paid	7.66	7.66
Subscribed but not fully Paid up		
Equity Shares of Rs. 10 each, not fully paid up.		
Total	7.66	7.66

Particulars	Equity Shares		
	No.'000	Rs.	Inrore₹
Shares outstanding at the beginning of the year	7657.05		7.66
Shares Issued during the year	-		-
Shares bought back during the year	-		-
Shares outstanding at the end of the year	7657.05		7.66

Other Information :

Equity Shareholders holding more than 5% of the total Share capital of the company

TV Sundram Iyengar & Sons Private Limited	27.73%	27.73%
Sundaram Industries Private Limited	9.79%	9.79%

Rights, preferences and restrictions attached to shares -

Equity shares - The company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

NOTE 2 - RESERVES AND SURPLUS

Particulars	31.3.2015	31.3.2014
a. Capital Reserves		
Opening Balance	0.01	0.01
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	<u>0.01</u>	<u>0.01</u>
b. Securities Premium Account		
Opening Balance	0.94	0.94
Add : Securities premium credited on Share issue	0.33	-
Closing Balance	<u>1.27</u>	<u>0.94</u>
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	0.46	0.46
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	<u>0.46</u>	<u>0.46</u>
d. Other Reserves - General Reserve		
Opening Balance	32.24	27.29
(+) Current Year Transfer	-	4.95
(-) Written Back in Current Year		
Closing Balance	<u>32.24</u>	<u>32.24</u>
e. Surplus		
Opening balance	170.59	133.58
(+) Net Profit/(Net Loss) For the current year	99.63	56.58
(+) Acquisition of additional shareholding during the year	0.53	-
(-) Proposed Dividend	25.88	12.50
(-) Dividend Tax	5.27	2.12
(-) Transfer to Reserves	-	4.95
Closing Balance	<u>239.60</u>	<u>170.59</u>
f. Foreign Currency Translation Reserve	1.04	1.51
Total	<u>274.62</u>	<u>205.75</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

31.3.2015 31.3.2014

NOTE 3 - LONG TERM BORROWINGS

Secured

(a) Term loans

from banks	129.68	171.44
from other parties	-	6.82
Total	<u>129.68</u>	<u>178.26</u>

Additional Information :

Details of Security for Secured Loans

- a) Term Loan Availed from State Bank of India is secured by exclusive first charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist, Uttarakhand and buildings thereon, belonging to the company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No.519/1B2, located at Narasingampatti Village, Madurai.
- b) Term Loan from Karur Vysya Bank Ltd., is secured by hypothecation of Specific Plant and Machinery located at Pant Nagar, Uttrakhand as well as Specific Plant and Machinery located at Vellaripatti Village, Madurai.
- c) Term Loan from Sundaram Finance Ltd., is secured by hypothecation of Specific Plant & Machinery located at Pant Nagar, Rudrapur as well as Specific Plant and Machinery located at Vellaripatti Village, Madurai.
- d) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village, Madurai.
- e) The subsidiary company's bank loan is secured by 95% of the issued share capital of its subsidiary undertaking together with a corporate guarantee from the subsidiary undertaking and a floating charge over the assets of the subsidiary undertakings.
- f) The joint venture company's term loan is secured by first charge on specific fixed assets acquired out of the term loan including mortgage of land and building and second charged on the current assets of the company.

NOTE 4 - Deferred Tax Liability/Assets

i) Deferred Tax Liability

a) On Account of Depreciation on Fixed Assets	25.40	25.82
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ii) Deferred Tax Asset

a) On account of timing Differences in Recognition of Expenditure	(2.42)	(3.83)
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Total	<u>22.98</u>	<u>21.99</u>
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NOTE 5 - Other Long Term Liabilities

(a) Trade Payables	-	-
(b) Others	19.05	14.17
Total	<u>19.05</u>	<u>14.17</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

	31.3.2015	31.3.2014
NOTE 6 - Long Term Provisions		
(a) Provision for employee benefits		
Leave Encashment (unfunded)	2.93	2.34
Gratuity	4.86	0.08
Total	<u>7.79</u>	<u>2.42</u>

NOTE 7 - Short Term Borrowings

Secured

Loans repayable on demand

from banks	112.94	112.39
from other parties	-	-

Unsecured

from banks	-	53.34
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Total	<u>112.94</u>	<u>165.73</u>
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Additional Information :

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by exclusive first charge by way of hypothecation of Stock of Raw Materials, Stores, Work in Progress, Finished goods and Book Debts.

Working Capital facilities are also secured through a second charge on the assets created out of the term loans including:

- 1) EM of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the company and
- 2) EM over Land (1.90 acres) and Building at S. No.519/IB2 Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District belonging to the company.

b. The Loans of foreign subsidiaries in the form of overdraft and invoice discounting are secured by way of fixed and floating charges on all properties and assets, both present and future.

c. Working Capital loans of Joint venture company represents cash credit and packing credit facilities from banks which are secured by a hypothecation of inventories and receivables both present and future and equitable mortgage by deposit of title deeds of the Company's immovable properties situated at Madurai.

