

# 30<sup>th</sup> ANNUAL REPORT

2012 - 2013



**TVS SRICHAKRA LIMITED**

## **BOARD OF DIRECTORS**

**S NARAYANAN**

Chairman

**R NARESH**

Executive Vice Chairman

**SHOBHANA RAMACHANDHRAN**

Managing Director

**M S VIRARAGHAVAN**

**N H ATTHREYA**

**SITARAM RAO VALLURI**

**P VIJAYARAGHAVAN**

**H JANARDANA IYER**



**Audit Committee**

M S VIRARAGHAVAN  
*Chairman*  
N H ATTREYA  
P VIJAYARAGHAVAN  
H JANARDANA IYER

**Shareholders / Investors  
Grievance Committee**

S NARAYANAN  
*Chairman*  
SHOBHANA RAMACHANDHRAN  
P VIJAYARAGHAVAN

**Bankers**

STATE BANK OF INDIA  
West Veli Street  
Madurai 625 001

DBS BANK LIMITED  
806 Anna Salai  
Chennai 600 002

KARUR VYSYA BANK LIMITED  
No.159 South Masi Street  
Madurai 625 001

**Auditors**

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

**Listing of shares with**

Madras Stock Exchange Limited  
Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

**Registered Office**

TVS Building  
7-B West Veli Street  
Madurai 625 001

**Administrative Office**

No.10 Jawahar Road  
Madurai 625 002  
Tel : 0452 - 2420461(8 lines)  
Fax : 0452 - 2420266  
E-mail : demat@tvstyres.com  
investorgrievances@tvstyres.com  
website : www.tvstyres.com

**REGISTRAR AND SHARE TRANSFER AGENT**

Integrated Enterprises (India) Limited  
"Kences Towers", II Floor  
No.1, Ramakrishna Street  
T. Nagar, Chennai 600 017  
e-mail : corpseiv@integratedindia.in

**PLANT LOCATION**

**Madurai**

Vellaripatti Village, Melur Taluk,  
Madurai 625 122

Narasingampatti Village  
Therkutheru, Melur Taluk  
Madurai 625 122

**Uttarkhand**

Plot No.7, Sector - 1, IIE, SIDCUL  
Pant Nagar 263 153 Rudrapur  
Tehsil - Kichha, Uttarkhand

**Subsidiary Companies**

TVS Srichakra Investments Ltd  
TVS Europe Distribution Ltd (UK)

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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held at Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002, on Wednesday, the 25th day of September, 2013 at 10.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting be and the same are hereby approved and adopted.

2. To declare dividend for the year ended March 31, 2013

RESOLVED THAT a dividend of Rs.7.50 per share (75%) for the year ended 31.3.2013 on 76,57,050 equity shares of the Company be and is hereby declared for payment to the shareholders of the Company whose names appear in the Register of Members as at the close of business on 25.9.2013.

3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr. H Janardana Iyer, Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr. S Narayanan, Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the retiring statutory auditors M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, having Firm Registration No. 004207S issued by The Institute of Chartered Accountants of India, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, and subject to such approvals and consents as may be necessary, the approval of the Company be and is hereby accorded to the payment of remuneration by way of commission on an annual basis to such of the Directors of the Company, who are neither in the whole-time employment nor a Managing Director, at a rate not exceeding 1% (one percentage) of the net profits of the Company in aggregate, for a period of five years with effect from 1st April, 2013.



## NOTICE TO SHAREHOLDERS (Contd.)

RESOLVED FURTHER THAT the Board of Directors, at their discretion, may decide on the quantum of remuneration, by way of commission to be distributed amongst such of the aforementioned Directors, from time to time, as they may deem fit, within the overall limit of 1% (one percentage) of net profits of the Company.

By Order of the Board

**SHOBHANA RAMACHANDHRAN**  
*Managing Director*

Place : Chennai  
Date : 22.5.2013

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

### NOTES:

1. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY AND THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT IS SIGNED OR A NOTARIALLY CERTIFIED COPY OF THAT POWER OF ATTORNEY OR OTHER AUTHORITY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business as set out in the Notice is annexed hereto.
3. The Register of Members and the Share Transfer register will remain closed from 20.9.2013 (Friday) to 25.9.2013 (Wednesday), both days inclusive, for the purpose of Annual General Meeting of the Company.
4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on corporate governance, forming part of the annual report.

Members who have not encashed their dividend warrants in respect of the above periods are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules 2012, the Company shall provide / host the required details of unclaimed amounts referred to under Section 205C(2) of the Act on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year. For the financial year ended 31st March 2012, the above information has already been filed by the Company.

## NOTICE TO SHAREHOLDERS (Contd.)

5. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
6. Members are requested to notify to the Company any change in their address immediately. Members holding shares in electronic form are requested to advise change of correspondence and email addresses to their depository participants.
7. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.
8. Members are requested to affix their signature at the space provided on the attendance slip annexed to proxy form and hand over the slip at the entrance of the meeting hall.
9. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company atleast seven (7) days in advance of the AGM.

**In terms of clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of directors who are proposed to be re-appointed / appointed in this annual general meeting, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationships with other directors in the Company are given below**

### I. Mr H Janardana Iyer

Born on 17th June, 1948, Mr. H Janardana Iyer is a B.E. graduate in Mechanical Engineering.

He is having more than four decades of techno commercial experience in the field of marketing Capital Equipments. His specializations have been in technical marketing of Earth Moving Equipments, Construction Equipments, Mining Equipments and material handling Equipments both in India as well as in International markets.

He does not hold any share in the Company and is not related to any director of the Company in terms of the Companies Act, 1956. He is a member of the Audit Committee of the Company.

### II. Mr S Narayanan

Born on 2nd June, 1925, Mr. S Narayanan possess C.A. Inter qualification

He has got more than five decades of experience in automobile industry, particularly on sale of spare parts and service. He has expertise in marketing and procurement functions, apart from general management.

He holds 2195 equity shares in the Company and is not related to any director of the Company in terms of the Companies Act, 1956. He is a member of the Shareholders / Investors Grievance Committee of the Company. Details of his other directorships and memberships / chairmanships of committees are given below:

Sl. No.	Name of the company	Position held	Committee memberships / Chairmanships
1.	Lucas Indian Service Ltd.	Director	-
2.	India Motor Parts & Accessories Ltd	Chairman	Shareholders / Investors Committee



**NOTICE TO SHAREHOLDERS (Contd.)**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 22.5.2013 and shall be taken as forming part of the notice.

**Item No. 6**

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.

As the roles and responsibilities of non Whole-Time Directors have considerably increased, it is desirable to pay remuneration by way of commission on an annual basis to non Whole-Time Directors, for further period(s), as set out under Item No.6 of the notice convening this meeting.

All the Directors, except Mr R Naresh, Executive Vice Chairman and Miss Shobhana Ramachandran, Managing Director are interested in the resolution.

By Order of the Board

**SHOBHANA RAMACHANDHRAN**  
*Managing Director*

Place : Chennai  
Date : 22.5.2013

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

## FIVE YEAR PERFORMANCE AT A GLANCE

Rs. In lakhs

PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13
<b>A. OPERATING RESULTS</b>					
GROSS INCOME	64432	75918	119318	140930	151989
PROFIT BEFORE DEPN. INT. & TAX	4162	7077	10264	12689	12667
PROFIT BEFORE INT. & TAX	3175	5899	8682	10610	10445
PROFIT BEFORE TAX (PBT)	1316	4337	5717	5475	4727
PROFIT AFTER TAX (PAT)	901	2982	3917	3975	3568
DIVIDENDS	268	766	957	1034	574
DIVIDEND TAX	46	130	159	168	98
RETAINED PROFITS	583	2086	2801	2773	2696
<b>B. FINANCIAL STATUS</b>					
GROSS FIXED ASSETS	14583	19232	24991	29312	30257
NET FIXED ASSETS	7229	11538	16495	19873	21643
INVESTMENTS	125	261	261	1982	1928
NET CURRENT ASSETS	15607	14977	21206	27629	19059
SHARE CAPITAL	766	766	766	766	766
RESERVES AND SURPLUS	5731	7817	10618	13392	16298
NET WORTH	6497	8583	11384	14158	17054
LOAN FUNDS	15722	17446	25581	34029	23298
DEFERRED TAX LIABILITY (NET)	742	747	997	1297	2278
TOTAL CAPITAL EMPLOYED	22961	26776	37962	49484	42630
<b>C. KEY RATIOS</b>					
PBDIT TO NET SALES (%) *	6.97	9.29	8.36	8.62	5.75
PBIT TO NET SALES (%) *	5.26	7.81	6.90	7.14	4.11
PBT TO NET SALES (%) *	2.03	5.38	4.17	3.48	0.24
PBIT TO AV. CAPITAL EMPLOYED (%) *	13.34	21.43	23.13	22.93	13.17
RETURN ON AVERAGE NET WORTH (%)	14.52	39.55	39.23	31.13	22.86
EARNINGS PER SHARE (Rs.)	11.76	38.94	51.15	51.92	46.59
DIVIDEND PER SHARE (Rs.) #	4.10	11.70	14.57	15.70	8.77
DIVIDEND PAY OUT (%) #	34.81	30.04	28.49	30.22	18.83
BOOK VALUE PER SHARE (Rs.)	84.85	112.09	148.67	184.90	222.72
DEBT EQUITY RATIO (NO. OF TIMES)	2.42	2.03	2.25	2.40	1.37

\* Excluding other income

# Including dividend tax





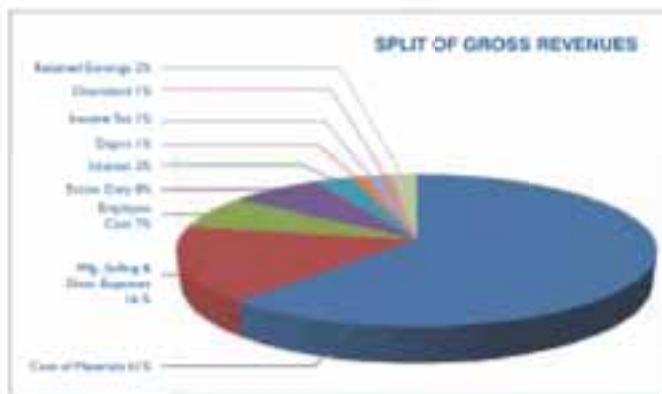
## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the thirtieth annual report and the audited accounts for the year ended 31st March, 2013

### FINANCIAL HIGHLIGHTS

(Rs. in Crore)

Details	Year ended 31.3.2013	Year ended 31.3.2012
Sales & Other Income	1519.89	1409.30
Profit before finance cost and depreciation	128.65	130.87
Less : Finance Cost	57.18	55.33
Depreciation	24.22	20.79
Profit after finance cost and depreciation	47.26	54.75
Less : Provision for		
- Income tax	1.79	12.00
- Deferred tax	9.80	3.00
Profit after tax	35.67	39.75
Surplus brought forward from Previous Year	110.37	86.63
Appropriations :		
Dividend payable	5.74	10.34
Dividend Tax payable	0.98	1.67
Transfer to General Reserve	3.60	4.00
Balance carried to Balance Sheet	135.72	110.37



## DIRECTORS' REPORT (Contd.)

### DIVIDEND

The Directors are pleased to recommend a dividend of Rs.7.50 per equity share of Rs.10/- each (i.e. 75%) for the financial year ended 31st March, 2013 absorbing a sum of Rs.671.88 lakhs, including tax on dividend, for the approval of the shareholders, at the ensuing Annual General Meeting.



### PERFORMANCE

Company's sales and other income has recorded a marginal growth from Rs.1409 Crore to Rs.1519 Crore despite the not-so-good market conditions, with particular reference to After-Market.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development

#### Domestic

Indian Economy grew by 5% during 2012-13 as against the growth of 6.2% recorded the previous year. This is believed to be the lowest growth rate in the last decade. Economic Survey of India has painted an optimistic picture of Indian economy for the year 2013-14 stating that the 'down-turn' is more or less over and projected a GDP Growth of 6.1% to 6.7%.



DIRECTORS' REPORT (Contd.)



Global

Growth in Global economy has almost dropped to 3% during 2012-13. During the year 2013-14 also, uncertainty across the regions - from the post-election 'fiscal debacle' question in the United States to the Chinese leadership transition and reforms in the Euro area - will continue to have global impacts in sluggish trade. Across the advanced economies, the outlook predicts 1.2% growth in 2013 as against 1.1% in 2012. This slight upsurge is due to Europe which is expected to return to a very slow growth of 0.3% after the -0.2% contraction during 2012. The growth in United States market is expected to fall from 2.2% in 2012 to 1.6% in 2013.

2. Business outlook and overview

Original Equipment Manufacturers (OEMs)

The overall outlook for the year is not upbeat and is at 4% for the year 2013-14. Your Company with its presence in Honda Motorcycle & Scooter India Pvt. Ltd., is confident of a growth higher than the industry growth. The growth is expected to be around 18% in the year 2013-14.

## DIRECTORS' REPORT (Contd.)

### After Market

The year is likely to be highly competitive and your Company is geared up to meet the challenges through launch of numerous new products during the first half of 2013-14. This will help us to achieve the growth of minimum 10% over the previous year.

### 3. Opportunities & Threats

Replacement Tyre market in India is expected to touch Rs.30,500 Crore by 2013-14 and all the tyre companies are ramping up their capacity to meet this demand. The replacement market, which constitutes more than 50% of the industry and a key focus area for the tyre manufacturers due to higher margins, would continue to grow faster owing to the high growth in vehicle sales seen over the last few years.

There are no major threats for the Indian Tyre industry other than rising imports from countries like China and South Korea.

### 4. Risks and concerns

#### Economy

Biggest risk facing the Indian economy is the high current account deficit which is well above the sustainable level of 2.5% of GDP. Financing a large Current Account Deficit exposes the economy to the risk of sudden stop and reversal of capital flows.

Investment sentiment remains inhibited owing to subdued business confidence and dented business profitability. Borrowers have become risk averse because of governance concerns, delays in approvals. For lenders, risk aversion stems from the erosion of asset quality.

Effectiveness of monetary policy could be undermined by supply constraints in the economy. Food price pressures, upward revisions in the minimum support prices and rapid wage increases are leading to a wage-price spiral.

#### Industry specific

Performance of Indian Tyre industry is directly linked to the performance of automotive sector. In view of the increased concentration on OEM business, any slowdown in the automobile sector will immediately affect the Indian Tyre industry.

Continuing economic uncertainty, lower growth in automobile sector affecting the demand from OE segment, global slowdown affecting the exports from India, non-availability of skilled manpower, creation of excess capacity by the players in the market are the major concerns for Indian Tyre industry.

#### Sourcing

Volatility in raw material prices has been a concern for any tyre Company in India. In order to bring in competition, your Company is trying to come out of single vendor system and is developing new vendors. In addition to the above, Company is initiating cost reduction measures in all fronts which includes procurement of raw materials, without affecting quality or any other parameters.



## DIRECTORS' REPORT (Contd.)

### Forex

Your company may get affected by global currency fluctuations or Exchange fluctuation may result in unfavourable conditions. Your Company is taking appropriate cover to protect the volatility in exchange rate fluctuation to the maximum extent possible.

### Contractual

High quality products are demanded by contractual terms by almost all the Original Equipment Manufacturers. Every effort is being made to ensure quality but at the same time, defects may lead to rework or product recall with the resultant expenditure. Your Company has taken appropriate product recall and liability insurance in line with standard industry practice to mitigate these risks.

