



TVS SRICHAKRA LIMITED



31st ANNUAL REPORT

2013 - 2014



CORPORATE INFORMATION

Board of Directors

S. NARAYANAN
Chairman

R. NARESH
Executive Vice Chairman

SHOBHANA RAMACHANDHRAN
Managing Director

M. S. VIRARAGHAVAN

N. H. ATTHREYA (Till 8.6.2014)

SITARAM RAO VALLURI

P. VIJAYARAGHAVAN

H. JANARDANA IYER

RASESH R. DOSHI (From 24.5.2014)

V. RAMAKRISHNAN (From 24.5.2014)

Audit Committee

M. S. VIRARAGHAVAN
Chairman

N. H. ATTHREYA (Till 8.6.2014)

P. VIJAYARAGHAVAN

H. JANARDANA IYER

Shareholders/Investors Grievance Committee

S. NARAYANAN
Chairman

SHOBHANA RAMACHANDHRAN

P. VIJAYARAGHAVAN





Registered Office

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

Administrative Office

No.10, Jawahar Road,
Madurai - 625 002,
Tamil Nadu.
Tel: 0452-2420461 (8 lines)
Fax: 0452-2420266
Email: demat@tvstyres.com
investorgrievances@tvstyres.com
Website: www.tvstyres.com.

Subsidiary Companies

TVS Srichakra Investments Ltd.
TVS Europe Distribution Ltd. (UK)

Plant Location

Madurai

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

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

Uttarakhand

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

Listing of Shares with

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

Auditors

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

Bankers

STATE BANK OF INDIA
DBS BANK LIMITED
KARUR VYSYA BANK LIMITED

Registrar and Share Transfer Agent

INTEGRATED ENTERPRISES (INDIA) LIMITED,
"Kences Towers", II Floor
No.1 Ramakrishna Street, T.Nagar,
Chennai - 600 017, Tamil Nadu.
Email: corpserv@integratedindia.in






*“The real leader has no need to lead,
he is content to point the way.”
- Henry Miller*

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KOI TOH
RAASTA
ZAROOR
NIKLEGA

TVS TYRES
RIDE SMART WITH **ROADSENSE**

EXCELLENT GRIP & MILEAGE | REINFORCED BODY

*“Whatever the mind of man can conceive and believe, it can achieve.
Thoughts are things! And powerful things at that, when mixed with
definiteness of purpose, and burning desire, can be translated into riches”*
-Napolean Hill