NOTE 8 - Trade Payables

i) To Micro Small and Medium Enterprises	-	0.03
ii) Others	188.21	270.03
Total	<u>188.21</u>	<u>270.06</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

	31.3.2015	31.3.2014
NOTE 9 - Other Current Liabilities		
(a) Current maturities of long-term debt	30.92	39.46
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	0.92	4.11
(d) Unpaid dividends	1.55	1.23
(e) Others-Others Creditors	106.77	60.05
Total	<u>140.16</u>	<u>104.85</u>
NOTE 10 - Short Term Provisions		
(a) Provision for employee benefits		
Salaries & Reimbursements	0.04	0.71
Contribution to PF	-	1.81
Leave encashment	0.52	0.24
Gratuity (Funded)	-	0.50
(b) Provisions		
Taxation Less Advance Tax	3.95	5.76
Dividend	25.88	12.50
Dividend Tax	5.27	2.12
Total	<u>35.66</u>	<u>23.64</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 11 - Fixed Assets

Rs. in Crores

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	As at 31 March 2014	Additions	Deletions	As at 31 March 2015	As at 31 March 2014	Depreciation charge for the year	On disposals	As at 31 March 2015	As at 31 March 2014
a	Tangible Assets								
Land - Freehold	15.49	0.88	-	16.37	-	-	-	16.37	15.49
Land - Leasehold	2.86	-	-	2.86	0.16	0.03	-	2.67	2.70
Buildings	86.40	14.56	0.44	100.52	12.34	5.40	0.19	82.97	74.06
Plant and Machinery	258.00	53.17	0.98	310.19	119.82	26.67	0.92	164.62	138.18
Furniture and Fixtures	7.78	0.59	0.07	8.30	5.02	0.76	0.07	2.59	2.76
Vehicles	1.46	0.72	0.12	2.06	0.78	0.19	0.09	1.18	0.68
Office equipment	7.93	2.36	0.12	10.17	4.85	1.81	0.12	3.63	3.08
Electrical Installation	20.85	8.30	-	29.15	4.14	2.86	-	22.15	16.71
Translation Adjustments	0.29	0.01	-	0.30	-	-	-	0.30	0.29
Total	401.06	80.59	1.73	479.92	147.11	37.72	1.39	183.44	253.95
b	Intangible Assets								
Goodwill	68.81	-	-	68.81	-	-	-	68.81	68.81
Computer software	7.04	0.55	-	7.59	2.26	2.30	-	3.03	4.78
Licenses and franchise	-	-	-	-	-	-	-	-	-
Royalty	-	1.81	-	1.81	-	1.81	-	-	-
Translation Adjustments	16.03	-	2.71	13.32	-	-	-	13.32	16.03
Total	91.88	2.36	2.71	91.53	2.26	4.11	-	6.37	89.62
c	Capital Work In Progress								
Intangible assets under Development	492.94	82.95	4.44	571.45	149.37	41.83	1.39	189.81	16.19
GRAND TOTAL	407.42	85.93	0.41	492.94	123.84	25.73	0.20	149.37	4.27
Previous Year									
	400.05	364.03							

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 12 - Non Current Investments

Non Trade	Particulars	Rs. in Crores	
		As at 31.3.2015	As at 31.3.2014
	Investment in Equity instruments	0.61	0.09
	Less : Provision for diminution in the value of Investments	0.08	0.08
	Total	0.53	0.01

Details of Non Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs. In Cr)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
		As at 31 March 2015	As at 31 March 2014			As at 31 March 2015	As at 31 March 2014				
Investment in Equity Instruments											
Van Leeuwen Tyres & Wheels BV	Associate	15000 / I Euro	15000 / I Euro	Unquoted	Fully paid	30	30	0.08	0.09	yes	-
Sai Regency Power Corporation Private Limited *	Others	150000/ RS 10/-		Unquoted	Fully paid	0.09		0.15		yes	-
Mytrah Vayu (Manjira) Private Limited *	Others	381840/ Rs 10/-		Unquoted	Fully paid	9.02		0.38		yes	-
Total								0.61	0.09		
Less : Provision for diminution in the value of Investments								0.08	0.08		
Total								0.53	0.01		
* Addition during the year											

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

31.3.2015

31.3.2014

NOTE 13 - Long Term Loans and Advances

a. Capital Advances

Secured, considered good	-	-
Unsecured, considered good	14.36	4.88
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<u>14.36</u>	<u>4.88</u>

b. Security Deposits

Secured, considered good	-	-
Unsecured, considered good	12.80	9.05
	<u>12.80</u>	<u>9.05</u>

c. Other loans and advances

Secured, considered good	-	-
Unsecured, considered good	3.21	4.85
	<u>3.21</u>	<u>4.85</u>

Total	<u>30.37</u>	<u>18.78</u>
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NOTE 14 - Other Non Current Assets

MAT Credit Entitlement	7.49	12.50
	<u>7.49</u>	<u>12.50</u>

Total	<u>7.49</u>	<u>12.50</u>
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NOTE 15 - Inventories As certified by Managing Director

a. Raw Materials and components at cost	126.00	141.97
b. Work-in-progress at cost	12.49	12.28
c. Finished goods at lower of cost and realisable value	65.48	48.19
d. Stock-in-trade at cost	52.48	47.58
e. Stores and spares at cost	7.74	7.12
f. Goods in Transit	-	-
g. Others	-	-
	<u>264.19</u>	<u>257.14</u>