### Capacity utilization

Your Company has got sufficient capacity to take care of its requirements for the year 2013-14. Product mix change may be a risk to be managed appropriately by the Company. Your Company is developing flexibility to handle such product mix changes in short notice so that the over all production does not get affected. New capacities are being built to cater to the technological changes happening in the market, such as, tubeless tyres, radial tyres, etc.

## 5. Internal Control System and their adequacy

The Company has effective and adequate internal control systems covering all areas of operations. The internal control system provides for well documented policies / guidelines, authorizations and approval procedures. The internal control system stipulates a reasonable assurance with regard to maintaining of proper accounting controls, protecting assets from unapproved use and compliance of statutes.

The Company, through its own Internal Audit Department, carries out periodic audits at all locations and functions based on the plan approved by the Audit Committee. The observations, arising out of audit, are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and the status on implementation of corrective actions are reported to the Audit Committee of the Board of Directors for their review.

## 6. Operations review

### A. Manufacturing

Continuous improvements are implemented to improve manufacturing quality and productivity in many of the manufacturing areas.

### B. Cost Management

Value engineering, reducing process scrap and operational efficiency projects are being pursued with the help of outside consultants.

### C. Information Technology

Your Company has successfully implemented SAP ERP system and the initial teething problems have been sorted out. Stabilization is taking place in all the processes which will lead to overall efficiency improvement.

## DIRECTORS' REPORT (Contd.)

### 7. Human Resource Development

Your Company has always considered its Human Resources as an asset and is committed towards their development for continuous growth. Our belief is that highly engaged, talented and innovative people can lead to Business Excellence.

Towards this end, many training programs were conducted to develop the personality and outlook of its employees. Employee relations continue to be cordial except for some minor labor issues in Uttrakhand Plant which were later resolved amicably.

### 8. Environment & Safety

The Company is fully committed to the ultimate goal of employee safety. Safety management is integrated with the overall Environment, Health and Safety (EHS).

### 9. Community development and social responsibility

Company is initiating lot of schemes to alleviate the societal development in and around the factory by conducting health camps, women empowerment camps, Life skill programs, Waste Management programs, etc.

### 10. Financial / operational performance

	Rs. in Crore
Net Sales & Other Income	1519.89
Net profit	35.68

The operations of the Company relate to the manufacture and sale of rubber products such as tyres, tubes and flaps.

The volatile price of natural rubber, our major raw material, has impacted the performance of the Company. This has forced your Company to effect price corrections in the market.

Despite this, the Company has achieved the sales turnover of Rs. 1519 Crore, which is a landmark achievement. This reflects a sales growth of 8%.

### 11. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, 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.



## DIRECTORS' REPORT (Contd.)

### CORE BUSINESS

Your Company's core business is manufacture and sale of tyres and tubes for automotive applications.

In order to concentrate more on its core business, the Directors have decided to hive off its non-core investments and non-core properties in the name of its 100% subsidiary, M/s TVS Srichakra Investments Limited. In line with this, certain actions have been initiated during the year. This will be continued in the coming years also so that your Company can concentrate on its core business and all the non-core activities are taken care of by its 100% subsidiary.

### SUBSIDIARY COMPANIES

Since the following companies continue as subsidiaries of the Company, their audited accounts have been consolidated with those of the Company as on 31st March, 2013.

- a) TVS Srichakra Investments Limited
- b) TVS Europe Distribution Limited

### CONSOLIDATED ACCOUNTS

As required under the Listing Agreement with the Stock Exchanges, the consolidated financial statements of the Company are attached.

The Ministry of Corporate Affairs (MCA) vide its circular No.2 in file No.51/12/2007-CL-III dated 8th February, 2011 has granted general exemption from attaching annual reports of subsidiaries along with the annual report of the holding companies without seeking any approval of the Central Government, subject to the conditions laid down therein.

The Board of Directors at their meeting held on 22.5.2013 passed necessary resolution for complying with all the conditions enabling the circulation of annual report of the Company without attaching all the documents referred to in Section 212(1) of the Act, of the subsidiary companies to the shareholders of the Company.

The annual accounts, reports and other documents of the subsidiary companies will be made available to the members, on receipt of a request from them. The annual accounts of the subsidiary companies will be available at the registered office of the Company and at the registered offices of the respective subsidiary companies concerned. If any member or investor wishes to inspect the same, it will be available during the business hours of any working day of the Company.

A statement giving the following information in aggregate of each subsidiary including subsidiaries of subsidiaries consisting of (a) capital, (b) reserves (c) total assets (d) total liabilities (e) details of investment (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend has been attached with the consolidated balance sheet of the Company in compliance with the conditions of the said circular issued by MCA.

A statement referred to in clause (e) of sub-section 1 of Section 212 of the Act disclosing the Company's interest in subsidiaries and other information as required, is attached.

### DIRECTORS

M/s H Janardana Iyer and S Narayanan, Directors, will be retiring at this annual general meeting and, being eligible, offer themselves for re-appointment.

The brief resume of the aforesaid Directors and other information have been detailed in the Notice convening the Annual General Meeting of the Company. Appropriate resolutions for their re-appointment are being placed for

## DIRECTORS' REPORT (Contd.)

approval of the shareholders at the ensuing Annual General Meeting. Your Directors recommend their re-appointment as Directors of the Company.

None of the Directors is disqualified under Section 274(1)(g) of the Companies Act, 1956.

### AUDITORS

M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, retire in accordance with the provisions of the Companies Act, 1956 and are eligible for re-appointment. The Company has received a letter from them stating that the appointment, if made, shall be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board recommends the re-appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, as the Auditors of the Company.

### 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 2013-14 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 Section 224(1B) of the Act.

For the financial year under review, a Cost Compliance Report will be obtained and will be filed with MCA portal within the stipulated time in terms of Companies (Cost Accounting) Records Rules, 2011.

### CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on corporate governance and a certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges form part of the annual 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 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013.

### SECRETARIAL AUDIT

In compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being conducted by a Practising Company Secretary at specified periodicity and the reports are being submitted to the Stock Exchanges.

### STATUTORY STATEMENTS

#### Conservation of energy, technology absorption and foreign exchange earnings and outgo

As per the requirements of Section 217(1)(e) of the Act, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure to this report.





## DIRECTORS' REPORT (Contd.)

### Particulars of employees

No employee of the Company was in receipt of remuneration during the financial year 2012-13, in excess of the sum prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### Public deposits

The Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 for the year ended 31st March, 2013.

### Directors Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Act with respect to Directors' Responsibility Statement, it is hereby stated

- a) That in the preparation of accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b) That the Directors had selected the accounting policies and applied them consistently and made judgements and estimates that were 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 of the Company for the year under review;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the Directors have prepared the annual accounts for the year ended 31st March, 2013 on a "going concern" basis

### ACKNOWLEDGEMENT

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

The Directors wish to place on record their appreciation of 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

Place : Chennai  
Date : 22.5.2013

**SHOBHANA RAMACHANDHRAN**  
*Managing Director*

**R NARESH**  
*Executive Vice Chairman*

## ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

### A. CONSERVATION OF ENERGY:

#### a) Measures taken

##### 1. Electrical

- i) Electrical energy conservation audit with external agency conducted, and as per their report, the following energy conservation activities completed.
- ii) We removed forced draft cross flow cooling towers and replaced with finless & fan less cooling towers in appropriate locations.
- iii) Generators diesel consumption reduced by fine tuning the running frequencies.
- iv) Compressed air conserved by leak management. One compressor running stopped.
- v) High pressure & low pressure air lines segregated, and the air distribution stabilized.
- vi) VFD installed for boiler PA fans, hence power consumption reduced.
- vii) Additional capacity condensate recovery mechanical pump line altered & electrical pump stopped
- viii) In mixing, export, new painting room area day light piping systems provided, and the electrical power reduced.
- ix) Sufficient capacitors installed inside new export, Mod.25 and Mod.27 to maintain PF unity and reduce Maximum demand.
- x) Diesel consumption reduced by optimization of DG usage with loading pattern.

- xi) By optimizing captive power availability in between 3 service connections, investment in 750 KVA new genset eliminated.
- xii) In cooling tower delivery pumps replaced with energy efficient pumps.
- xiii) Higher capacity lighting energy saver panel installed to suit the existing additional loads.
- xiv) Additional vendors developed for captive power purchase, day to day power purchase monitored & power cost kept under control.

##### 2. Thermal

- i) New 15 tons boiler installed to reduce furnace oil consumption, and controlled the fuel cost.
- ii) Steam to fuel ratio in 10 TPH boiler improved with modification of new PA fan
- iii) In consumer end, plant wise Steam flow meters installed for steam energy consumption monitoring & control the consumption, plant wise.
- iv) In export plant 3 numbers new Condensate Recovery pumps installed and recovery improved and feed water temperature increased for optimizing steam generation.
- v) Damaged insulation & identified uninsulated steam lines were insulated
- vi) Steam conserved by leak management.
- vii) Flash steam recovery system installed to increase the water recovery from flash steam.



## ANNEXURE TO DIRECTORS' REPORT (Contd.)

b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy

- i) Fuel parameter like calorific value testing equipment installed and testing started to get and control the fuel quality to increase the steam to fuel ratio.
- ii) With new steam flow meters in plant wise, planned to arrive specific steam consumption plant-wise, and planned to control the steam consumptions with respect to the production

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

i) Specific power and fuel consumption

- Specific power Controlled with 0.65 unit/kg
- Specific fuel consumption in 10 TPH boiler, steam to fuel ratio increased from 4 to 4.4

ii) Specific Power and fuel cost.

d) Total energy consumption and energy consumption per unit of production.

## FORM A

## (A) POWER AND FUEL CONSUMPTION :

1. Electricity	2012 - 13	2011 - 12
(a) Purchased (Units)	42392479	34677421
Total Amount (Rs)	238479143	168139447
Rate / Unit (Rs.)	5.63	4.85

(b) Own Generation

(i) Through Diesel

Generating Sets (Units)	5287984	9439861
Units per litre of diesel oil	2.80	2.68
Cost / Unit (Rs.)	18.26	15.15

(ii) Through Wind Mill

(for Captive Consumption)

Total Cost (Rs)

Rate / Unit (Rs.)

## 2. Furnace Oil

Quantity (Litres)	1407186	3225978
Total Cost (Rs.)	60600151	94848350
Average rate (Rs.) / Litre	43.06	29.40

## 3. Others

Quantity (MT)	57172	53621
Total Cost (Rs.)	246500169	184511181
Average rate (Rs.) / MT	4311.57	3441.04

## (B) CONSUMPTION PER UNIT OF PRODUCTION

Electricity (Units)	3.06	2.81
Furnace Oil (Litre)	0.08	0.17
Others (Kgs)	3.10	2.91

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

## B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as indicated in Form 'B'.

## FORM B

## RESEARCH &amp; DEVELOPMENT (R&amp;D)

1. Specific areas in which R & D carried out by the Company :

Development of new alternate sources of raw material to improve cost competitiveness; product quality improvement by optimization of specification and process parameters, newer processes for manufacture of domestic tyres.

2. Benefits derived as a result of the above R & D:

The R & D activities carried out by your Company has assisted in improving OE market share and also proved your Company's ability to introduce new products, including products with upgraded capabilities, as and when required by domestic market, besides entering into new overseas market.

3. Future Plan of Action:

Manufacture of new products for both domestic & export market and expanding to new range of tyres for both Domestic / Export market.

Technology upgradation to improve process yield.

4. Expenditure on R&D:	Rs. in Crore
a) Capital	2.42
b) Recurring	11.86
c) Total	14.28
d) Total R & D expenditure as a percentage of total turnover	0.94%

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

Introduction of new products resulted in higher growth in OEM & Export markets and improved consistency in quality of product / Process

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 5 years reckoned from the beginning of the financial year) - N.A.

## C. FOREIGN EXCHANGE EARNINGS &amp; OUTGO :

- a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.

## b) Earnings

Exports	Rs. 19694.96 lakhs
Interest	Rs. 42.50 lakhs
Others	Rs. -

- c) Outgo
- |  |                    |
|--|--------------------|
|  | Rs. 30959.23 lakhs |
|--|--------------------|



## CORPORATE GOVERNANCE

### 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 endeavour to improve on these aspects.

### 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.

#### 2.1 Composition and category of directors

As at 31st March, 2013, and on the date of this report, the board consists of eight 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 MS Viraraghavan, N H Athreya, Sitaram Rao Valluri and H Janardana Iyer.

Thus the composition of the Company's board is in conformity with the Listing agreement.

#### 2.2 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 for 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, capex 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, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any etc.,

## CORPORATE GOVERNANCE (Contd.)

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

During the year 2012-13, the board met 6 times on 26.5.2012, 8.8.2012, 27.9.2012, 10.11.2012, 16.1.2013 and 14.2.2013 and the gap between two meetings did not exceed four months.

### 2.3 Attendance and other Directorships

The details of attendance of the directors at the board meetings during the year and at the last annual general meeting held on 27th September, 2012 and also the number of other directorships and committee memberships / chairmanships as on 31st March 2013 are as follows

Name of the Director M/s	Category	Attendance particulars		No. of Directorships and committee memberships held in other Companies	
		Board Meeting	Last AGM	Other Directorships	Committee memberships
S Narayanan	NE	5	Yes	2	1
R Naresh	EVC	6	Yes	7	-
Ms Shobhana Ramachandran	MD	5	Yes	7	-
M S Viraraghavan	NE-I	5	Yes	-	-
N H Atthreya	NE-I	-	-	1	1
Sitaram Rao Valluri	NE-I	5	Yes	-	-
P Vijayaraghavan	NE	5	Yes	1	-
H Janardana Iyer	NE-I	5	Yes	-	-

EVC – Executive Vice Chairman

MD – Managing Director

NE – Non Executive

NE-I – Non Executive – Independent

The above includes the membership in the Board of other Private Companies.

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 Shareholders / Investors Grievance Committee as covered under Clause 49 of the Listing Agreement, as per the disclosures made by the Directors.

### 2.4 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.



## CORPORATE GOVERNANCE (Contd.)

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.

**2.5 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](http://www.tvstyres.com). All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2013. The annual report contains a declaration to this effect signed by the Managing Director as compliance officer of the Code.

**2.6 Appointment / Re-appointment of Directors**

In terms of Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of Directors, proposed to be re-appointed / 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 of the Company.

**3. Audit Committee**

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.

**3.1 Terms of Reference**

The terms of reference of Audit Committee covers the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The Role of the Audit Committee is as prescribed under Clause 49 (II) (D) of the Listing Agreement.

**3.2 Composition, names of Members and Chairman**

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

Company Secretary is the Secretary of the Audit Committee

Chairman of the audit committee was present at the last annual general meeting held on 27th September, 2012.

The Composition of the Committee is in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

## CORPORATE GOVERNANCE (Contd.)

3.3 The particulars of Meetings and the attendance by the members of the Audit Committee are given below :

Date of the meeting	Members present (M/s)
26.5.2012	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
8.8.2012	M S Viraraghavan and H Janardana Iyer
10.11.2012	M S Vraraghavan, P Vijayaraghavan and H Janardana Iyer
14.2.2013	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer

Senior Management also attend the meetings as and when required.

### 4. Subsidiary Companies

- 4.1 The Audit Committee of directors reviews the financial statements.
- 4.2 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.

### 5. Disclosures

5.1 Materially significant related party transactions

During the year, the Company has not entered into any transaction of material nature with the Directors, their relatives or management which is in conflict with the interest of the Company.

The transactions with the related parties, namely its promoters, its subsidiaries and associate companies etc., which are of routine nature have been reported elsewhere in the annual report as per Accounting Standard 18 (AS18) issued by

The Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006.