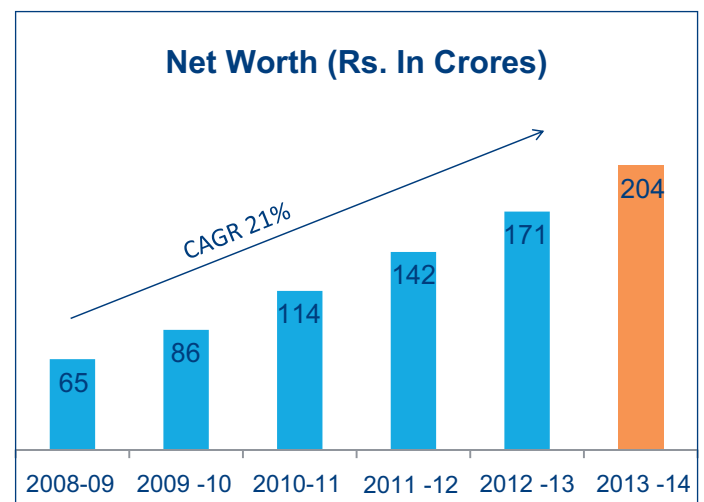
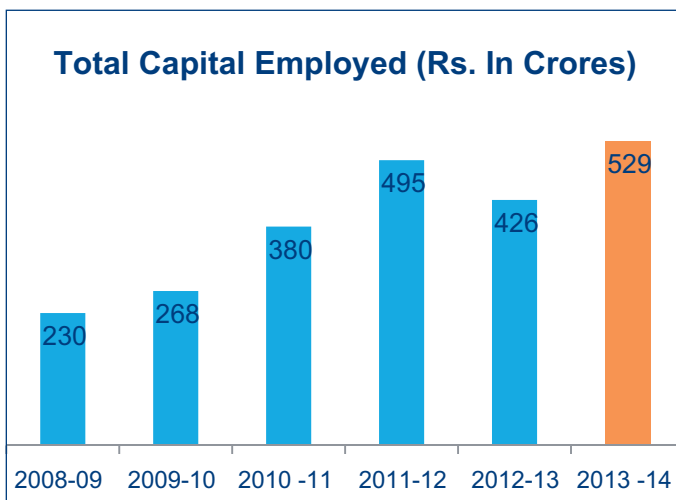
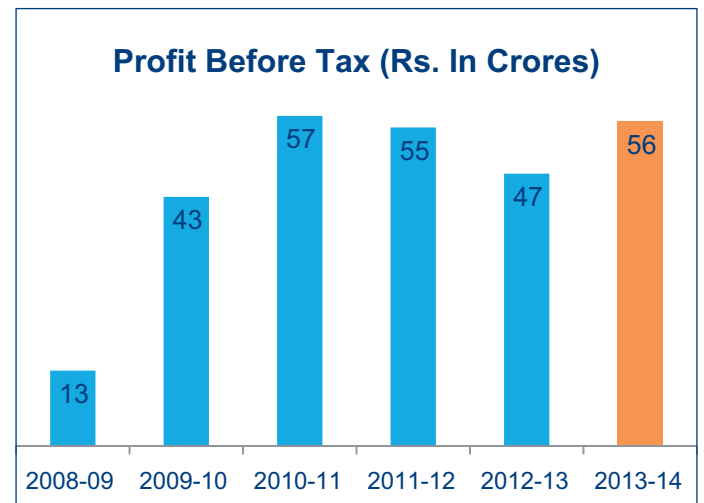
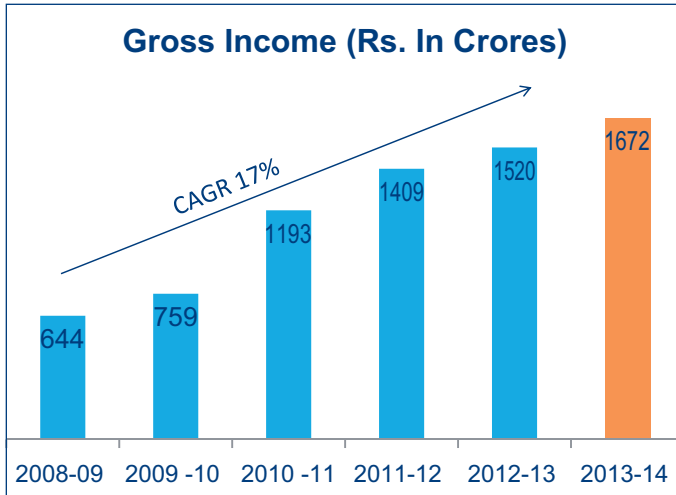
TVS Srichakra’s philosophy is to seek opportunities amidst turbulent times.
Our goal is not to survive but to achieve transformative success,
with an aim to make a difference in the lives we are connected with.

We believe that success is the future outcome of every effort taken today towards
innovation, value creation, cost efficiency while striving constantly for a better
offering to the customers at every stage.

We practise what we believe and ensure that
THERE WILL ALWAYS BE A WAY during an ongoing journey
with TVS Srichakra.



FINANCIAL HIGHLIGHTS



**SIX YEAR PERFORMANCE AT A GLANCE****(Rs. in lakhs)**

PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
A. OPERATING RESULTS						
GROSS INCOME	64432	75916	119318	140930	151989	167238
PROFIT BEFORE DEPN. INT. & TAX	4162	7077	10264	12689	12867	12383
PROFIT BEFORE INT. & TAX	3175	5899	8682	10610	10445	10016
PROFIT BEFORE TAX (PBT)	1316	4337	5717	5475	4727	5592
PROFIT AFTER TAX (PAT)	901	2982	3917	3975	3568	4745
DIVIDENDS	268	766	957	1034	574	1225
DIVIDEND TAX	46	130	159	168	98	208
RETAINED PROFITS	583	2086	2801	2773	2896	3312
B. FINANCIAL STATUS						
GROSS FIXED ASSETS	14583	19232	24991	29312	30257	37001
NET FIXED ASSETS	7229	11538	16495	19873	21643	24977
INVESTMENTS	125	261	261	1982	1928	1926
NET CURRENT ASSETS	15607	14977	21206	27629	19059	26000
SHARE CAPITAL	766	766	766	766	766	766
RESERVES AND SURPLUS	5731	7817	10618	13392	16288	19599
NET WORTH	6497	8583	11384	14158	17054	20365
LOAN FUNDS	15722	17446	25581	34029	23298	30352
DEFERRED TAX LIABILITY (NET)	742	747	997	1297	2278	2186
TOTAL CAPITAL EMPLOYED	22961	26776	37962	49484	42630	52903
C. KEY RATIOS						
PBDIT TO NET SALES (%)*	6.97	9.29	8.36	8.62	5.75	7.38
PBIT TO NET SALES (%)*	5.26	7.61	6.9	7.14	4.11	5.95
PBT TO NET SALES (%)*	2.03	5.38	4.17	3.48	0.24	3.29
PBIT TO AVG. CAPITAL EMPLOYED (%)*	13.34	21.43	23.13	22.93	13.17	20.68
RETURN ON AVG. NET WORTH (%)	14.52	39.55	39.23	31.13	22.86	25.36
EARNINGS PER SHARE (Rs.)	11.76	38.94	51.15	51.92	46.59	61.97
DIVIDEND PER SHARE (Rs.) #	4.1	11.7	14.57	15.7	8.77	18.72
DIVIDEND PAY OUT (%) #	34.81	30.04	28.49	30.22	18.83	30.21
BOOK VALUE PER SHARE (Rs.)	84.85	112.09	148.67	184.9	222.72	265.96
DEBT EQUITY RATIO (NO. OF TIMES)	2.42	2.03	2.25	2.4	1.37	1.49