Total	<u>264.19</u>	<u>257.14</u>
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

	31.3.2015	31.3.2014
NOTE 16 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	0.03
Unsecured, considered good	221.70	326.61
	221.70	326.64
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	3.08	2.22
Unsecured, considered Doubtful	0.11	2.03
Less: Provision for Doubtful debts	(0.11)	(2.03)
	3.08	2.22
Total	224.78	328.86

NOTE 17 - Cash and Cash Equivalents

a. Balances with banks		
- In Unpaid Dividend Accounts	1.55	1.23
- In Margin money	-	3.79
- As Security Deposit for a vendor	2.67	-
- In Deposits accounts with Maturity of more than 12 Months from the Balance Sheet date	-	2.68
- In Current Accounts	6.32	1.49
b. Cheques, drafts on hand	-	-
c. Cash on hand	0.81	0.19
d. Others	-	-
Total	11.35	9.38

NOTE 18 - Short Term Loans and Advances

a. Loans and advances to related parties

Unsecured, considered good	-	0.16
	-	0.16

b. Others

Prepaid expenses	3.63	-
Others	27.13	34.33
	30.76	34.33
Total	30.76	34.49

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Rs. in Crores

NOTE 19 - Revenue from operations

	31.3.2015	31.3.2014
Sale of products	2063.58	1826.06
Sale of Traded Goods	263.34	242.54
Other operating revenues	15.10	12.54
Less: Excise duty	165.59	143.63
Total	<u>2176.43</u>	<u>1937.51</u>

NOTE 20 - Other Income

Interest Income - Long Term Investments	1.11	0.83
Interest Income	0.01	0.26
Provision for doubtful debts withdrawn	1.93	-
Exchange Rate Gain & Loss	0.02	0.07
Profit on Sale of Investments	-	-
Dividend income	0.25	0.25
Other non-operating income (net of expenses directly attributable to such income)	0.76	0.38
Total	<u>4.08</u>	<u>1.79</u>

NOTE 21 - Cost of Materials Consumed

Opening Stock	141.59	173.36
Add: Purchase (includes processing Rs. 36.25 Cr Previous year Rs. 28.95 Cr)	1133.17	1069.13
Total	<u>1274.76</u>	<u>1242.49</u>
Less: Closing Stock	126.00	141.59
Cost of Materials consumed	<u>1148.76</u>	<u>1100.90</u>

NOTE 22 - (Increase) / Decrease in Stock

Opening Stock Finished goods & Traded goods	95.77	92.11
Opening Stock Work-in-progress	12.28	20.23
Closing Stock of Finished goods & Traded Goods	117.96	95.77
Closing Stock of Work-in-progress	12.49	12.28
(Increase) / Decrease in Finished goods & Traded Goods	(22.19)	(3.66)
(Increase) / Decrease in Work-in-progress	(0.21)	7.95
Total (Increase) / Decrease in Stock	<u>(22.40)</u>	<u>4.29</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

	Rs. in Crores	
	31.3.2015	31.3.2014
NOTE 23 - Employee Benefit Expenses		
(a) Salaries and wages	155.37	124.26
(b) Contributions to -		
(i) Superannuation Fund	0.76	0.69
(ii) Gratuity fund contributions	4.86	0.51
(iii) Provident Fund	8.15	6.54
(c) Remuneration to Whole time directors	8.59	3.28
(d) Staff welfare expenses	18.19	15.51
Total	<u>195.92</u>	<u>150.79</u>
NOTE 24 - Finance Costs		
Interest expense	30.48	46.79
Other borrowing costs	0.61	2.85
Total	<u>31.09</u>	<u>49.64</u>
NOTE 25 - Other Expenses		
Consumption of Stores & Spares	47.39	39.67
Power & Fuel	70.47	71.18
Repairs to building	2.35	2.09
Repairs to machinery	5.58	5.67
Repairs Others	0.78	1.44
Insurance	3.60	2.91
Rates & taxes	17.30	3.61
Telephone & Internet Charges	1.27	1.00
Travelling Expense	8.70	6.75
Exchange Rate Gain & Loss	4.91	1.69
Bank Charges	1.82	-
Business Promotion	30.22	15.34
Freight Out	60.54	48.99
CSR Activities	0.88	-
Bad Debts written off	6.12	3.66
Provision for doubtful debts	0.01	1.61
Loss on Sale of Fixed Assets	0.01	0.01
Assets condemned	0.33	-
Remuneration to non Whole time directors-commission	0.85	0.62
Director's Sitting fee	0.05	-
Commission & Discount	100.63	85.96
Rent & Lease rentals	21.20	16.39
Audit Fees	0.20	0.17
Donation	0.03	0.07
Consultancy	14.01	12.43
Warranty Claims	8.62	6.74
Advances Written off	0.91	-
Other expenses	44.54	34.25
Total	<u>453.32</u>	<u>362.25</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

26 NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS OF TVS SRICHAKRA LIMITED

I. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Consolidation:

a) Basis of Preparation:

The Consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The consolidated financial statements of the subsidiary company in the UK and its subsidiaries have been prepared according to accepted Accounting Standards in the UK.

b) Principles of consolidation:

The consolidated financial statements comprise the financial statements of TVS Srichakra Limited (the Holding Company), its Subsidiaries and Joint venture company. The Financial Statements of all the companies are prepared according to uniform accounting policies, in accordance with generally accepted accounting principles in the countries of incorporation. The effects of intercompany transactions are eliminated on consolidation.

c) Companies included in Consolidation:

Name of the Company	Shareholding
TVS Srichakra Investments Limited	100.00%
TVS Europe Distribution Limited, UK	58.97%
Universal Components UK Limited	0% *
Wrea Hurst Parts Distribution Limited	0% **
ZF Electronics TVS (India) P. Limited (Joint Venture)	0% #

* (Subsidiary of TVS Europe Distribution Limited, which holds 95% in the company)

** (Subsidiary of Universal Components UK Limited, which holds 100% in the company)

(Joint Venture of TVS Srichakra Investments Limited, which holds 50% in the company)

d) Accounting convention:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with applicable accounting standards.

e) Fixed Assets:

Fixed assets are stated at cost less CENVAT. Cost includes related duties, taxes, freight, installation and interest on specific borrowing of an earlier year.

f) Depreciation:

The Companies Act, 2013 stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be depreciated over the useful life of the asset. This method has been followed by the company.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

All tangible assets are depreciated under the straight line method. The Company has adopted useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or below are continued to be depreciated in full retaining Rs.1 per asset.

Depreciation is provided for on pro-rata basis on additions and deletions made during the year.

The carrying amount of assets as on the first day of the financial year is depreciated over the remaining useful life of the asset as per schedule II of the Companies Act, 2013. Where the remaining useful life of an asset is Nil, the carrying amount is written-off in the statement of profit and loss after retaining the residual value.

Depreciation is provided for at annual rates on straight-line basis, by the foreign subsidiary, in order to write off each asset over its estimated useful life. Depreciation is provided for on pro-rata basis on additions and deletions made during the year.

The carrying values of intangible assets in the foreign subsidiary are reviewed for impairment in periods if circumstances indicate that the carrying value may not be recoverable.

g) Investments:

All the investments are long-term investments. Investments are stated at cost. Diminution in respect of long- term investments are provided for when there is a permanent diminution in the value of such investments.

h) Inventories:

Raw Materials, and stores and spares are valued at cost arrived by applying Weighted Average method. Cost consists of cost of materials, Cess, Duty & Freight.

Work in progress is valued at cost applying weighted average method. Cost Includes cost of Materials, Labour and Other appropriate overheads.

Finished goods are valued at lower of cost and realizable value. Cost for this purpose comprises materials, labour and other appropriate overheads and excise duty.

Traded Goods in a foreign subsidiary have been valued at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items.

i) Cash flow statements:

Pursuant to the listing agreement with the stock exchanges, the company has attached consolidated cash flow statement to the consolidated balance sheet and the consolidated Statement of Profit and Loss.

j) Revenue Recognition:

Income of the company is derived from sale of manufactured goods and includes excise duty but exclude sales tax and value added tax.

Domestic sales are recognized net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Export sales are recognized on the basis of date of bills of lading. Export benefits, if any, are recognized on post shipment basis.

Turnover of the foreign subsidiary represents net invoiced sales of goods, excluding value added tax received and receivable from the provision of goods to customers during the period. Turnover is recognized once goods have been dispatched.





CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Interest income are recognized using the time proportion method based on the rates implicit in the transaction. Dividend income is recognized when the right to receive dividend is established.

k) Accounting for effects in foreign exchange rates:

Transactions are recorded at equivalent rupee values at the exchange rate prevailing on the date of transaction or at the rates that closely approximate the rate at the date of the transaction.

The difference on account of fluctuation at the rate of exchange prevailing on the date of transaction and the date of realization is recognized in the statement of profit and loss.

Foreign currency assets and liabilities are restated at the rates ruling at the year end and the difference is recognized in the statement of profit and loss.

Forward premium in respect of forward exchange contracts is amortized and recognized over the life of the contract.

For the purpose of consolidation of the accounts of the foreign subsidiary, the operations of the subsidiary have been treated as non-integral operations and the income and expenses have been translated at the average of rates during the year. The assets and the liabilities have been translated at the closing rate on the date of the balance sheet. The difference on translation has been taken to foreign exchange translation reserve and disclosed under Reserves and Surplus.

l) Accounting for retirement benefits:

The company provides for gratuity, a defined benefit retirement plan, covering eligible employees. In accordance with the provisions of the Payment of Gratuity Act, 1972, the company provides a lump-sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the employees' salary and tenure of employment. Liabilities with regard to the retirement plan are determined by an independent actuarial valuation at the balance sheet date, based upon which the company contributes all the ascertained liabilities to the holding company's gratuity fund.

Leave encashment is provided for based on actuarial valuation.

Employees above a certain category are participants in the company's superannuation fund, for which the company makes annual contributions based upon their salaries and tenure of employment to a fund maintained by the Life Insurance Corporation of India.

The holding company makes its statutory contribution to the employees' provident fund to the Employees' Provident Fund Organization of the Government of India.

The holding company makes contribution to the employees' health scheme for those employees governed by the ESI Act.

The holding company has adopted the revised accounting standard on employees benefit (AS-15, revised) issued by the Institute of Chartered Accountants of India.