The Audit Committee is briefed, inter alia, on the following aspects :

- (i) Related party transactions undertaken by the Company in the ordinary course of business
- (ii) Material individual transactions, if any, which were not in the normal course of business; and
- (iii) Material individual transactions, if any, with related parties or others, which were not at arm's length basis.

### 5.2 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

### 5.3 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.

### 5.4 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.





## CORPORATE GOVERNANCE (Contd.)

## 5.5 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.

## 5.6 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(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2013.

## 5.7 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.

## 5.8 Code of Conduct for prevention of Insider Trading

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date, the Company has a comprehensive code of conduct and the same is being strictly adhered to by the Directors, Senior Management and other persons covered by this code.

The Company regularly follows closure of trading window prior to the publication of price sensitive information. The Company has been informing the directors, senior management and other persons covered by the code about the same and advising them not to trade in Company's securities, during the closure of trading window period.

## 5.9 Management discussion and analysis report

The management discussion and analysis report forms part of the Directors' Report.

## 6. Remuneration Committee

## 6.1 Remuneration to directors

The board has not constituted a remuneration committee, as the need for forming such committee has not arisen.

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.

## 6.2 As approved by the shareholders at the 25th annual general meeting of the Company held on 18.9.2008, Non-executive and independent directors are being paid commission, not exceeding 1% of the net profits of the Company, subject to a maximum, as determined by the Board, for each such director for every financial year for a period of five years from 1st April, 2008 to 31st March, 2013.

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

**CORPORATE GOVERNANCE (Contd.)**

(a) Name (b) Sitting Fees paid [Rs. in lakhs] (c) Commission paid [Rs. in lakhs] (d) Total [Rs.in lakhs] (e) No. of shares

(a) Mr S Narayanan (b) 0.40 (c) 1.20 (d) 1.60 (e) 2195, (a) Mr M S Viraraghavan (b) 0.45 (c) 2.40 (d) 2.85 (e) 900, (a) Mr N H Athreya (b) Nil (c) 2.40 (d) 2.40 (e) 1200, (a) Mr Sitaram Rao Valluri (b) 0.25 (c) 1.20 (d) 1.45 (e) Nil, (a) Mr P Vijayaraghavan (b) 0.75 (c) 2.40 (d) 3.15 (e) 150, (a) Mr H Janardhana Iyer (b) 0.45 (c) 2.40 (d) 2.85 (e) Nil

6.3 Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2012-2013:

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

(a) Ms Shobhana Ramachandhran (b) Managing Director (c) 70.70 (d) 24.09 (e) Nil (f) 94.09; (a) Mr R Naresh (b) Executive Vice Chairman (c) Nil (d) 24.09 (e) Nil (f) 24.09

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

**7. Shareholders / Investors Grievance Committee**

7.1 The Shareholders / Investor grievance committee consists of Mr S. Narayanan, Ms Shobhana Ramachandhran and Mr. P Vijayaraghavan as its members. Mr S Narayanan is the Chairman of the Committee. The Committee met two times during the year.

7.2 As required by the Securities and Exchange Board of India (SEBI),

Company Secretary is the Compliance Officer of the Shareholders / Investors Grievance Committee. For any clarification / complaint, the shareholders may contact the Company Secretary.

7.3 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.

7.4 Complaints received and redressed during the year 2012-13

S.No.	Nature of complaints	No. of complaints
1.	Non receipt of dividend	1
2.	Transmission	1
	Total	2

7.5 All the queries and complaints received during the financial year ended 31st March, 2013 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.



## CORPORATE GOVERNANCE (Contd.)

## 7.6 Reconciliation of Share Capital Audit

A qualified practicing 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.

## 8. General Body Meeting

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

Year	Location	Date & Time
2009 -10	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	20.9.2010 10.00 A.M.
2010 -11	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	3.8.2011 10.30 A.M.
2011-12	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	27.9.2012 10.30 AM

## 8.2 None of the subjects placed before the shareholders in the last / ensuing annual general meeting required / requires approval by a postal ballot. No special resolution was put through during the last three years.

## 9. Means of Communication

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as result announcement, annual report, media release, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

## 9.1 Quarterly results

The unaudited quarterly financial results of the Company were published in the English and vernacular newspapers. These are not sent individually to the shareholders.

## 9.2 Newspapers wherein results are normally published

The results are normally being published in the English newspaper "Business Line" and Tamil newspaper "Dinamalar".

## 9.3 Website

The Company has in place a web site addressed as [www.tvstyres.com](http://www.tvstyres.com). The website contains the basic information about the Company - details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated official of the Company, who is responsible for assisting and handling investor grievances, such other details as may be required under Clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated.

## CORPORATE GOVERNANCE (Contd.)

## 10. General Shareholders information

10.1	Annual General Meeting, Date, Time and Venue	25th September, 2013 10.30 AM Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002
10.2	Financial Year Financial Calendar 2013-14 (tentative)	1st April to 31st March
	Financial reporting for the quarter ending	Financial calendar
	30th June 2013	Before 14th August, 2013
	30th September, 2013	Before 14th November, 2013
	31st December, 2013	Before 14th February, 2014
	31st March, 2014	Before 30th May, 2014
10.3	Date of Book closure	From 20.9.2013 to 25.9.2013 (Both days inclusive)
10.4	Dividend Payment Date	Dividend will be paid on 5.10.2013
10.5	Listing on Stock Exchanges	
	Name of the Stock Exchange	Stock code / Symbol
	Madras Stock Exchange Ltd	TVSSRICHAK
	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 2013-14 were duly paid to the above Stock Exchanges and to the Depositories.	

## 10.6 Registrar and Share Transfer Agents

M/s Integrated Enterprises (India) Limited,  
Chennai.

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

## 10.7 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



## CORPORATE GOVERNANCE (Contd.)

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

[investorgrievances@tvstyres.com](mailto:investorgrievances@tvstyres.com)/  
[demat@tvstyres.com](mailto:demat@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 to their shareholdings, dividends, etc., at the address given in this report.

## 10.8 Distribution of shareholding as on 31st March, 2013

No. of equity shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
1 to 500	17199	95.44	1872652	24.46
501 to 1000	531	2.95	385772	5.04
1001 to 2000	164	0.91	238231	3.11
2001 to 3000	45	0.25	114982	1.50
3001 to 4000	15	0.08	52684	0.69
4001 to 5000	17	0.09	77936	1.02
5001 to 10000	13	0.07	87370	1.14
10001 & above	37	0.21	4827423	63.05
Total	18021	100.00	7657050	100.00

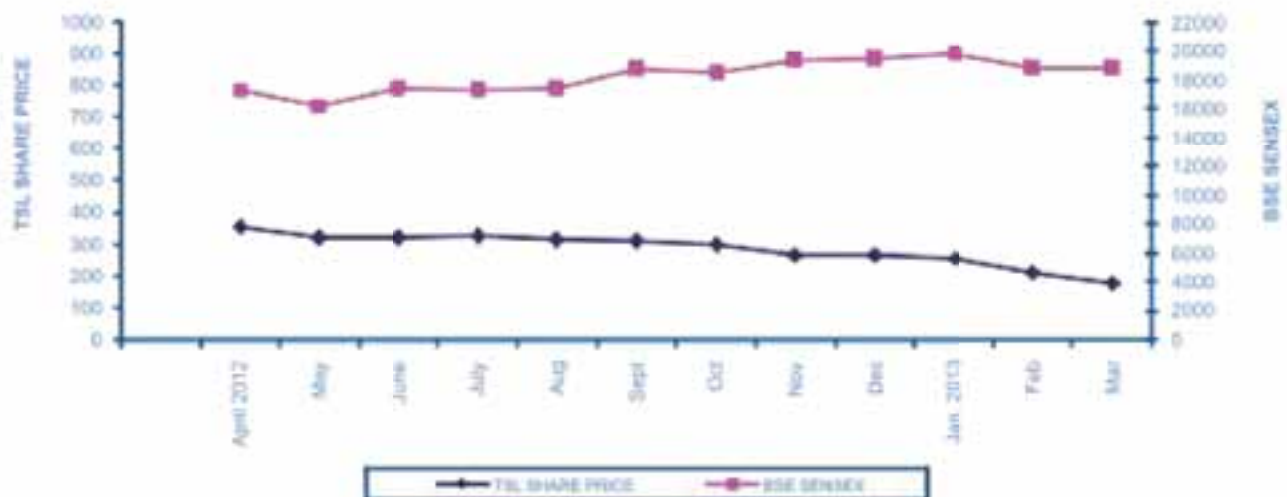
## 10.9 Share Price Data

Month	Bombay Stock Exchange Ltd (BSE)		National Stock Exchange Ltd (NSE)	
	High	Low	High	Low
April 12	360.25	325.60	358.50	325.05
May 12	350.00	313.70	351.05	315.00
June 12	330.35	302.75	327.65	306.85
July 12	342.30	321.10	339.65	322.65
Aug. 12	345.00	300.05	344.95	300.75
Sept. 12	329.75	300.80	328.60	301.30
Oct. 12	313.60	296.10	314.80	296.50
Nov. 12	308.90	252.45	304.80	249.50
Dec. 12	278.95	263.05	281.55	263.30
Jan. 13	269.45	249.80	268.05	251.75
Feb. 13	254.95	209.60	253.20	206.85
Mar. 13	212.00	176.25	210.15	173.25

CORPORATE GOVERNANCE (Contd.)

10.10 Share price performance in comparison to broad based indices - BSE Sensex

SHARE PRICE AND BSE SENSEX



10.11 Dematerialisation of shares and liquidity

Out of 4182230 shares held by persons other than promoters, 3131673 shares have been dematerialized as on 31st March, 2013 accounting for 74.88%

The Company has already achieved 100% of promoter group's shareholding in dematerialized form consisting of 3474820 equity shares of face value of Rs.10/- each

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

10.13 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

10.14 Registrar & Share Transfer Agent of the Company

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 : corpser@integratedindia.in

10.15 Plant locations

**Tamil Nadu**

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



## CORPORATE GOVERNANCE (Contd.)

### 10.16 Address for communication

TVS Srichakra Limited,  
No.10, Jawahar Road, Madurai 625 002  
Phone : 0452 2420461,  
Fax : 0452 2420266,  
Email : [investorgrievances@tvstyres.com](mailto:investorgrievances@tvstyres.com);  
[demat@tvstyres.com](mailto:demat@tvstyres.com),  
website : [www.tvstyres.com](http://www.tvstyres.com)

### 10.17 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 - [ps@tvstyres.com](mailto:ps@tvstyres.com)

## 11. 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 :

### 11.1 The Board

The non-executive directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the independent directors.

### 11.2 Remuneration Committee

The Board has not constituted a remuneration committee, as the need for forming such committee has not arisen

### 11.3 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](http://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.

### 11.4 Audit Qualification

The statutory financial statements of the Company are unqualified.

### 11.5 Whistle Blower Policy

The Company has not adopted whistle blower policy. However, the Company has an open door policy and provides access to any employee to approach the management on any issue.

## 12. 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.

### 12.1 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.

### 12.2 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

## CORPORATE GOVERNANCE (Contd.)

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

### 12.3 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 agent.

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.

### 12.4 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.

### 12.5 Registration of Nominations

Nomination in respect of shares - Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of

shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee, without having to go through the process of obtaining succession certificate / probate of the will etc.,

It would, therefore, be in the best interests of the shareholders, holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form 2B. This form will be made available at the Company's website [www.tvstyres.com](http://www.tvstyres.com) Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

### 12.6 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.,

### 12.7 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





## CORPORATE GOVERNANCE (Contd.)

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](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com) respectively.

## 12.8 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, 2006 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to IEPF in terms of Section 205C of the Companies Act, 1956. Shareholders are requested to note that as per provisions of the Companies Act, 1956, unclaimed dividends once transferred to IEPF will not be refunded.

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
31.3.2006	7.8.2006	12.9.2006	10.10.2013
31.3.2007	14.9.2007	20.10.2007	17.11.2014
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

## 12.9 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.

**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 31.3.2013, 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.004207 S

K S NARAYANASWAMY  
Partner  
Membership No.008593

Place : Chennai  
Date : 22.5.2013



**CORPORATE GOVERNANCE (Contd.)**

**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, 2013 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.

VALAMBAL VASUDEVAN  
VICE PRESIDENT - FINANCE

Place : Chennai  
Date : 22.5.2013

SHOBHANA RAMACHANDHRAN  
MANAGING DIRECTOR

**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, 2013

Place : Chennai  
Date : 22.5.2013

SHOBHANA RAMACHANDHRAN  
MANAGING DIRECTOR

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVS SRICHAKRA LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of TVS SRICHAKRA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of

Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the CESS is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no CESS is due and payable by the Company.

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

K S NARAYANASWAMY  
Partner  
Membership No.008593

Place : Chennai  
Date : 22.5.2013

## ANNEXURE TO THE REPORT OF THE AUDITORS

1. The nature of the Company's business/activities during the year is such that, to the best of our knowledge and the information and explanations given to us, clauses (xiii) & (xiv) of paragraph 4 of the Order are not applicable to the Company.
2.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The Fixed Assets have been physically verified by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The assets disposed-off during the year are not substantial and therefore do not affect the going concern status of the Company. Further the investment transferred during the year does not affect the going concern status of the Company.
3.
  - a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - 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.
4.
  - a) The Loan of Rs.1012 Lakhs granted during last year to a subsidiary company has been received back during the year. The interest of Rs.25.88 Lakhs is outstanding at the end of the year. This interest of Rs.25.88 Lakhs has been received after the end of the accounting year.
  - b) As explained to us, the non-core activities will henceforth be carried by its wholly owned subsidiary company. Consequentially a sum of Rs. 3353 Lakhs is outstanding from this Company at the end of the accounting year which is interest free. (Maximum outstanding Rs. 3353 Lakhs)
  - c) In respect of other loans and advances granted, repayment is regular. Payment of interest is also regular.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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.
6.
  - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.



## ANNEXURE TO THE REPORT OF THE AUDITORS (Contd.)

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. The Company has not accepted deposits from the public.
8. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
9. 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 209(1)(d) of the Companies Act, 1956 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.
10. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Excise Duty, Sales

Tax, Service Tax, Custom Duty, CESS and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty and CESS were in arrears, as at 31.3.2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, the dues of Sales Tax and Excise Duty which have not been deposited on account of any dispute is furnished below:

(Rs. in lakhs)		
Forum Where Dispute is Pending	Excise Duty	Sales Tax
High Court	-	-
Customs, Excise and Service Tax Appellate Tribunal	158.00	-
Commissioner of Central Excise	2.83	-
Deputy Commissioner of Central Excise	17.45	-
Assistant Commissioner of Central Excise	23.85	-
Appellate Tribunal	-	0.21
Assessing Officer	-	12.91

## ANNEXURE TO THE REPORT OF THE AUDITORS (Contd.)

- |  |   |
|--|---|
| <p>11. 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.</p> <p>12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Bank.</p> <p>13. The Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.</p> <p>14. The Company has not given any guarantee during the year.</p> <p>15. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.</p> <p>16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.</p> <p>17. The Company has not issued any shares during the year and hence the question of any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956 does not arise.</p> | <p>18. The Company has not issued any debentures during the year.</p> <p>19. The Company has not raised any money by issue of shares during the year.</p> <p>20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</p> |
|--|---|

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

K S NARAYANASWAMY  
Partner  
Membership No.008593

Place : Chennai  
Date : 22.5.2013





(Rs. in lakhs)

## BALANCE SHEET AS AT 31ST MARCH, 2013

Note No.

31.3.2013

31.3.2012

## I. EQUITY AND LIABILITIES

## 1 Shareholders' funds

(a) Share capital	1	765.70	765.70
(b) Reserves and surplus	2	16287.64	13391.78
(c) Money received against share warrants		-	-

## 2 Share application money pending allotment

-

## 3 Non-current liabilities

(a) Long-term borrowings	3	10705.40	13451.76
(b) Deferred tax liabilities (Net)	4	2277.83	1297.42
(c) Other Long term liabilities	5	2865.10	1274.18
(d) Long-term provisions	6	226.75	148.43

## 4 Current liabilities

(a) Short-term borrowings	7	11529.22	16851.43
(b) Trade payables	8	31778.26	24301.98
(c) Other current liabilities	9	1585.99	3725.67
(d) Short-term provisions	10	3852.46	4117.90

## II. ASSETS

Total

81874.3579326.25

## Non-current assets

## 1 (a) Fixed assets

(i) Tangible assets	11	18259.44	17368.44
(ii) Intangible assets	11	282.04	341.40
(iii) Capital work-in-progress	11	2958.50	2163.15
(iv) Intangible assets under development	11	143.03	-
(b) Non-current investments	12	1928.18	1981.76
(c) Long-term loans and advances	13	4992.78	3694.99
(d) Other non current assets	14	816.19	-

## 2 Current assets

(a) Inventories	15	25317.14	30033.17
(b) Trade receivables	16	18643.12	18955.32
(c) Cash and cash equivalents	17	4488.76	561.32
(d) Short-term loans and advances	18	4045.17	4226.70

Total

81874.3579326.25Significant Accounting Policies  
Notes on Accounts26  
27SHOBHANA RAMACHANDHRAN  
Managing DirectorAs per our report attached  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Registration No. 004207 S  
K S NARAYANASWAMY  
Partner  
Membership No. 8593R NARESH  
Executive Vice ChairmanPlace : Chennai  
Date : 22.5.2013P SRINIVASAN  
Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

		( Rs. in lakhs)		
	Note No.	31.3.2013	31.3.2012	
I.	Revenue from operations	19	147610.35	140332.34
II.	Other income	20	4378.78	597.20
III.	<b>Total Revenue (I + II)</b>		<u>151989.13</u>	<u>140929.54</u>
IV.	Expenses:			
	Cost of materials consumed	21	97170.81	96721.59
	Purchases of Traded goods		166.19	40.86
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	3767.71	(2406.59)
	Employee benefit expenses	23	11299.65	9624.02
	Finance costs	24	5718.63	5533.10
	Depreciation and amortization expense	11	2421.99	2079.46
	Other expenses	25	26717.36	23861.92
	Total expenses		<u>147262.34</u>	<u>135454.36</u>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		4726.79	5475.18
VI.	Exceptional Items		-	-
VII.	<b>Profit before extraordinary items and tax (V-VI)</b>		4726.79	5475.18
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII-VIII)</b>		4726.79	5475.18
X.	Tax expense:			
	(1) Current tax		994.83	1200.00
	Less: MAT Credit Entitlement		816.19	-
	Net of MAT Credit Entitlement		178.64	1200.00
	(2) Deferred tax		980.41	300.00
XI.	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		3567.74	3975.18
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
XV.	<b>Profit/(Loss) for the period (XI + XIV)</b>		<u>3567.74</u>	<u>3975.18</u>
XVI.	Earnings per equity share:			
	(1) Basic		46.59	51.92
	(2) Diluted		-	-
	Significant Accounting Policies	26		
	Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN  
Managing Director

As per our report attached  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Registration No. 004207 S  
K S NARAYANASWAMY  
Partner  
Membership No. 8593

R NARESH  
Executive Vice Chairman

Place : Chennai  
Date : 22.5.2013

P SRINIVASAN  
Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	Rs in lakhs	
	31.3.2013	31.3.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	4726.79	5475.18
Adjustments for :		
Depreciation	2421.99	2079.46
Interest paid	5718.63	5533.10
Interest received	(158.88)	(76.15)
Dividend Received	(25.00)	(25.00)
Rent received	(0.18)	(0.18)
(Profit)/ Loss on Sale of Assets	(2547.88)	-
Profit on sale of investment	(1146.42)	-
Assets Conderned	27.27	5.26
Non operating income	(29.53)	(36.24)
	<u>4260.02</u>	<u>7480.25</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>8986.81</b>	<b>12955.43</b>
Adjustments for :		
Trade Receivables	312.20	(1561.26)
Other Receivables	(1438.26)	(361.46)
Inventories	4716.03	(3599.68)
Trade and other payables	7071.78	3011.98
	<u>10661.75</u>	<u>(2510.42)</u>
Cash Generated From Operations	<b>19548.56</b>	<b>10445.01</b>
Direct taxes paid	412.52	1248.37
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>19236.04</b>	<b>9196.64</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2723.33)	(8263.83)
Proceeds from disposal of assets	5529.62	-
Investments sold	1200.00	(1720.72)
Dividend received	25.00	25.00
Non operating income	29.53	36.24
Rent received	0.18	0.18
Interest received	99.56	76.15
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>4160.56</b>	<b>(9846.98)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(5313.88)	(5533.10)
Proceeds /(Repayment) from short term borrowings	(5322.21)	1784.48
Proceeds /(Repayment) of long term borrowings	(5321.03)	6575.32
Loan to subsidiary	(3353.09)	-
Loan given /Received back	1012.20	(1012.20)
Dividend & Dividend tax paid	(1171.15)	(1116.09)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(19469.16)</b>	<b>695.41</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>3927.44</b>	<b>48.07</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>561.32</b>	<b>513.25</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>4488.76</b>	<b>561.32</b>

SHOBHANA RAMACHANDHRAN  
Managing Director

Place : Chennai  
Date : 22.5.2013

R NARESH  
Executive Vice Chairman

P SRINIVASAN  
Secretary

### AUDITORS' CERTIFICATE

We have examined the Cash Flow Statement of TVS Srichakra Limited for the year ended 31st March, 2013. 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 22.5.2013 to the members of the Company.

For SUNDARAM & SRINIVASAN

Chartered Accountants  
Firm Registration No. 064207 S

K S NARAYANASWAMY

Partner

Membership No.8593

Place : Chennai  
Date : 22.5.2013

## NOTES TO FINANCIAL STATEMENTS

	Rs. In lakhs	
	31.3.2013	31.3.2012
<b>NOTE 1 - SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs. 10 each	1000.00	1000.00
<b>Issued,Subscribed and fully Paid Up:</b>		
76,57,050 Equity Shares of Rs. 10 each	765.70	765.70
<b>Subscribed &amp; Paid up</b>		
76,57,050 Equity Shares of Rs.10 each fully paid	765.70	765.70
<b>Subscribed but not fully Paid up</b>		
Equity Shares of Rs. 10 each, not fully paid up.	-	-
<b>Total</b>	<u>765.70</u>	<u>765.70</u>
	Equity Shares	
	NO.'000	Rs. In lakhs
Shares outstanding at the beginning of the year	7657.05	765.70
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	7657.05	765.70
<b>Other Information :</b>		
Equity Shareholders holding more than 5% of the total Share capital of the Company		
T V Sundram Iyengar & Sons Limited	27.73%	27.73%
Sundaram Industries 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.



## NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. in lakhs
	31.3.2013	31.3.2012
<b>NOTE 2 - Reserves and Surplus</b>		
<b>a. Capital Reserves</b>		
Opening Balance	0.16	0.16
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>0.16</u>	<u>0.16</u>
<b>b. Securities Premium Account</b>		
Opening Balance	93.57	93.57
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<u>93.57</u>	<u>93.57</u>
<b>c. Other Reserves - Surplus on Amalgamation</b>		
Opening Balance	46.24	46.24
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>46.24</u>	<u>46.24</u>
<b>d. Other Reserves - General Reserve</b>		
Opening Balance	2261.00	1861.00
(+) Current Year Transfer	360.00	400.00
(-) Written Back in Current Year	-	-
Closing Balance	<u>2621.00</u>	<u>2261.00</u>
<b>e. Surplus</b>		
Opening balance	10990.81	8617.02
(+) Net Profit / (Net Loss) For the current year	3567.74	3975.18
(-) Proposed Dividend	574.28	1033.70
(-) Dividend Tax	97.60	167.69
(-) Transfer to Reserves	360.00	400.00
Closing Balance	<u>13526.67</u>	<u>10990.81</u>
Total	<u>16287.64</u>	<u>13391.78</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	31.3.2013	31.3.2012
<b>NOTE 3 - LONG TERM BORROWINGS</b>		
<b>Secured</b>		
(a) Term loans		
from banks	10235.03	13063.00
from other parties	470.37	388.76
	<u>10705.40</u>	<u>13451.76</u>
<b>Unsecured</b>		
(a) Long term maturities of finance lease obligations	-	-
	-	-
Total	<u>10705.40</u>	<u>13451.76</u>

Additional Information :

Details of Security for Secured Loans

- a) Term Loan availed from State Bank of India is secured by hypothecation of Specified movable Plant & Machinery located at Company's Plant at Vellaripatti Village including 1 No.1250 KW Wind Electric Generator located at Vadavalli Village, Palladum Taluk, Coimbatore District. Further the Term Loan from State Bank of India is secured by equitable mortgage by deposit of title deeds of 1.90 acres of land in Survey No.519/1B2, located at Narasingampatti Village, Madurai and lease hold land located at Pant Nagar, Rudrapur, Ultrakhand.
- b) Term Loan from Karur Vyasa Bank Ltd., is secured by hypothecation of Specific Plant & Machinery located at Company's Plant at Vellaripatti Village, Madurai.
- c) Term Loan from Sundaram Finance Ltd., is secured by hypothecation of Specific Plant & Machinery located at Pant Nagar, Rudrapur, Ultrakhand as well as Specific Plant & Machinery located at Vellaripatti Village, Madurai.
- d) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Madurai as well as specified immovable properties located at Madurai.

	31.3.2013	31.3.2012
<b>NOTE 4 - Deferred Tax Liability/Assets</b>		
i) Deferred Tax Liability		
a) On Account of Depreciation on Fixed Assets	2358.91	1352.11
b) On account of timing Differences in Recognition of Expenditure	-	-
ii) Deferred Tax Asset		
a) On account of timing Differences in Recognition of Expenditure	81.08	54.69
Total	<u>2277.83</u>	<u>1297.42</u>

**NOTE 5 - Other Long Term Liabilities**

(a) Trade Payables	-	-
(b) Others	2865.10	1274.18
Total	<u>2865.10</u>	<u>1274.18</u>



## NOTES TO FINANCIAL STATEMENTS (Contd.)

	31.3.2013	31.3.2012
<b>Rs. In lakhs</b>		
<b>NOTE 6 - Long Term Provisions</b>		
(a) Provision for employee benefits		
Leave Encashment (unfunded)	226.75	148.43
(b) Others	-	-
(c) Provision for Taxation	-	-
Total	<u>226.75</u>	<u>148.43</u>
<b>NOTE 7 - Short Term Borrowings</b>		
<b>Secured</b>		
(a) Loans repayable on demand		
from banks	11529.22	16851.43
from other parties	-	-
Total	<u>11529.22</u>	<u>16851.43</u>
<b>Additional Information :</b>		
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.		
<b>NOTE 8 - Trade Payables</b>		
i) To Micro Small and Medium Enterprises	-	-
ii) Others	31778.26	24301.98
Total	<u>31778.26</u>	<u>24301.98</u>
<b>NOTE 9 - Other Current Liabilities</b>		
(a) Current maturities of long-term debt	1063.17	3636.24
(b) Current maturities of finance lease obligations	-	1.60
(c) Interest accrued but not due on borrowings	412.59	7.84
(d) Unpaid dividends	110.23	79.99
Total	<u>1585.99</u>	<u>3725.67</u>
<b>NOTE 10 - Short Term Provisions</b>		
(a) Provision for employee benefits		
Salary & Reimbursements	273.00	448.87
Contribution to PF	36.74	39.28
Leave encashment	23.16	16.31
Gratuity (Funded)	139.90	171.15
(b) Others - Other Creditors	2083.48	2198.91
(c) Provisions		
Taxation Less Advance Tax	624.30	41.99
Dividend	574.28	1033.70
Dividend Tax	97.60	167.69
Total	<u>3852.46</u>	<u>4117.90</u>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## NOTE 11 - Fixed Assets

Rs. in lakhs

Fixed Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 31 March 2012	Additions	Disposals	As at 31 March 2012	Depreciation charge for the year	On disposals	As at 31 March 2013	As at 31 March 2012
<b>a Tangible Assets</b>								
Land - Freehold	102.03	4.01	-	-	-	-	106.04	102.03
Land - Leasehold	285.36	-	-	9.20	3.17	-	272.99	276.16
Buildings	5151.30	1561.03	9.90	730.12	185.29	3.39	5790.41	4421.18
Plant and Machinery	21082.80	4195.15	5117.90	10166.45	2005.04	2275.66	10264.22	10916.35
Furniture and Fixtures	383.34	20.17	3.99	179.25	26.79	2.44	195.92	204.09
Vehicles	108.58	31.04	13.89	43.92	11.51	9.97	80.27	64.66
Office equipment	353.02	58.13	-	149.96	49.81	-	211.38	203.06
Others (Electrical)	1451.18	388.62	171.43	270.27	76.51	16.62	1338.21	1180.91
<b>Total</b>	<b>28917.61</b>	<b>6258.15</b>	<b>5317.11</b>	<b>11549.17</b>	<b>2358.12</b>	<b>2308.08</b>	<b>18259.44</b>	<b>17368.44</b>
<b>b Intangible Assets</b>								
Computer software	394.33	4.51	-	52.93	63.87	-	282.04	341.40
<b>Total</b>	<b>394.33</b>	<b>4.51</b>	<b>-</b>	<b>52.93</b>	<b>63.87</b>	<b>-</b>	<b>282.04</b>	<b>341.40</b>
<b>c Capital Work in Progress</b>								
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2958.50</b>	<b>2163.15</b>
<b>d Intangible assets under Development</b>								
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.03</b>	<b>-</b>
<b>GRAND TOTAL ( a+b+c)</b>	<b>29311.94</b>	<b>6262.66</b>	<b>5317.11</b>	<b>11602.10</b>	<b>2421.99</b>	<b>2308.08</b>	<b>21643.01</b>	<b>19872.99</b>
Previous Year	24990.81	4338.90	17.77	9535.15	2079.46	12.51	19872.99	-



## NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. in lakhs

31.3.2013 31.3.2012

### NOTE 12 - Non Current Investments

#### Non Trade

Investment in Equity instruments 1936.74 1990.32

Less : Provision for diminution in the value of Investments in an earlier year 8.56 8.56

Total 1928.18 1981.76

#### 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 lakhs)		Whether stated at Cost Yes / No	If Answer (9) to Column is 'NO' Basis of Valuation
		As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012				
<b>Investment in Equity Instruments</b>											
TVS Europe Distribution Ltd	Subsidiary	2125000/1GBP	2125000/1GBP	Unquoted	Fully paid	56	85	1720.72	1720.72	yes	-
TVS Srichakra Investment Ltd	Subsidiary	2050000/Rs10	2050000/Rs10	Unquoted	Fully paid	100	100	205.00	205.00	yes	-
Van Leeuwen Tyres & Wheels BV	Associate	15000/1Euro	15000/1Euro	Unquoted	Fully paid	30	30	8.57	8.57	yes	-
ZF Electronics TVS (India) P Ltd	Associate	-	500000/Rs.10	Unquoted	Fully Paid	-	50	-	53.58	yes	-
Arkay Energy ( Rameshwaram ) Ltd	Others	24500/Rs10	24500/Rs.10	Unquoted	Fully Paid	-	-	2.45	2.45	yes	-
<b>Total</b>								<b>1936.74</b>	<b>1990.32</b>		
Less : Provision for diminution in the value of investments in an earlier year								<b>8.56</b>	<b>8.56</b>		
<b>Total</b>								<b>1928.18</b>	<b>1981.76</b>		

Note:500000 Share @ Rs 10/- each in ZF Electronics TVS (India) P Ltd transferred during the year to a wholly owned subsidiary Company TVS Srichakra Investment Ltd.