The Joint venture company operates a gratuity plan which is being administered by Life Insurance Corporation of India (LIC). Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vests after 5 years of continuous service.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation: (applicable only to the holding company).

Leave Encashment

(Rs. In Crores)

Particulars	31.3.2015	31.3.2014
Obligations at period beginning	2.55	2.50
Service Cost	0.46	0.42
Interest cost	0.16	0.20
Actuarial (gain)/loss	1.14	(0.01)
Benefits paid	(0.86)	(0.56)
Obligations at the period end	3.45	2.55

Gratuity

Rs. In Crores

Particulars	31.3.2015	31.3.2014
Obligations at period beginning	12.86	11.99
Service Cost	1.61	0.59
Interest cost	0.98	1.06
Actuarial (gain)/loss	4.18	(0.22)
Benefits paid	(0.61)	(0.56)
Obligations at the period end	19.02	12.86

Gratuity

Rs. In Crores

	31.3.2015	31.3.2014
Change in plan assets		
Plan assets at the beginning of the year	12.28	10.50
Expected return on the plan assets	0.97	0.87
Actuarial gain/(loss)	0.98	0.03
Contributions	0.54	1.45
Benefits paid	(0.61)	(0.57)
Plan assets at the year end, fair value	14.16	12.28

Reconciliation of the defined plan obligations and fair value of plan assets at the year end:

Rs. In Crores

Fair value of the plan assets	14.16
Defined plan obligations	19.02
Amount recognized in the Statement of Profit and Loss during the year	4.86

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

Assumptions:

	Gratuity	Leave Encashment
Discount Factor	7.82%	9.12%
Estimated Return on Plan Assets	8.00%	0.00% & 8.00%
Salary Increase	6.00% & 10.00%	6.00% & 10.00%
Attrition Rate	5.00% & 10.00%	5.00% & 10.00%
Retirement Age	58 & 60	58 & 60

Investment details of plan assets:

The holding company contributes the liability as per actuarial valuation to the company's gratuity fund manager, ICICI Prudential Life Insurance Co. Ltd and the joint venture through LIC of India.

m) Borrowing Cost:

Interests on borrowings are capitalized wherever there is substantial period of time between the date of borrowing and date on which the assets are put to use.

n) Segment reporting:

The holding company operates only in one segment i.e., manufacture of tyres and tubes, the wholly owned Indian subsidiary is engaged in investment activities, the foreign subsidiaries are engaged in trading in auto components and the Indian joint venture company is engaged in manufacture and trading of electrical switches, sensors, computer peripheral devices etc. Disclosure requirements of Accounting standard on Segment reporting (AS 17) issued by the Institute of Chartered Accountants of India are furnished.

Rs in Crores

SN	Particulars	Consolidated Results 31.3.15	Consolidated Results 31.3.14
1	Revenue		
	a) Manufacturing	1914.93	1696.74
	b) Trading	261.50	240.77
	Total	2176.43	1937.51
2	Results		
	Profit before Tax and Interest		
	a) Manufacturing	165.40	99.03
	b) Trading	10.47	26.32
	Total	175.87	125.35
	Less: Unallocated Corporate Expenditure	0.60	0.50
	Finance Costs	31.09	49.64
	Total Costs	31.69	50.14
	Profit before Other Income	144.18	75.21
	Other Income	4.08	1.79
	Exceptional Items	(11.26)	-
	Profit/(Loss) before Tax	137.00	77.00
3	Capital Employed		
	a) Manufacturing	358.60	333.34
	b) Trading	129.30	131.14
	c) Others	35.60	35.92

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

o) Leases:

The details of maturity profile of future operating lease payments are furnished below:

- a. The total of future minimum lease payments under non-cancellable operating lease for each of the following periods (Net):

	Rs. in Crores
- Not later than one year	10.66
- Later than one year and not later than five years	53.04
- Later than five years	1.01

- b. Total of minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date Not Applicable
- c. Lease payments recognised in the Statement of Profit and Loss for the period under the head rent Paid Rs. 7.12 Crores

The foreign subsidiary has entered into lease transactions which are in the nature of operating leases as per the provisions of the above standard:

Future Minimum Lease payments	Rs. In Crores
Upto One year	0.37
One to five Years	3.71
Present value of Future Minimum Lease payments	
Upto One year	0.37
One to five Years	3.71

p) Earnings per share:

Basic earnings per share are disclosed in the Profit and Loss account. There is no diluted earning per share as there are no dilutive potential equity shares.

q) Accounting for taxes on income:

The company provides for current taxes at current rates under applicable tax laws. Disputed taxes are not provided for, but disclosed in the notes on accounts. The company provides for deferred tax arising on account of temporary and reversible timing differences on account of depreciation, employees' benefits and expenditure which are allowed under the Income tax act only on payment basis.

r) Interim financial reporting:

Quarterly results are published in accordance with the guidelines issued by the Securities and Exchange Board of India. The recognition and measurement principles as laid down in the standard are followed with respect to such results. Quarterly financial results are also subjected to a limited financial review by the auditors as required.

s) Intangible Assets:

The company amortizes intangible assets taking into consideration the useful life based on the estimates made by the management. Where the management considers that an intangible asset does not have a value as at the end of the accounting year, such intangible asset is fully amortized.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (CONTD.)

The foreign subsidiary had capitalized goodwill that arose on acquisition of business, as intangible asset and amortizes the same over a period of ten years. However in order to comply with the requirements of the Indian Accounting Standards which require goodwill to be visited for impairment and not amortized, the company has not considered the amortization of goodwill for the purpose of consolidated financial statements.

t) Impairment of Assets:

The company makes an assessment on the balance sheet date to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. If any such indication exists, the recoverable amounts are estimated and an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

u) Provisions, Contingent Liabilities and Contingent Assets:

- Provisions for expenses are made on estimated basis, based upon the judgment of the Company.
- Contingent Liabilities are not provided for but disclosed in the notes on accounts.
- There are no contingent assets.

Contingent liabilities:

Rs. In Crores

	31.3.2015	31.3.2014
Balance at the beginning of the year	80.67	52.94
Additions /(Deletions) during the year	3.42	27.73
Balance at the end of the year	84.09	80.67

Liabilities disputed and not provided for: - Income tax, Sales Tax, Excise duty:

Rs. In Crores

	31.3.2015	31.3.2014
Balance at the beginning of the year	22.76	2.16
Additions /(Deletions) during the year	(14.63)	20.60
Balance at the end of the year	8.13	22.76

27. CONSOLIDATED NOTES ON ACCOUNTS

a) The company values Raw materials, Work-in-progress, Stores & Spares by applying weighted average price method. In respect of Raw materials, Cost consists of Material cost, cess, duties & Freight. In respect of Work in progress cost consist of Material cost, Labour and other appropriate overheads.

b) (I) Holding Company

i) All tangible assets are depreciated under the straight line method by adopting useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs. 5000 or below acquired during the year are considered not material and are depreciated in full retaining Re. 1 per asset. Consequent to the re-assessment of the useful life of assets based on technical evaluation and depreciating assets costing Rs. 5000 or below acquired during the year in full retaining Re. 1 per asset, depreciation charged is lower by Rs. 0.74 Crores.

ii) The useful life other than that described in Schedule II adopted are furnished below.

Category of Assets	Useful Life
Plant & Machinery other than Gen set	20
Moulds / Trolley / Weighing balances / Drums / PCI Stand / Storage stand / Motors / Pumps	6

iii) A sum of Rs. 3.56 Crores which has been adjusted against the retained earnings (towards transitional provisions in respect of assets whose useful life is already exhausted as on 01.04.2014) in the quarterly results published has now been charged to statement of profit and loss.

iv) The company amortizes intangible assets taking into consideration the useful life based on the estimates made by the management. Where the management considers that an intangible asset does not have a value as at the end of the accounting year, such intangible asset is fully amortized. Consequent to the above, the amount amortized is higher by Rs. 1.81 Crores.

(II) Indian Joint Venture Company

i) Consequent to the enactment of the Companies Act 2013, and its applicability for accounting periods commencing on or after 01.04.2014, the company has revised the useful lives of fixed assets to comply with Part C of Schedule II to the Companies Act 2013. Consequently, (i) the company has fully 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 01.04.2014 and has adjusted an amount of Rs. 0.02 Crores in the depreciation charge during the year and (ii) the depreciation charge during the year ended 31.3.15 is lower by Rs. 0.62 Crores

ii) The useful life other than that described in Schedule II adopted are furnished below.

Category of Assets	Useful Life
Plant & Machinery	5 - 15
Furniture & Fixtures	5 - 10

iii) Assets costing individually upto Rs. 5000 are considered not material and are fully depreciated in the year of addition.

(III) Foreign Subsidiary

i) The foreign subsidiary provides depreciation at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life.

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

Category of Assets	Basis
Plant & Machinery	20% Straight Line
Furniture & Fixture	Between 20% - 33% Straight Line
Motor Vehicles	20% Straight Line
Computer Equipments	Between 20% - 33% Straight Line

- c) During the year under review one of the foreign subsidiaries of the Company acquired another company on payment of Goodwill of Rs. 11.26 Crores which has been written down during the year itself by the subsidiary as the Directors do not expect it to be recoverable.
- d) Included under Rates & Taxes is a sum of Rs. 11.99 Crores towards sales tax relating to prior years.
- e) The holding company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application. One of the Subsidiary company is an investment wing of TVS Srichakra Limited and the foreign subsidiary is engaged in distribution of commercial vehicle parts. The Joint venturer is engaged in manufacturing and trading of electrical switches, sensors and computer peripheral devices.

The value of main Raw materials used by the company are as follows:

	Rs. in Crores	
	31.3.2015	31.3.2014
Holding Company		
Natural Rubber	275.76	293.35
Synthetic Rubber	180.83	200.50
Carbon	175.19	155.54
Chemicals	69.77	54.43
Oils	25.92	22.88
Beadwire	24.26	20.70
Fabric	164.32	148.20
Valves	24.87	24.61
Joint Venturer		
Pivot/Common Terminals	3.54	4.91
Contact Brackets	3.66	6.62
Case/Covers	2.55	5.20
Blade Assembly	2.84	5.73
Actuators	0.53	0.68
DC Sub Miniature Switches	1.17	1.24
Valox/Macromelt	0.56	0.28
Wiring Harness/Wire	1.11	0.67
Others	5.49	4.43
Purchase of traded goods		
Holding Company		
Tyre	2.46	3.05
Tube	0.02	0.02
Flap	0.35	0.43