## NOTES TO FINANCIAL STATEMENTS (Contd.)

	31.3.2013	Rs. in lakhs 31.3.2012
<b>NOTE 13- Long Term Loans and Advances</b>		
<b>a. Capital Advances</b>		
Secured, considered good	-	-
Unsecured, considered good	332.87	3055.08
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<u>332.87</u>	<u>3055.08</u>
<b>b. Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	870.08	227.20
	<u>870.08</u>	<u>227.20</u>
<b>c. Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	3353.09	-
	<u>3353.09</u>	<u>-</u>
<b>d. Other loans and advances</b>		
Secured, considered good	-	-
Unsecured, considered good	436.74	412.71
	<u>436.74</u>	<u>412.71</u>
Total	<u>4992.78</u>	<u>3694.99</u>
<b>NOTE 14 - Other Non Current Assets</b>		
MAT Credit Entitlement	816.19	-
Total	<u>816.19</u>	<u>-</u>
<b>NOTE 15 - Inventories As certified by Managing Director</b>		
a. Raw Materials and components at cost	17130.42	18244.44
b. Work-in-progress at cost	2009.67	3145.21
c. Finished goods at lower of cost and realisable value	5395.01	8107.73
d. Stock-in-trade at cost	96.05	15.50
e. Stores and spares at cost	685.99	520.29
f. Loose Tools	-	-
g. Others	-	-
Total	<u>25317.14</u>	<u>30033.17</u>



## NOTES TO FINANCIAL STATEMENTS (Contd.)

	31.3.2013	Rs. In lakhs 31.3.2012
<b>NOTE 16 - Trade Receivables</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	18377.21	18528.48
	<u>18377.21</u>	<u>18528.48</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	265.91	426.84
Unsecured, considered Doubtful	34.54	-
Less: Provision for Doubtful	(34.54)	-
	<u>265.91</u>	<u>426.84</u>
Total	<u>18643.12</u>	<u>18955.32</u>
<b>NOTE 17 - Cash and Cash Equivalents</b>		
a. Balances with banks		
- In Unpaid Dividend Accounts	110.43	80.19
- In Margin money	854.66	217.30
- In Deposits accounts with Maturity of less than 3 month from the Balance Sheet date	3000.00	-
- In Deposits accounts with Maturity of more than 12 months from the Balance Sheet date	4.44	-
- In Current Accounts	504.72	253.95
b. Cheques, drafts on hand	-	-
c. Cash on hand	14.51	9.88
d. Others	-	-
Total	<u>4488.76</u>	<u>561.32</u>
<b>NOTE 18 - Short Term Loans and Advances</b>		
a. Loans and advances to related parties		
Unsecured, considered good	25.88	1012.20
	<u>25.88</u>	<u>1012.20</u>
b. Others		
Unsecured, considered good	4019.29	3214.50
	<u>4019.29</u>	<u>3214.50</u>
Total	<u>4045.17</u>	<u>4226.70</u>

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

	31.3.2013	Rs. in lakhs 31.3.2012
<b>NOTE 19 - Revenue from operations</b>		
Sale of products	159608.76	150334.42
Other operating revenues	516.50	727.15
Less: Excise Duty	12514.91	10729.23
Total	<u>147610.35</u>	<u>140332.34</u>
<b>NOTE 20 - Other Income</b>		
Interest Income - Current Investments	158.88	88.79
Dividend Income - Long Term Investments	25.00	25.00
Profit on Sale of Fixed Assets ( Net)	2547.86	-
Exchange Rate Gain & Loss	471.09	447.17
Profit on Sale of Investments	1146.42	-
Other non-operating income (net of expenses directly attributable to such income)	29.53	36.24
Total	<u>4378.78</u>	<u>597.20</u>
<b>NOTE 21 - Cost of Materials Consumed</b>		
Opening Stock	18244.44	17185.26
Add: Purchase (includes processing charges Rs. 2151.33 lakhs) (Previous year Rs. 1848.41 lakhs)	<u>96056.79</u>	<u>97780.77</u>
	114301.23	114966.03
Less: Closing Stock	17130.42	18244.44
Cost of Materials consumed	<u>97170.81</u>	<u>96721.59</u>
<b>NOTE 22 - (Increase) / Decrease in Stock</b>		
Opening Stock Finished goods & Traded goods	8123.23	6834.39
Opening Stock Work in progress	<u>3145.21</u>	<u>2027.46</u>
Closing Stock of Finished goods & Traded Goods	5491.06	8123.23
Closing Stock of Work in progress	<u>2009.67</u>	<u>3145.21</u>
(Increase) / Decrease in Finished goods & Traded Goods	2632.17	(1288.84)
(Increase) / Decrease in Work in progress	1135.54	(1117.75)
Total (Increase) / Decrease in Stock	<u>3767.71</u>	<u>(2406.59)</u>



## NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. In lakhs
	31.3.2013	31.3.2012
<b>NOTE 23 - Employee Benefit Expenses</b>		
(a) Salaries and wages	9316.51	7677.14
(b) Contributions to -		
(i) Superannuation Fund	68.00	73.39
(ii) Gratuity fund contributions	139.90	171.15
(iii) Provident Fund	591.95	471.28
(c) Remuneration to Whole time directors	118.88	289.17
(d) Staff welfare expenses	1064.41	941.89
Total	<u>11299.65</u>	<u>9624.02</u>
<b>NOTE 24 - Finance Costs</b>		
Interest expense	5363.45	5134.53
Other borrowing costs	355.18	398.57
Total	<u>5718.63</u>	<u>5533.10</u>
<b>NOTE 25 - Other Expenses</b>		
Consumption of Stores & Spares	3646.86	3404.79
Power & Fuel	6421.13	5905.35
Repairs to building	387.37	261.26
Repairs to machinery	446.52	218.10
Repairs Others	50.23	116.56
Insurance	229.43	218.43
Rates & taxes	260.48	188.26
Telephone & Internet Charges	95.74	91.71
Travelling Expense	636.54	577.44
Business Promotion	1394.20	1003.23
Freight Out	4269.91	3952.51
Bad Debts written off	5.50	7.50
Provision for doubtful debts	34.54	-
Assets condemned	27.27	5.26
Remuneration to non Whole time directors - Commission	12.04	58.40
Commission & Discount	5413.59	5955.68
Rent & Lease rentals	638.94	628.18
Audit Fees	9.30	9.05
Donation	2.39	2.63
Consultancy	1992.53	805.81
Warranty Claims	491.58	283.77
Other expenses	251.27	168.00
Total	<u>26717.36</u>	<u>23861.92</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, 1956 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:

Pursuant to the listing agreement with the Stock Exchanges, the Company has attached cash flow statement to the Balance Sheet and Statement of Profit and Loss. The Cash flow statement is prepared under 'Indirect method'.

### 4. AS 6: Depreciation accounting:

- i. All assets are depreciated on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- ii. Depreciation is provided for on pro-rata basis on additions and deletions made during the year. Assets costing Rs.5000/- and below are depreciated in full.

### 5. AS 9: Revenue Recognition:

Income of the Company is derived from sale of manufactured goods and includes Excise Duty and is net of sales returns and trade discounts. Domestic sales are recognized on the basis of sales invoices raised. Export sales are recognized on the basis of date of bills of lading. Export benefits, if any, are recognized on post shipment basis.

Interest incomes/expenses 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.

### 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 accounted at equivalent rupee values at the agreed forward contract rates. The difference on account of fluctuation at the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue.

**26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Foreign currency assets and liabilities are restated at the rates ruling at the year end and the difference recognized in the Profit and Loss Account.

**8. AS 13: Accounting for Investments:**

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

Investments are stated at cost. In respect of investments where the realizable value is less than cost, lower value has been adopted.

**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.

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 and tenure of employment 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.

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

(Rs. in Lakhs)

<b>LEAVE ENCASHMENT</b>		
Particulars	31.3.2013	31.3.2012
Obligations at period beginning	164.74	135.21
Service Cost	120.65	51.05
Interest cost	9.98	8.63
Actuarial (gain)/loss	42.09	37.17
Benefits paid	(87.55)	(67.32)
Amendment in benefit plans	-	-
Obligations at the period end	249.91	164.74

## 26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(Rs. in Lakhs)

GRATUITY		
Particulars	31.3.2013	31.3.2012
Obligations at period beginning	982.64	779.11
Service Cost	158.67	167.04
Interest cost	79.23	65.10
Actuarial (gain)/loss	(1.91)	(2.18)
Benefits paid	(44.37)	(26.43)
Amendment in benefit plans	-	-
Obligations at the period end	1174.26	982.64

GRATUITY		
	31.3.2013	31.3.2012
Change in plan assets		
Plan assets at the beginning of the year	811.49	701.10
Expected return on the plan assets	69.99	58.19
Actuarial gain/(loss)	26.10	0.13
Contributions	171.15	78.01
Benefits paid	(44.37)	(26.43)
Difference in Opening Balance	-	0.49
Plan assets at the year end, fair value	1034.36	811.49

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 beginning	1174.26
Defined plan obligations at the year end	1034.36
Assets(liabilities) recognized in the Profit and Loss Account during the year	139.90

Assumptions:	Gratuity	Leave Encashment
Interest Rate	8.25%	8.50%
Discount Factor	8.25%	8.50%
Estimated Return on Plan Assets	8.00%	-
Salary Increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	58 & 60	58 & 60





## 26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(Rs. In Lakhs)

GRATUITY		
Gratuity Cost:	31.3.2013	31.3.2012
Service Cost	158.67	167.04
Interest Cost	79.23	65.10
Expected return on plan assets	(69.99)	(58.19)
Actuarial (gains) / losses	(28.01)	(2.31)
Difference in Opening Balance	-	(0.49)
Net gratuity cost	139.90	171.15

Investment details of plan assets:

The Company contributes the liability as per actuarial valuation to the Company's gratuity fund manager, ICICI Prudential Life Insurance Co. Ltd.

## 10. AS 16: Borrowing Cost:

Interests on borrowings are capitalized where ever 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 Company has taken certain Plant and Equipments under operating lease.

The lease period is for 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 Lakhs
- Not later than one year	1066.28
- Later than one year and not later than five years	3900.42
- Later than five years	3535.71

- 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 year under the head rent Paid Rs. 5.93 Lakhs

**26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****13. AS 20: 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.

**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, 1962. 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.

**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 capitalizes non integral software as intangible assets. The intangible assets are depreciated at the rates applicable to computers in Schedule XIV of the Companies' Act, 1956 under the Straight Line Method.

**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:**

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

(Rs. In Lakhs)

Contingent liabilities:	<b>31.3.2013</b>	31.3.2012
Balance at the beginning of the year	<b>12648.47</b>	4244.52
Additions /( Deletions) during the year	<b>(7644.43)</b>	8403.95
Balance at the end of the year	<b>5004.04</b>	12648.47

Liabilities disputed and not provided for: Sales Tax & Excise:	<b>31.3.2013</b>	31.3.2012
Balance at the beginning of the year	<b>204.79</b>	193.16
Additions /( Deletions) during the year	<b>10.46</b>	11.63
Balance at the end of the year	<b>215.25</b>	204.79



## 27 NOTES ON ACCOUNTS

- a) The Company value 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) The Company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application

The main Raw Material in the production are as follows:

- a) Natural Rubber b) Carbon Black c) Synthetic Rubber d) Butyl Rubber e) Chemical & Oils f) Bead wire g) Valves
- c) The company has decided that, non core activities will henceforth be carried out by its wholly owned subsidiary company – TVS Srichakra Investments Limited. The following transactions have been entered into during the year.
- I) An advance of Rs.20 Cr paid in an earlier year for acquiring a property has been transferred to a wholly owned subsidiary Company during the year.
- II) During the year, the Company has transferred 5 lacs shares of Rs.10 each in ZF Electronics TVS ( India) Private Limited., for a consideration of Rs. 12 Crores based upon an independent Valuation report. This has resulted in a Profit on sale of investment of Rs. 11.47 Crores.
- III) A sum of Rs 33.53 Crores is outstanding from this wholly owned subsidiary at the end of the accounting year.

				Rs. in lakhs	
d)	CIF Value of Imports		<b>31.3.2013</b>		31.3.2012
	1 Raw Materials		<b>28751.90</b>		35644.17
	2 Spares		<b>19.02</b>		-
	3 Capital Goods		<b>516.66</b>		140.79
	4 Traded Goods		-		-
	5 Software		-		-
e)	Consumption of imported and indigenous raw materials and components				
		%		%	
	1 Imported	<b>35.11</b>	<b>33361.08</b>	26.18	24834.25
	2 Indigenous	<b>64.89</b>	<b>61658.40</b>	73.82	70038.93
f)	Consumption of imported and indigenous Stores and Spares				
		%		%	
	1 Imported	-	-	0.29	9.80
	2 Indigenous	<b>100.00</b>	<b>3646.86</b>	99.71	3394.99

## 27 NOTES ON ACCOUNTS (Contd.)

		Rs. in lakhs	
		31.3.2013	31.3.2012
g)	Earnings in foreign exchange		
1	F.O.B. value of goods exported	19694.96	17006.40
2	Interest	42.50	25.89
h)	Expenditure incurred in Foreign Currency on		
1	Consultancy	444.69	479.60
2	Interest	1004.97	210.24
3	Other Matters	221.99	131.76
i)	Remuneration to Managing Director		
1	Salaries & Allowances	70.70	55.59
	Commission	24.09	116.79
	Contribution to Provident & Other Funds	11.34	9.08
2.	Remuneration to Executive Vice Chairman:		
	Commission	24.09	116.79
j)	1. Interest Capitalised	140.00	145.00
	2. Interest paid includes Interest on Fixed Loans	1184.77	1519.29
k)	Tax deducted at Source from Interest	7.98	7.40
l)	Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	1228.30	1956.03
m)	Details of the Audit Fees		
	Payments to auditors		
a.	for audit fees	7.00	7.00
b.	for taxation matters	0.45	0.45
c.	for Certification	1.25	1.00
d.	for Income Tax	0.10	0.10
e.	for reimbursement of expenses	0.50	0.50
n)	Profit on sale of Assets included under the head other income includes sale of machineries the book value of which is Rs. 2983 lakhs, sold for a consideration of Rs. 5530 lakhs based on independent valuation obtained.		