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

	Rs. in Crores			
	31.3.2015		31.3.2014	
Foreign Subsidiary				
Commercial Vehicle Parts		179.74		164.26
Joint Venturer				
Computer Peripheral Devices		1.16		1.14
f) CIF Value of Imports				
a) Raw Materials		324.21		326.22
b) Spares		0.04		0.16
c) Capital Goods		8.20		3.43
g) Consumption of imported and indigenous raw materials and components				
	%	Rs. in Cr.	%	Rs. in Cr.
a) Imported	27.43	305.14	33.55	380.17
b) Indigenous	72.57	807.37	66.45	691.78
h) Consumption of imported and indigenous Stores and Spares				
	%	Rs. in Cr.	%	Rs. in Cr.
a) Imported	0.02	0.01	18.36	8.70
b) Indigenous	99.98	47.38	65.35	30.97
i) Earnings in foreign exchange				
a) F.O.B. value of goods exported		218.50		252.86
b) Others		0.86		0.39
j) Expenditure incurred in Foreign Currency on				
a) Consultancy		4.21		4.12
b) Interest		6.19		9.97
c) Other Matters		4.21		2.48
k) a) Remuneration to Managing Director:				
Salaries & Allowances		0.89		0.82
Commission		2.96		1.23
Contribution to Provident & Other Funds		0.15		0.13
b) Remuneration to Executive Vice Chairman:				
Salaries & Allowance		0.61		-
Commission		4.13		1.23

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

	Rs. in Crores	
	31.3.2015	31.3.2014
l) Interest Paid includes:		
a) Interest on Fixed Loans	8.40	23.15
b) Interest Capitalised	-	0.74
m) Tax deducted at Source from Interest	0.05	0.07
n) Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	13.58	12.70
o) Details of the Audit Fees		
a) for audit fees	0.12	0.07
b) for taxation matters	0.03	-
c) for Certification	0.03	0.01
d) for reimbursement of expenses	0.02	0.01
p) Contingent Liabilities not provided for:		
a) Estimated amount of contracts remaining to be executed on capital account	54.03	16.72
b) On Letters of Credit opened by Company's Bankers	27.77	63.23
c) Excise Duty under Dispute	2.06	2.47
d) Sales Tax under Dispute	0.70	16.65
e) Customs duty on goods lying at Bonded Warehouse	2.24	0.72
f) Income Tax under Dispute	5.37	3.64
g) Bills discounted	0.05	-
q) Details of Research and Development Expenditure		
(i) Capital Expenditure		
a) Plant & Machinery	1.82	5.94
b) Electrical Installations	-	-
c) Vehicles	0.07	0.05
d) Computers	-	0.07
e) Furniture	0.06	0.01
f) Buildings	0.03	1.96
g) Intangible Assets	-	0.05
h) Capital work in progress (P & M)	0.49	0.19
Total	2.47	8.27

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

	Rs. in Crores	
	31.3.2015	31.3.2014
(ii) Revenue Expenditure		
a) Raw Materials consumed	1.17	8.41
b) Stores & Spares consumed	0.31	0.06
c) Salaries, Wages, Bonus and Allowances	3.55	2.78
d) Freight	0.25	0.10
e) Rent including lease rentals	0.13	0.02
f) Rates & Taxes	0.28	0.19
g) Insurance	0.03	-
h) Travelling expenses	1.60	0.61
i) Repairs & Maintenance	1.17	1.43
j) Consultancy - Foreign	3.34	4.60
k) Consultancy - Domestic	0.13	1.46
l) Others	2.72	1.69
	<hr/>	<hr/>
Total	14.68	21.35
	<hr/>	<hr/>
Total Research and Development expenditure	17.15	29.62
	<hr/>	<hr/>

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

o) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)

Description of relationship and Names of related parties:

- | | |
|----------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Associates | TV Sundram Iyengar & Sons Private Limited
Van Leeuwen Tyres & Wheels B.V., Holland |
| 2. Key Managerial Personnel | Sri R Naresh, Executive Vice Chairman
Ms Shobhana Ramachandhran, Managing Director |
| 3. Enterprise with Common Key Management Personnel | Sundaram Industries Private Limited |

(Rs. in Crores)

Sl.	Particulars	TV Sundram Iyengar & Sons Private Limited	Ms Shobhana Ramachandhran	Sri R Naresh	Sundaram Industries Private Limited
A	Transactions for the year ended 31.3.2015				
1	Purchases	0.84 (0.71)			3.45 (2.87)
2	Sales	38.10 (88.80)			1.15 (1.37)
3	Interest Paid	-			
4	Interest Received	- (0.18)			
5	Services rendered	5.06 (5.35)			- (0.04)
6	Services received	5.54 (0.95)	4.03 (2.21)	4.74 (1.23)	0.92 (0.04)
7	Loans Accepted / Repaid	-			
8	Loans Given	- (20.00)			
9	Loans Repaid	- (20.00)			
10	Investments	-			
11	Sale of Investments	-			
12	Advance	-			
B	Outstanding as on 31.3.2015				
1	Receivable	0.64 (7.84)			(0.11)
2	Payable	4.26 -	2.96 (1.23)	4.13 (1.23)	1.35

Figures in brackets are that of previous year.