## 27 NOTES ON ACCOUNTS (Contd.)

		Rs. in lakhs
	31.3.2013	31.3.2012
o) Details of Research and Development Expenditure:		
(i) Capital Expenditure:		
a) Plant & Machinery	229.32	8.34
b) Electrical Installations	1.95	0.11
c) Vehicles	4.48	8.31
d) Computers	0.73	13.15
e) Furniture	-	2.77
f) Buildings	5.20	-
g) Capital work in progress (P & M)	-	134.69
Total	<u>241.68</u>	<u>167.37</u>
(ii) Revenue Expenditure:		
a) Raw Materials consumed	163.98	47.10
b) Stores & Spares consumed	18.59	-
c) Salaries, Wages, Bonus and Allowances	278.36	251.14
d) Freight	19.26	8.98
e) Rent including lease rentals	7.94	5.86
f) Rates & Taxes	12.41	0.05
g) Insurance	0.78	1.23
h) Travelling expenses	98.24	124.45
i) Repairs & Maintenance	103.66	77.22
j) Consultancy	329.88	284.44
k) Others	152.91	142.39
Total	<u>1186.01</u>	<u>942.86</u>
Total	1427.69	1110.23

## 27 NOTES ON ACCOUNTS (Contd.)

	Rs. in lakhs	
	31.3.2013	31.3.2012
p) Contingent Liabilities not provided for:		
a) Estimated amount of contracts remaining to be executed on capital account	1057.05	2423.68
b) On Letters of Credit opened by Company's Bankers	3801.39	9152.53
c) Excise Duty under Dispute	202.13	188.67
d) Sales Tax under Dispute	13.12	16.12
e) Customs duty on goods lying at Bonded Warehouse	145.60	579.62
f) Guarantee given to bank for loan taken by a subsidiary (GBP 610000)	-	492.64

q) Information pursuant to clause 4 (ix) (b) of the Companies (Auditor's Report) Order, 2003 in respect of dues disputed, not deposited, pending with various authorities:

	Rs. in lakhs	
Forum where dispute is Pending	Excise Duty	Sales Tax
High Court	-	-
Customs, Excise and Service Tax Appellate Tribunal	158.00	-
Commissioner of Central Excise	2.83	-
Dy Commissioner of Central Excise	17.45	-
Assistant Commissioner of Central Excise	23.85	-
Appellate Tribunal	-	0.21
Assessing Officer	-	12.91



27 NOTES ON ACCOUNTS (Contd.)

r) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)

Description of relationship and Names of related parties :

- |  |  |
|--|--|
| 1. Subsidiaries                                    | TVS Srichakra Investments Ltd.,<br>TVS Europe Distribution Ltd.,   |
| 2. Associates                                      | TVS Sundram Iyengar & Sons Limited<br>TVS Telecom Components Limited<br>ZF Electronics TVS (India) P Ltd<br>Van Laeuwen Tyres & Wheels, B.V. Holland |
| 3. Key Management Personnel                        | Sri R Naresh, Executive Vice Chairman<br>Ms Shobhana Ramachandhran, Managing Director  |
| 4. Enterprise with Common Key Management Personnel | Sundaram Industries Limited  |

Rs. In Lakhs

Sl. No.	Particulars	Subsidiaries	Associates	Key Management Personnel	Enterprise with Common Key Management Personnel
<b>A</b>	<b>Transactions for the year ended 31.3.2013</b>				
1	Purchases	-	103.46 (168.24)	-	338.48 (74.07)
2	Sales	-	8886.03 (8334.26)	-	221.14 (90.32)
3	Interest Paid	-	(145.37)	-	-
4	Interest Received	37.89 (25.89)	-	-	15.60
5	Services rendered	-	402.51 (583.77)	-	0.96 (21.20)
6	Services received	-	101.91 (68.82)	133.94 (301.15)	8.15 (1.90)
7	Loans Accepted / Repaid	(1.38)	-	-	-
8	Loans Given	-	(1500.00)	-	-
9	Loans Repaid	(1012.20)	1012.20	-	-
10	Investments	-	-	-	-
11	Sale of Investments	(1720.72)	1200.00	-	-
12	Advance	3353.09	-	-	-
<b>B</b>	<b>Outstanding as on 31.3.2013</b>				
1	Receivable	3378.42 (1012.20)	800.58 (845.57)	-	26.57 (56.20)
2	Payable	-	-	48.18 (233.58)	-

Figures in brackets are that of previous year.

## 27 NOTES ON ACCOUNTS (Contd.)

		31.3.2013	31.3.2012
s)	Trade Payables and Short Term Provisions include:		
	a) Acceptances	11666.30	8968.65
	b) Due to Managing Director	24.09	116.79
	c) Due to Executive Vice Chairman	24.09	116.79
	d) Due to Non-whole time Directors	12.04	58.40
t)	No amount is due as on 31st March, 2013 for credit to Investor Education and Protection Fund.		
u)	Details of Earnings Per Share		
	Profit after tax	Rs. In Lakhs 3567.74	3975.18
	No. of equity shares	Nos 7657050	7657050
	Face value of share	Rs 10.00	10.00
	Basic Earnings per share	Rs 46.59	51.92
v)	Terms of repayment of Term Loan		
	1. Term loan from SBI V is repayable in 66 monthly installments commencing from October 2010 (with a moratorium of 6 months)		
	2. Term loan from KVB is repayable in 72 monthly installments commencing from October 2011		
	3. HP Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
	4. ECB Loan from DBS Bank is repayable in 20 Quarterly Instalment at the end of 27 months from the 1st drawdown (with a moratorium of 2 years)		
	5. Term loan from DBS Bank is repayable in 16 quarterly installments at the end of 15 months from the 1st drawdown		
w)	An amount of Rs. 7.50 per share has been approved by the Board of Directors towards dividend.		

SHOBHANA RAMACHANDHRAN  
Managing Director

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

R NARESH  
Executive Vice Chairman

Place :Chennai  
Date : 22.5.2013

K S NARAYANASWAMY  
Partner  
M.No.8593

P SRINIVASAN  
Secretary





*TVS SRICHAKRA LIMITED*

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31.3.2013**



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TVS SRICHAKRA LIMITED

We have audited the accompanying consolidated financial statements of TVS SRICHAKRA LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statement give the information required by the Company Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

**INDEPENDENT AUDITOR'S REPORT (Contd)**

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial Statements of the subsidiaries Viz. TVS Srichakra Investments Limited and TVS Europe Distribution Limited, United Kingdom. These financial statements and other financial information of the subsidiaries have been audited by other auditors. We have relied upon the audit reports of these Companies, which have been furnished to us, and our opinion, in so far it relates to the amounts included in respect of these subsidiaries is based solely on the audit reports of the other auditors.

Our opinion is not qualified in respect of other matters.

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

K S NARAYANASWAMY  
Partner  
Membership No. 008593

Place : Chennai  
Date : 22.5.2013



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

(Rs. in Lakhs)

	Note No.	31.3.2013	31.3.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	765.70	765.70
(b) Reserves and surplus	2	15361.66	13345.64
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Minority Interest</b>		2233.99	604.30
<b>4 Non-current liabilities</b>			
(a) Long-term borrowings	3	15615.31	13451.76
(b) Deferred tax liabilities (Net)	4	2283.90	1302.35
(c) Other Long term liabilities	5	3237.09	1639.12
(d) Long-term provisions	6	226.75	148.43
<b>5 Current liabilities</b>			
(a) Short-term borrowings	7	11961.50	23145.38
(b) Trade payables	8	35751.05	27724.54
(c) Other current liabilities	9	2834.30	3740.37
(d) Short-term provisions	10	3964.56	5221.40
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	20560.65	17478.05
(ii) Intangible assets	11	7277.02	7298.73
(iii) Capital work-in-progress	11	2958.50	2163.15
(iv) Intangible assets under development	11	143.03	-
(b) Non-current investments	12	56.04	115.94
(c) Long-term loans and advances	13	1639.69	3839.77
(d) Other Non Current Assets	14	816.19	-
<b>2 Current assets</b>			
(a) Inventories	15	28982.07	33169.35
(b) Trade receivables	16	22680.27	22549.33
(c) Cash and cash equivalents	17	4649.85	1112.29
(d) Short-term loans and advances	18	4472.50	3362.38
<b>TOTAL</b>		<b>94235.81</b>	<b>91088.99</b>
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN  
Managing Director

As per our report attached  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Registration No. 004207 S  
K S NARAYANASWAMY  
Partner  
Membership No. 8593

R NARESH  
Executive Vice Chairman

Place : Chennai  
Date : 22.5.2013

P SRINIVASAN  
Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
31ST MARCH, 2013**

(Rs. in Lakhs)

	Note No.	31.3.2013	31.3.2012
I. Revenue from operations	19	165193.84	145348.54
II. Other income	20	3151.42	539.85
<b>III. Total Revenue (I + II)</b>		<b>168345.26</b>	<b>145888.39</b>
IV. Expenses:			
Cost of materials consumed	21	97170.81	96721.59
Purchases of Traded goods		12595.38	6594.71
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	3238.96	(5542.77)
Employee benefit expenses	23	13079.94	10194.66
Finance costs	24	6222.45	5717.21
Depreciation and amortization expense	11	2480.52	2270.51
Other expenses	25	29077.57	24433.11
<b>Total expenses</b>		<b>163865.63</b>	<b>140389.02</b>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>4479.63</b>	<b>5499.37</b>
VI. Exceptional items - Reversal of amortization of goodwill		178.36	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>4657.99</b>	<b>5499.37</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>4657.99</b>	<b>5499.37</b>
X Tax expense:			
(1) Current tax		1211.10	-
Less: MAT Credit Entitlement		816.19	-
Net of MAT Credit Entitlement		394.91	1257.19
(2) Deferred tax		980.41	304.93
<b>XI Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>3282.67</b>	<b>3937.25</b>
Minority Interest		563.55	18.62
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<b>2719.12</b>	<b>3918.63</b>
XVI Earnings per equity share:			
(1) Basic		35.51	51.18
(2) Diluted		-	-
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN  
Managing Director

As per our report attached  
For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Registration No. 004207 S  
K S NARAYANASWAMY  
Partner  
Membership No. 8593

R NARESH  
Executive Vice Chairman

Place : Chennai  
Date : 22.5.2013

P SRINIVASAN  
Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	Rs. in Lakhs	
	31.3.2013	31.3.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxation and extraordinary item	4479.63	5499.37
Adjustments for :		
Depreciation	2480.52	2270.51
Finance Costs	6222.45	5717.21
Interest received	(120.65)	(76.15)
Dividend Received	(25.00)	(25.00)
Rent received	(0.18)	(0.18)
Minority Share of Profits	(563.55)	(18.62)
Adjustment for foreign exchange reserve	(30.08)	13.37
Provision for diminution of Investments	59.90	-
(Profit)/ Loss on Sale of Assets	(2547.86)	-
Assets Condemned	27.27	5.26
Non operating income	(29.53)	(10.39)
	<u>5473.29</u>	<u>7876.01</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>9952.92</b>	<b>13375.38</b>
Adjustments for :		
Trade Receivables	(130.94)	(5155.27)
Other Receivables	(1727.92)	(654.09)
Inventories	4187.28	(6735.86)
Trade and other payables	7610.92	7679.88
	<u>9939.34</u>	<u>(4865.34)</u>
Cash Generated From Operations	19892.26	8510.04
Direct taxes paid	1397.44	463.66
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>18494.82</b>	<b>8046.38</b>
Extraordinary & Exceptional Items	178.36	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>18673.18</b>	<b>8046.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(4942.68)	(15521.82)
Proceeds from disposal of assets	5605.66	-
Dividend received	25.00	25.00
Non operating income	29.53	10.39
Rent received	0.18	0.18
Interest received	71.84	76.15
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>789.53</b>	<b>(15410.10)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance Cost	(5817.70)	(5717.21)
Increase in Minority equity	1629.69	-
Proceeds / (Repayment) from short term borrowings	(11183.88)	8078.43
Proceeds/(Repayment) of long term borrowings	617.89	6575.32
Dividend & Dividend tax paid	(1171.15)	(1116.09)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(15925.15)</b>	<b>7820.45</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3537.56</b>	<b>456.73</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>1112.29</b>	<b>655.56</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>4649.85</b>	<b>1112.29</b>

SHOBHANA RAMACHANDHRAN  
Managing Director

Place : Chennai  
Date : 22.5.2013

R NARESH  
Executive Vice Chairman  
P SRINIVASAN  
Secretary

### AUDITORS' CERTIFICATE

We have examined the consolidated Cash Flow Statement of TVS Srichakra Limited for the year ended 31st March, 2013. 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 22.5.2013 to the members of the Company.

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Registration No. 004207 S  
K S NARAYANASWAMY  
Partner  
Membership No.8500

Place : Chennai  
Date : 22.5.2013

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - SHARE CAPITAL

	Rs. in Lakhs	
	31.3.2013	31.3.2012
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs. 10 each	1000.00	1000.00
<b>Issued, Subscribed and fully Paid Up:</b>		
76,57,050 Equity Shares of Rs. 10 each	765.70	765.70
<b>Subscribed &amp; Paid up</b>		
76,57,050 Equity Shares of Rs. 10 each fully paid	765.70	765.70
<b>Subscribed but not fully Paid up</b>		
Equity Shares of Rs. 10 each not fully paid up.	-	-
Total	<u>765.70</u>	<u>765.70</u>
	Equity Shares	
	NO.'000	Rs. in lakhs
Shares outstanding at the beginning of the year	7657.05	765.70
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>7657.05</u>	<u>765.70</u>
<b>Other Information :</b>		
Equity Shareholders holding more than 5% of the total Share capital of the Company		
T V Sundram Iyengar & Sons Limited	27.73%	27.73%
Sundaram Industries 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 lakhs
<b>NOTE 2 - Reserves and Surplus</b>		
<b>a. Capital Reserves</b>	<b>31.3.2013</b>	<b>31.3.2012</b>
Opening Balance	0.16	0.16
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	<u>0.16</u>	<u>0.16</u>
<b>b. Securities Premium Account</b>		
Opening Balance	93.57	93.57
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<u>93.57</u>	<u>93.57</u>
<b>c. Other Reserves - Surplus on Amalgamation</b>		
Opening Balance	46.24	46.24
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>46.24</u>	<u>46.24</u>
<b>d. Other Reserves - General Reserve</b>		
Opening Balance	2261.00	1861.00
(+) Current Year Transfer	360.00	400.00
(-) Written Back in Current Year	-	-
Closing Balance	<u>2621.00</u>	<u>2261.00</u>
<b>e. Surplus</b>		
Opening Balance	10931.30	8614.06
(+) Net Profit / (Net Loss) For the current year	2719.12	3918.63
(-) Proposed Dividend	574.28	1033.70
(-) Dividend Tax	97.60	167.69
(-) Transfer to Reserves	360.00	400.00
Closing Balance	<u>12618.54</u>	<u>10931.30</u>
<b>f. Foreign Currency Translation Reserve</b>	<b>(17.85)</b>	<b>13.37</b>
Total	<u>15361.66</u>	<u>13345.64</u>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. In lakhs
	31.3.2013	31.3.2012
<b>NOTE 3 - LONG TERM BORROWINGS</b>		
<b>Secured</b>		
(a) Term loans		
from banks	15144.94	13063.00
from other parties	470.37	388.76
	<u>15615.31</u>	<u>13451.76</u>
<b>Unsecured</b>		
(a) Long term maturities of finance lease obligations	-	-
	<u>-</u>	<u>-</u>
<b>Total Long Term Borrowings</b>	<u>15615.31</u>	<u>13451.76</u>

## Additional Information :

## Details of Security for Secured Loans

- a) Term Loan availed from State Bank of India is secured by hypothecation of Specified movable Plant & Machinery located at Company's Plant at Vellaripatti Village including 1 No.1250 KW Wind Electric Generator located at Vadavalli Village, Palladam Taluk, Coimbatore District. Further the Term Loan from State Bank of India is secured by equitable mortgage by deposit of title deeds of 1.90 acres of land in Survey No.519/1B2, located at Narasingampatti Village, Madurai and lease hold land located at Pant Nagar, Rudrapur, Uttrakhand.
- b) Term Loan from Karur Vyasa Bank Ltd., is secured by hypothecation of Specific Plant and Machinery located at Company's Plant 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 Madurai as well as specified immovable properties located at Madurai.
- e) The Loans of foreign subsidiary 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 together with a letter of comfort by the holding company.

**NOTE 4 - Deferred Tax Liability / Assets**

i) Deferred Tax Liability		
a) On Account of Depreciation on Fixed Assets	2363.84	1357.04
b) On account of timing Differences in Recognition of Expenditure	-	-
Translation adjustment	1.14	-
ii) Deferred Tax Asset		
a) On account of timing Differences in Recognition of Expenditure	81.08	54.69
<b>Total</b>	<u>2283.90</u>	<u>1302.35</u>

**NOTE 5 - Other Long Term Liabilities**

(a) Trade Payables	-	-
(b) Others	3237.09	1639.12
<b>Total</b>	<u>3237.09</u>	<u>1639.12</u>

**NOTE 6 - Long Term Provisions**

(a) Provision for employee benefits		
Leave Encashment (unfunded)	226.75	148.43
(b) Others	-	-
(c) Provision for Taxation	-	-
<b>Total</b>	<u>226.75</u>	<u>148.43</u>



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	31.3.2013	31.3.2012
<b>Rs. In lakhs</b>		
<b>NOTE 7 - Short Term Borrowings</b>		
<b>Secured</b>		
(a) <b>Loans repayable on demand</b>		
from banks	11961.50	22135.88
from other parties	-	-
<b>Unsecured</b>		
from other parties	-	1009.50
<b>Total</b>	<b>11961.50</b>	<b>23145.38</b>
<b>Additional Information :</b>		
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.		
<b>NOTE 8 - Trade Payables</b>		
i) To Micro Small and Medium Enterprises	-	-
ii) Others	35751.05	27724.54
<b>Total</b>	<b>35751.05</b>	<b>27724.54</b>
<b>NOTE 9 - Other Current Liabilities</b>		
(a) Current maturities of long-term debt	2092.18	3636.24
(b) Current maturities of finance lease obligations	-	1.60
(c) Interest accrued but not due on borrowings	412.59	7.84
(d) Unpaid dividends	110.23	79.99
(e) Others	219.30	14.70
<b>Total</b>	<b>2834.30</b>	<b>3740.37</b>
<b>NOTE 10 - Short Term Provisions</b>		
(a) <b>Provision for employee benefits</b>		
Salary & Reimbursements	273.00	481.80
Contribution to PF	75.60	39.28
Leave encashment	23.16	16.31
Gratuity (Funded)	139.90	171.15
(b) <b>Others - Other Creditors</b>	2083.48	2427.58
(c) <b>Provisions</b>		
Taxation Less Advance Tax	697.54	883.89
Dividend	574.28	1033.70
Dividend Tax	97.60	167.69
<b>Total</b>	<b>3964.56</b>	<b>5221.40</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

## NOTE 11 - FIXED ASSETS

Rs. in lakhs

Fixed Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 31 March 2012	Additions	Disposals	As at 31 March 2012	Depreciation charge for the year	On disposals	As at 31 March 2013	As at 31 March 2012
<b>a Tangible Assets</b>								
Land - Freehold	102.03	1240.46	-	-	-	-	1342.49	102.03
Land - Leasehold	285.36	-	-	9.20	3.17	-	272.99	276.16
Buildings	5151.30	2474.66	9.91	730.12	185.54	3.39	6703.78	4421.18
Plant and Machinery	21088.47	4207.64	5117.90	10167.12	2006.85	2275.66	10279.90	10921.35
Furniture and Fixtures	442.48	61.98	3.98	185.35	53.57	2.44	264.00	257.13
Vehicles	117.77	42.99	13.90	45.21	18.89	9.98	92.74	72.56
Office equipment	401.32	90.38	-	154.59	72.12	-	264.99	246.73
Others (Electrical)	1451.18	388.62	171.44	270.27	75.51	16.62	1338.20	1180.91
Translation adjustments	-	1.56	-	-	-	-	1.56	-
<b>Total</b>	<b>29039.91</b>	<b>8508.29</b>	<b>5317.13</b>	<b>11561.86</b>	<b>2416.65</b>	<b>2308.09</b>	<b>20560.65</b>	<b>17478.05</b>
<b>b Intangible Assets</b>								
Goodwill	7135.69	-	254.39	178.36	-	178.36	6881.30	6957.33
Computer software	394.33	4.50	-	52.93	63.87	-	282.03	341.40
Translation adjustments	-	113.69	-	-	-	-	113.69	-
<b>Total</b>	<b>7530.02</b>	<b>118.19</b>	<b>254.39</b>	<b>231.29</b>	<b>63.87</b>	<b>178.36</b>	<b>7277.02</b>	<b>7296.73</b>
<b>c Capital Work In Progress</b>	-	-	-	-	-	-	2958.50	2163.15
<b>d Intangible Assets under Development</b>	-	-	-	-	-	-	143.03	-
<b>Total</b>	-	-	-	-	-	-	3101.53	2163.15
<b>GRAND TOTAL ( a + b + c)</b>	<b>36569.93</b>	<b>8626.48</b>	<b>5571.52</b>	<b>11793.15</b>	<b>2480.52</b>	<b>2486.45</b>	<b>30939.20</b>	<b>26939.93</b>
Previous Year	24990.81	11596.89	17.77	9535.15	2270.51	12.51	26939.93	

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. In lakhs  
31.3.2012

31.3.2013

### Non Trade

Investment in Equity instruments		124.50		124.50
Less : Provision for diminution in the value of Investments in an earlier year				
-In an earlier year		8.56		8.56
-In current year		59.90		59.90
<b>Total</b>		<b>56.04</b>		<b>115.94</b>

### 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 lakhs)		Whether stated at Cost Yes / No	If Answer (9) is 'NO' Basis of Valuation
		As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012		
<b>Investment in Equity Instruments</b>											
Van Leerwen Tyres & Wheels BV	Associate	15000 / 1 Euro	15000 / 1 Euro	Unquoted	Fully paid	30	30	8.57	8.57	yes	-
ZF Electronics TVS (India) P Ltd	Associate	500000/ Rs.10	500000 / Rs.10	Unquoted	Fully paid	50	50	53.58	53.58	yes	-
TVS Telecom Components Ltd	Associate	-	599000 / Rs.10	Unquoted	Fully paid	50	50	59.90	59.90	yes	-
Arkay Energy ( Rameshwaram ) Ltd	Others	24500 / Rs 10	24500 / Rs 10	Unquoted	Fully Paid	-	-	2.45	2.45	yes	-
<b>Total</b>								<b>124.50</b>	<b>124.50</b>		
Less : Provision for diminution in the value of Investments											
- In an earlier year								8.56	8.56		
- In current year								59.90	-		
<b>Total</b>								<b>68.46</b>	<b>8.56</b>		
								<b>56.04</b>	<b>115.94</b>		



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. in lakhs	
		31.3.2013	31.3.2012
<b>NOTE 13 - Long Term Loans and Advances</b>			
<b>a. Capital Advances</b>			
Secured, considered good		-	-
Unsecured, considered good		332.87	3199.56
Doubtful		-	-
Less: Provision for doubtful advances		-	-
		<u>332.87</u>	<u>3199.56</u>
<b>b. Security Deposits</b>			
Secured, considered good		-	-
Unsecured, considered good		870.08	227.20
		<u>870.08</u>	<u>227.20</u>
<b>c. Loans and advances to related parties</b>			
Secured, considered good		-	-
Unsecured, considered good		-	-
		<u>-</u>	<u>-</u>
<b>d. Other loans and advances</b>			
Secured, considered good		-	-
Unsecured, considered good		436.74	413.01
		<u>436.74</u>	<u>413.01</u>
	Total	<u>1639.69</u>	<u>3839.77</u>
<b>NOTE 14 - Other Non Current Assets</b>			
MAT Credit Entitlement		816.19	-
	Total	<u>816.19</u>	<u>-</u>
<b>NOTE 15 - Inventories As certified by Managing Director</b>			
a. Raw Materials and components at cost		17130.42	18244.44
b. Work-in-progress at cost		2009.67	3145.21
c. Finished goods at lower of cost and realisable value		5395.01	8107.73
d. Stock-in-trade at cost		3760.98	3151.68
e. Stores and spares at cost		685.99	520.29
f. Loose Tools		-	-
g. Others		-	-
	Grand Total	<u>28982.07</u>	<u>33169.35</u>



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. In lakhs
	31.3.2013	31.3.2012
<b>NOTE 16 - Trade Receivables</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	22414.36	22120.82
	<u>22414.36</u>	<u>22120.82</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	265.91	428.51
Unsecured, considered Doubtful	34.54	-
Less: Provision for Doubtful	(34.54)	-
	<u>265.91</u>	<u>428.51</u>
Total	<u>22680.27</u>	<u>22549.33</u>
<b>NOTE 17 - Cash and Cash Equivalents</b>		
a. Balances with banks		
- In Unpaid Dividend Accounts	110.43	80.19
- In Margin money	854.66	217.30
- In Deposits accounts with Maturity of less than 3 month from the Balance Sheet date	3000.00	-
- In Deposits accounts with Maturity of more than 12 months from the Balance Sheet date	4.44	-
- In Current Accounts	664.90	804.30
b. Cheques, drafts on hand	-	-
c. Cash on hand	15.42	10.50
d. Others	-	-
Total	<u>4649.85</u>	<u>1112.29</u>
<b>NOTE 18 - Short Term Loans and Advances</b>		
a. Loans and advances to related parties		
Unsecured, considered good	15.60	-
	<u>15.60</u>	<u>-</u>
b. Others		
Unsecured, considered good	4456.90	3362.38
	<u>4456.90</u>	<u>3362.38</u>
Total	<u>4472.50</u>	<u>3362.38</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. In lakhs
	31.3.2013	31.3.2012
<b>NOTE 19 - Revenue from operations</b>		
Sale of products	159608.76	150334.42
Sale of Traded Goods	17583.49	5003.56
Other operating revenues	516.50	739.79
Less: Excise duty	12514.91	10729.23
Total	<u>165193.84</u>	<u>145348.54</u>
<b>NOTE 20 - Other Income</b>		
Interest Income - Current Investments	120.65	76.15
Dividend Income - Long Term Investments	25.00	25.00
Profit on Sale of Fixed Assets ( Net)	2547.86	-
Profit on sale of Investments	-	-
Exchange Rate Gain & Loss	428.38	428.31
Other non-operating income (net of expenses directly attributable to such income)	29.53	10.39
Total	<u>3151.42</u>	<u>539.85</u>
<b>NOTE 21 - Cost of Materials Consumed</b>		
Opening Stock	18244.44	17185.26
Add: Purchase (includes processing charges Rs. 2142.98 lakhs - Previous year Rs. 1848.41 lakhs)	96056.79	97780.77
Total	114301.23	114966.03
Less: Closing Stock	17130.42	18244.44
Cost of Materials consumed	<u>97170.81</u>	<u>96721.59</u>
<b>NOTE 22 - (Increase) / Decrease in Stock</b>		
Opening Stock Finished goods & Traded goods	11259.41	6834.39
Opening Stock Work in progress	3145.21	2027.46
Closing Stock of Finished goods & Traded Goods	9155.99	11259.41
Closing Stock of Work in progress	2009.67	3145.21
(Increase) / Decrease in Finished goods & Traded Goods	2103.42	(4425.02)
(Increase) / Decrease in Work in progress	1135.54	(1117.75)
Total (Increase) / Decrease in Stock	<u>3238.96</u>	<u>(5542.77)</u>





## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

		Rs. in lakhs
	31.3.2013	31.3.2012
<b>NOTE 23 - Employee Benefit Expenses</b>		
(a) Salaries and wages	10970.04	8182.85
(b) Contributions to -		
(i) Superannuation Fund	68.00	73.39
(ii) Gratuity fund contributions	139.90	171.15
(iii) Provident Fund	591.95	513.97
(c) Remuneration to Whole time directors	118.88	289.17
(d) Staff welfare expenses	1191.17	964.13
Total	<u>13079.94</u>	<u>10194.66</u>
<b>NOTE 24 - Finance Costs</b>		
Interest expense	5867.27	5309.97
Other borrowing costs	355.18	407.24
Total	<u>6222.45</u>	<u>5717.21</u>
<b>NOTE 25 - Other Expenses</b>		
Consumption of Stores & Spares	3646.86	3404.79
Power & Fuel	6421.13	5917.31
Repairs to building	387.37	261.26
Repairs to machinery	446.52	232.29
Repairs Others	50.23	151.72
Insurance	229.43	237.68
Rates & taxes	263.50	202.14
Telephone & Internet Charges	95.74	97.43
Travelling Expense	636.54	577.44
Business Promotion	1394.20	1004.39
Freight Out	4269.91	4258.81
Bad Debts written off	5.50	7.97
Provision for doubtful debts	34.54	-
Assets condemned	27.27	5.26
Remuneration to non Whole time directors		
- Commission	12.04	58.40
Commission & Discount	5413.59	5955.68
Rent & Lease rentals	943.43	713.88
Audit Fees	33.03	31.12
Donation	2.39	2.75
Consultancy	1992.69	806.96
Provision for diminution in investments	59.90	-
Warranty Claims	491.58	283.77
Other expenses	2220.18	222.06
Total	<u>29077.57</u>	<u>24433.11</u>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

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

#### 1. 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) and its Subsidiaries. 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%
TVS Europe Distribution Limited, UK	56%
Universal Components UK Limited (Subsidiary of TVS Europe Distribution Limited, which holds 90% in the Company)	-

##### d) Accounting convention:

The financial statements are prepared under the historical cost convention on an 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:

All assets are depreciated on Straight Line Method at rates prescribed in Schedule XIV of the Companies Act, 1956, in respect of the companies incorporated in India. 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. Assets costing Rs. 5000/- and below are depreciated in full, in the books of the companies incorporated in India.

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.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

**g) Investments:**

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

Investments are stated at cost. In respect of investments where the realizable value is less than cost, lower value has been adopted.

**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 holding Company is derived from sale of manufactured goods and includes Excise Duty and is net of sales returns and trade discounts. Domestic sales are recognized on the basis of sales invoices raised. 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 despatched.

Interest income/expenses 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 accounted at equivalent rupee values based on exchange rate prevailing on the date of transaction. The difference on account of fluctuation at the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue.

Foreign currency assets and liabilities are restated at the rates ruling at the year end and the difference recognized in the Profit and Loss Account.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

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 prevailing on the beginning of the financial year and the date of the Balance Sheet. 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.

### i) 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 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 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.