27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

		Rs. in Crores	
		31.3.2015	31.3.2014
s)	Trade Payables and Short Term Provisions includes		
a)	Acceptances	32.42	113.17
b)	Due to Managing Director	2.96	1.23
c)	Due to Executive Vice Chairman	4.13	1.23
d)	Due to Non-Whole Time Directors	0.85	0.62
t)	No amount is due as on 31st March, 2015 for credit to Investor Education and Protection Fund.		
u)	Details of Earnings Per Share		
	Profit after tax	Rs. In Cr. 99.63	56.58
	No. of equity shares	Nos 7657050	7657050
	Face value of share	Rs 10.00	10.00
	Basic Earnings per share	Rs 130.11	73.89
v)	Terms of repayment of Term Loan		
1	Term loan from State Bank of India is repayable in 66 monthly installments commencing from October 2010 (with a moratorium of 6 months)		
2	Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2014 (with a moratorium of 12 months)		
3	Term loan from KarurVysya Bank Limited is repayable in 72 monthly installments commencing from October 2011		
4	Hire Purchase Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
5	ECB Loan from DBS Bank Limited is repayable in 20 Quarterly Instalment commencing January 2014		
6	Term loan obtained by Foreign subsidiary is repayable in bi-annual instalments commencing from November 2013.		
7	Term Loan of Joint venturer is repayable in 20 equal quarterly instalments commencing from February 2015.		
w)	An amount of Rs.33.80 per share (338%) has been recommended by the board of directors towards dividend.		
x)	The consolidated figures of both the years includes those that of TVS Srichakra Limited, TVS Srichakra Investments Limited, TVS Europe Distribution Limited and it subsidiaries ZF Electronics TVS (India) Private Limited.		
y)	Figures of the previous years have been regrouped /reclassified wherever necessary to conform to current year's classification.		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants

Firm Registration No. 004207 S

K S NARAYANASWAMY

Place : Madurai
Date : 23.5.2015

GV MAHADEVAN
Vice President-Finance

P SRINIVASAN
Secretary

Partner
Membership No. 8593

ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF THE ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ ASSOCIATES/JOINT VENTURES

Rs. in Crores

Name of the Entity	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
TVS Srichakra Limited	88.24%	276.27	104.16%	103.77
Subsidiaries:				
Indian :				
TVS Srichakra Investments Limited	0.32%	1.00	-0.32%	-0.32
Foreign :				
TVS Europe Distribution Limited	13.96%	43.72	-4.25%	-4.23
Universal Components Uk Ltd	17.87%	55.94	2.39%	2.38
Wrea Hurst Parts Distribution Limited	0.05%	0.17	9.95%	9.91
Minority Interests in all Subsidiaries	9.84%	30.80	1.83%	1.82
Joint Ventures: (as per proportionate Consolidation)				
Indian :				
ZF Electronics India Pvt Ltd	2.79%	8.72	-1.42%	-1.41
Total	133.07%	416.62	112.34%	111.92
Less : Elimination/ Consolidation adjustments	33.07%	103.54	12.34%	12.29
Total	100.00%	313.08	100.00%	99.63

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY

Place : Madurai
Date : 23.5.2015




GV MAHADEVAN
Vice President-Finance

P SRINIVASAN
Secretary




Partner
Membership No. 8593

THE FOLLOWING ARE THE ITEMS PERTAINING TO THE INDIAN JOINT VENTURE COMPANY ZF ELECTRONICS TVS (INDIA) PRIVATE LIMITED INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS.




	(Rupees in crores)	
	31.3.2015	31.3.2014
Percentage of Holding	50%	50%
A) Assets		
WDV of Fixed Assets	8.59	5.33
Long-term loans and advances	0.14	0.76
Other non-current assets	0.04	0.03
Inventories	2.25	3.30
Trade receivables	3.48	4.39
Cash and cash equivalents	0.12	0.12
Short-term loans and advances	2.12	1.46
B) Liabilities		
Reserves and surplus	8.22	9.63
Long-term borrowings	2.25	-
Deferred tax liabilities (Net)	0.27	0.05
Other Long term liabilities	0.01	0.01
Long-term provisions	0.08	0.10
Short-term borrowings	1.31	1.91
Trade payables	1.81	1.87
Other current liabilities	2.16	0.94
Short-term provisions	0.13	0.38
C) Income	19.04	25.82
D) Expenses		
Cost of materials consumed	10.76	14.89
Purchases of Traded goods	1.17	1.14
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(0.14)	0.10
Employee benefit expenses	3.35	2.88
Finance costs	0.32	0.12
Depreciation and amortization expense	0.79	0.67
Other expenses	3.97	3.83
Tax Expenses	0.22	0.75
E) Contingent Liabilities		
Income tax (CY Rs.46405; PY Rs.25085)	-	-
Sales Tax	0.03	0.01
Bills discounted	0.03	-
F) Capital Commitment	0.04	2.89



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TVS Srichakra Limited

Regd. Office: TVS Building, 7-B West Veli Street, Madurai - 625 001. www.tvstyres.com

Manufacturing Units: Tamil Nadu: Vellaripatti, Melur Taluk, Madurai - 625 122.

Uttarakhand: Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur Tehsil, Kicha Dist - 263 153.