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

(Rs. in Lakhs)

Leave Encashment		
Particulars	31.3.2013	31.3.2012
Obligations at period beginning	164.74	135.21
Service Cost	120.65	51.05
Interest cost	9.98	8.63
Actuarial (gain)/loss	42.09	37.17
Benefits paid	(87.55)	(67.32)
Amendment in benefit plans	-	-
Obligations at the period end	249.91	164.74



## NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. In Lakhs)

GRATUITY		
Particulars	31.3.2013	31.3.2012
Obligations at period beginning	982.64	779.11
Service Cost	158.67	167.04
Interest cost	79.23	65.10
Actuarial (gain)/loss	(1.91)	(2.18)
Benefits paid	(44.37)	(26.43)
Amendment in benefit plans	-	-
Obligations at the period end	1174.26	982.64

GRATUITY		
Particulars	31.3.2013	31.3.2012
Change in plan assets	-	-
Plan assets at the beginning of the year	811.49	701.10
Expected return on the plan assets	69.99	58.19
Actuarial gain/(loss)	26.10	0.13
Contributions	171.15	78.01
Benefits paid	(44.37)	(26.43)
Difference in Opening Balance	-	0.49
Plan assets at the year end, fair value	1034.36	811.49

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 beginning	1174.26
Defined plan obligations at the year end	1034.36
Assets(liabilities) recognized in the Profit and Loss Account during the year	139.90

Assumptions:	Gratuity	Leave Encashment
Interest Rate	8.25%	8.50%
Discount Factor	8.25%	8.50%
Estimated Return on Plan Assets	8.00%	-
Salary Increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	58 & 60	58 & 60

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

(Rs. In Lakhs)

GRATUITY		
Gratuity Cost:	31.3.2013	31.3.2012
Service Cost	158.67	167.04
Interest Cost	79.23	65.10
Expected return on plan assets	(69.99)	(58.19)
Actuarial (gains)/losses	(28.01)	(2.31)
Difference in Opening Balance	-	(0.49)
Net gratuity cost	139.90	171.15

Investment details of plan assets:

The Company contributes the liability as per actuarial valuation to the Company's gratuity fund manager, ICICI Prudential Life Insurance Co. Ltd.

**l) Borrowing Cost:**

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

**m) Segment reporting:**

The Holding Company operates only in one segment and the foreign subsidiary in another. Disclosures required as per the provisions of AS-17 issued by the Institute of Chartered Accountants of India are furnished.

**n) Leases:**

The Holding Company has taken certain Plant and Equipments under operating lease.

The lease period is for 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 Lakhs
- Not later than one year	1066.28
- Later than one year and not later than five years	3900.42
- Later than five years	3535.71

- 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. 5.93 Lakhs

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)**

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 Lakhs
Upto One year	-
One to five Years	366.49
Present value of Future Minimum Lease payments	-
Upto One year	-
One to five Years	366.49

**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 stand-alone 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 stand-alone financial results are also subjected to a limited financial review by the Auditors as required.

**s) Intangible Assets:**

The Company capitalizes non integral software as intangible assets. The intangible assets are depreciated at the rates applicable to computers in Schedule XIV of the Companies' Act, 1956 under the Straight Line Method.

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.

The Company, in its consolidated statements, in the previous year had amortized goodwill, which is being reversed during the current year and shown as Exceptional Item in the Statement of Profit and Loss.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

### 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.

### t) Provisions, Contingent Liabilities and Contingent Assets:

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

(Rs. In Lakhs)

Contingent liabilities:	<b>31.3.2013</b>	31.3.2012
Balance at the beginning of the year	<b>12648.47</b>	4244.52
Additions /( Deletions) during the year	<b>(7644.43)</b>	8403.95
Balance at the end of the year	<b>5004.04</b>	12648.47

Liabilities disputed and not provided for Sales Tax & Excise:	<b>31.3.2013</b>	31.3.2012
Balance at the beginning of the year	<b>204.79</b>	193.16
Additions /( Deletions) during the year	<b>10.46</b>	11.63
Balance at the end of the year	<b>215.25</b>	204.79



**27 CONSOLIDATED NOTES ON ACCOUNTS**

- a) The Company value 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) The Company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application

The main Raw Material in the production are as follows:

- a) Natural Rubber b) Carbon Black c) Synthetic Rubber d) Butyl Rubber e) Chemical & Oils f) Bead wire  
g) Valves
- c) The Company has decided that, non core activities will henceforth be carried out by its wholly owned subsidiary Company – TVS Srichakra Investments Limited. The following transactions have been entered into during the year.
- I) An advance of Rs.20 Cr paid in an earlier year for acquiring a property has been transferred to a wholly owned subsidiary Co., during the year.
- II) During the year, the Company has transferred 5 lacs shares of Rs.10 each in ZF Electronics TVS ( India) Private Limited., for a consideration of Rs.12 Crores based upon an independent Valuation report. This has resulted in a Profit on sale of investment of Rs.11.47 Crores.
- III) A sum of Rs 33.53 Crores is outstanding from this wholly owned subsidiary at the end of the accounting year.

		<b>Rs. in lakhs</b>		
		<b>31.3.2013</b>	<b>31.3.2012</b>	
d)	CIF Value of Imports			
	1 Raw Materials	<b>28751.90</b>		35644.17
	2 Spares	<b>19.02</b>		-
	3 Capital Goods	<b>516.66</b>		140.79
	4 Traded Goods	-		-
	5 Software	-		-
e)	Consumption of imported and indigenous raw materials and components			
		%		%
	1 Imported	<b>35.11</b>	<b>33361.08</b>	26.18 24834.25
	2 Indigenous	<b>64.89</b>	<b>61658.40</b>	73.82 70038.93
f)	Consumption of imported and indigenous Stores and Spares			
		%		%
	1 Imported	-	-	0.29 9.80
	2 Indigenous	<b>100.00</b>	<b>3646.86</b>	99.71 3394.99
g)	Earnings in foreign exchange			
	1 F.O.B. value of goods exported		<b>19694.96</b>	17006.40

## 27 CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

		Rs. in lakhs	
		31.3.2013	31.3.2012
h)	Expenditure incurred in Foreign Currency on		
	1 Consultancy	444.69	479.60
	2 Interest	1004.97	210.24
	3 Other Matters	221.99	131.76
i)	Remuneration to Managing Director :		
	1 Salaries & Allowances	70.70	55.59
	Commission	24.09	116.79
	Contribution to Provident & Other Funds	11.34	9.08
	2. Remuneration to Executive Vice Chairman:		
	Commission	24.09	116.79
j)	1. Interest Capitalised	140.00	145.00
	2. Interest paid includes Interest on Fixed Loans	1184.77	1645.14
k)	Tax deducted at Source from Interest	7.98	7.40
l)	Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	1228.30	1956.03
m)	Details of the Audit Fees Audit fees		
	Payments to auditors		
	a. for audit fees	7.00	7.00
	b. for taxation matters,	0.45	0.45
	c. for Certification	1.25	1.00
	d. for Income Tax	0.10	0.10
	e. for reimbursement of expenses	0.50	0.50
n)	Profit on sale of Assets included under the head other income includes sale of machineries the book value of which is Rs.2983 lacs, sold for a consideration of Rs.5530 lacs based on independent valuation obtained.		



## 27 CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

		Rs. in lakhs
	31.3.2013	31.3.2012
o) Details of Research and Development Expenditure		
(i) Capital Expenditure:		
a) Plant & Machinery	229.32	8.34
b) Electrical Installations	1.95	0.11
c) Vehicles	4.48	8.31
d) Computers	0.73	13.15
e) Furniture	-	2.77
f) Buildings	5.20	-
g) Capital work in progress (P & M)	-	134.69
Total	<u>241.68</u>	<u>167.37</u>
(ii) Revenue Expenditure:		
a) Raw Materials consumed	163.96	47.10
b) Stores & Spares consumed	18.59	-
c) Salaries, Wages, Bonus and Allowances	278.36	251.14
d) Freight	19.26	8.98
e) Rent including lease rentals	7.94	5.86
f) Rates & Taxes	12.41	0.05
g) Insurance	0.78	1.23
h) Travelling expenses	98.24	124.45
i) Repairs & Maintenance	103.66	77.22
j) Consultancy	329.88	284.44
k) Others	152.91	142.39
Total	<u>1186.01</u>	<u>942.66</u>
Total Research and Development expenditure	1427.69	1110.23

## 27 CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

	Rs. in lakhs	
	31.3.2013	31.3.2012
p) <b>Contingent Liabilities not provided for:</b>		
a) Estimated amount of contracts remaining to be executed on capital account	1057.05	2423.68
b) On Letters of Credit opened by Company's Bankers	3801.39	9152.53
c) Excise Duty under Dispute	202.13	188.67
d) Sales Tax under Dispute	13.12	16.12
e) Customs duty on goods lying at Bonded Warehouse	145.60	579.62

q) Information pursuant to clause 4 (ix) (b) of the Companies (Auditor's Report) Order, 2003 in respect of dues disputed, not deposited, pending with various authorities:

Forum where dispute is Pending	Rs. in lakhs	
	Excise Duty	Sales Tax
High Court	-	-
Customs, Excise and Service Tax Appellate Tribunal	158.00	-
Commissioner of Central Excise	2.83	-
Dy Commissioner of Central Excise	17.45	-
Assistant Commissioner of Central Excise	23.85	-
Appellate Tribunal	-	0.21
Assessing Officer	-	12.91



27 CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

r) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)

Description of relationship and Names of related parties:

- |   |   |  |
|---|---|--|
| 1 | Associates                                      | T V Sundram Iyengar & Sons Limited<br>TVS Telecom Components Limited<br>ZF Electronics TVS (India) P Ltd<br>Van Leeuwen Tyres & Wheels B.V., Holland |
| 2 | Key Management Personnel                        | Sri R Naresh, Executive Vice Chairman<br>Ms Shobhana Ramachandran, Managing Director   |
| 3 | Enterprise with Common Key Management Personnel | Sundaram Industries Limited  |

Rs. in lakhs

Sl. No.	Particulars	Associates	Key Management Personnel	Enterprise with Common Key Management Personnel
<b>A</b>	<b>Transactions for the year ended 31.3.2013</b>			
1	Purchases	103.46 (168.24)	-	338.48 (74.07)
2	Sales	8886.03 (8334.26)	-	221.14 (90.32)
3	Interest Paid	- (145.37)	-	-
4	Interest Received	-	-	15.60
5	Services rendered	402.51 (583.77)	-	0.96 (21.20)
6	Services received	101.91 (68.82)	133.94 (301.15)	8.15 (1.90)
7	Loans Accepted / Repaid	- (1500.00)	-	-
8	Loans Given	-	-	-
9	Loans Repaid	-	-	-
10	Provision for diminution in investments	59.90	-	-
11	Sale of Investments	-	-	-
12	Advance	-	-	-
<b>B</b>	<b>Outstanding as on 31.3.2013</b>			
1	Receivable	800.58 (845.57)	-	26.57 (56.20)
2	Payable	-	48.18 (233.58)	-

Figures in brackets are that of previous year.

**27 CONSOLIDATED NOTES ON ACCOUNTS (Contd.)**

		31.3.2013	31.3.2012
<b>Rs. in lakhs</b>			
s)	Trade Payables and Short Term Provisions include:		
	a) Acceptances	13863.21	10482.07
	b) Due to Managing Director	24.09	116.79
	c) Due to Executive Vice Chairman	24.09	116.79
	d) Due to Non-whole time Directors	12.04	58.40
t)	No amount is due as on 31st March, 2013 for credit to Investor Education and Protection Fund.		
u)	Details of Earnings Per Share		
	Profit after tax	Rs. In Lakhs 2719.12	3918.63
	No. of equity shares	Nos 7657050	7657050
	Face value of share	Rs 10.00	10.00
	Basic Earnings per share	Rs 35.51	51.18
v)	Terms of repayment of Term Loan		
	1. Term loan from SBI V is repayable in 66 monthly installments commencing from October 2010 (with a moratorium of 6 months)		
	2. Term loan from KVB is repayable in 72 monthly installments commencing from October 2011		
	3. HP Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
	4. ECB Loan from DBS Bank is repayable in 20 Quarterly instalment at the end of 27 months from the 1st drawdown (with a moratorium of 2 years)		
	5. Term loan from DBS Bank is repayable in 16 quarterly installments at the end of 15 months from the 1st drawdown		
	6. Term Loan obtained by foreign subsidiary is repayable in biannual instalments commencing November 2013 till November 2018		
w)	An amount of Rs. 7.50 per share has been approved by the Board of Directors towards dividend.		

SHOBHANA RAMACHANDHRAN  
Managing Director

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

R NARESH  
Executive Vice Chairman

Place :Chennai  
Date : 22.5.2013

K S NARAYANASWAMY  
Partner  
Membership No. 8593

P SRINIVASAN  
Secretary



**DISCLOSURE OF INFORMATION RELATING TO SUBSIDIARIES AS REQUIRED BY THE CENTRAL GOVERNMENT UNDER SECTION 212(8) OF THE COMPANIES Act, 1956**

Particulars	Name of subsidiaries	
	TVS Srichakra Investments Ltd	TVS Europe Distribution Ltd
	Year ended 31.3.2013	
Reporting Currency	INR in Lakhs	INR in Lakhs
a) Capital	205.00	3053.39
b) Reserves	(52.91)	735.05
c) Total Assets	3510.39	15305.19
d) Total Liabilities	3510.39	15305.19
e) Details of Investment	-	-
f) Turnover including other income	15.6	17540.08
g) Profit before Taxation	(45.04)	1125.67
h) Provision for Taxation	4.92	211.35
i) Profit after Taxation	(49.97)	914.32
j) Proposed Dividend	-	-

The Financial Statements of Subsidiaries whose reporting currency are other than INR are converted into Indian Rupees on the following basis

Particulars	For assets and Liabilities at the Closing Exchange Rate	For Profit and Loss account at the Daily Average rate
GBP to INR	82.32	81.54

Note : The above details are extracted from the Audited Annual Accounts of the respective Companies



## TVS SRICHAKRA LIMITED

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

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending member \_\_\_\_\_

DP Id \* \_\_\_\_\_ Client Id \* \_\_\_\_\_

Folio No. \*\* \_\_\_\_\_ No. of shares \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(If proxy attends instead of member)

I hereby register my presence at the Annual General Meeting

Venue : Lakshmi Sundaram Hall,  
15-A Gokhale Road,  
Madurai 625 002

Day Wednesday  
Date 25th September, 2013  
Time 10.30 AM

### REQUEST TO MEMBERS

- Members and their proxies / bodies corporate should bring the attendance slip duly filled in for attending the meeting.
- Members are requested to avoid being accompanied by non-members and / or children
- Members are requested to bring their copies of annual report to the meeting as the Company is unable to provide another copy in view of the increased cost of paper
- Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the annual general meeting to avoid interruption in the proceedings
- Members who are holding shares in physical form are requested to intimate the Share Transfer Agent of the Company, changes, if any, in their registered address
- Members intending to appoint proxies are requested to complete the proxy form sent herewith and deposit the same with the Company, at least 48 hours before the time fixed for holding the meeting
- If members and / or their family members are receiving more than one copy of the annual report and other communications and would like to avoid duplication, kindly advise to enable us to mail only one copy. This will help us to avoid wastage.

Signature of member / proxy

\* Applicable for investors holding shares in electronic form

\*\* Applicable for investors holding shares in physical form



## TVS SRICHAKRA LIMITED

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

### PROXY FORM

DP Id \* \_\_\_\_\_ Client Id \* \_\_\_\_\_ Folio No. \*\* \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a Member / Members of TVS Srichakra Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him / her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the company to be held on Wednesday, the 25th September, 2013, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

For Office use	
Proxy No.	
Date of receipt	
No. of shares	

Revenue Stamp

N.B. The instrument appointing proxy should be deposited with the Company atleast 48 hours before the commencement of the meeting

\* applicable for investors holding shares in electronic form

\*\* Applicable for investors holding shares in physical form

Please fill in the particulars, viz. Folio No. / DP Id / Client Id as given in the address slip







**TVS Srichakra Limited**

Tamil Nadu: Vellaripatti, Melur Taluk, Madurai - 625 112. Tel: 0452 - 2420461

Uttarakhand: Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur Tehsil,  
Kicha Dist, Uttarakhand - 263 153. Tel: 05944 - 250374