* Excluding other income

Including dividend tax



PASSION

PRESENCE

PACE



PASSION

Passion for innovation, delivery, quality, research & service

Conducting research to understand brand attributes in the minds of customers, bringing out customised products and meeting market expectations

- ◆ Ability to develop tyres with special features for the newer models
- ◆ Strong in-house R&D and testing & design capabilities
- ◆ With key insights on the future trends of evolved markets, state-of-the-art, 'TIGERTRAC' branded agriculture radial tyres were launched





PRESENCE

Presence enlarged through advertising campaigns & a robust distribution network

Establishing strong customer base in the domestic and export markets

- ◆ Our advertising campaign 'Koi Toh Raasta Zaroor Niklega' established the functional attribute of durability' of the brand
- ◆ Strong nationwide set up of distributors, dealers and stockists
- ◆ Opened new depots to increase presence in urban, semi urban and rural areas
- ◆ Entered into 15 new export markets, our export reach has now crossed over 80 countries





PACE

Pace towards change, growth & innovation

Significant efforts towards brand building, marketing and promotional activities with focus towards the aftermarket and export markets

- ◆ One of the youngest tyre companies in the country
- ◆ Constant efforts towards leveraging our expertise, adding value to our brand and keeping pace with emerging market trends
- ◆ Focus on innovation and high product quality
- ◆ International tie-ups for technology and R&D
- ◆ Sharp focus in semi-urban and rural market
- ◆ Shifting from tube tyres to tubeless products, while consolidating position by strengthening our product portfolio





DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 31st annual report and the audited accounts for the year ended 31st March, 2014

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Details	Year ended 31.3.2014	Year ended 31.3.2013
Sales & Other Income	1672.38	1519.89
Profit before finance cost and depreciation	123.82	128.65
Less : Finance Cost	44.23	57.18
Depreciation	23.67	24.22
Profit after finance cost and depreciation	55.92	47.26
Less : Provision for		
Income tax	9.39	1.79
Deferred tax	(0.91)	9.80
Profit after tax	47.45	35.67
Surplus brought forward from Previous Year	135.72	110.37
Appropriations :		
Dividend payable	12.25	5.74
Dividend Tax payable	2.08	0.98
Transfer to General Reserve	4.80	3.60
Balance carried to Balance Sheet	196.45	135.72

OPERATIONS

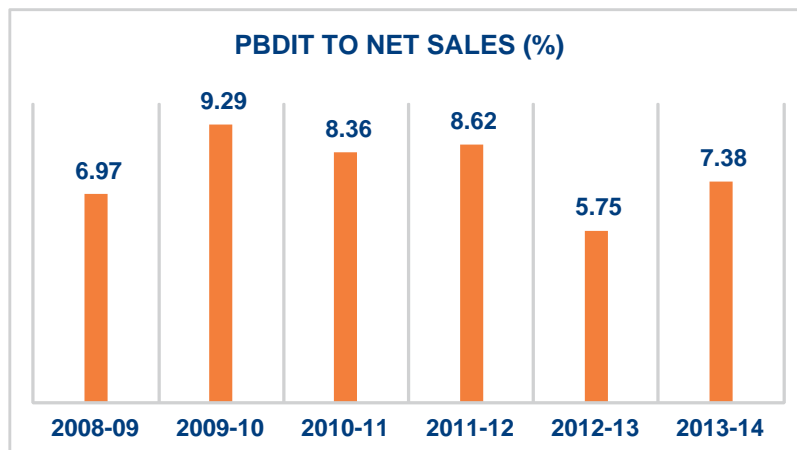
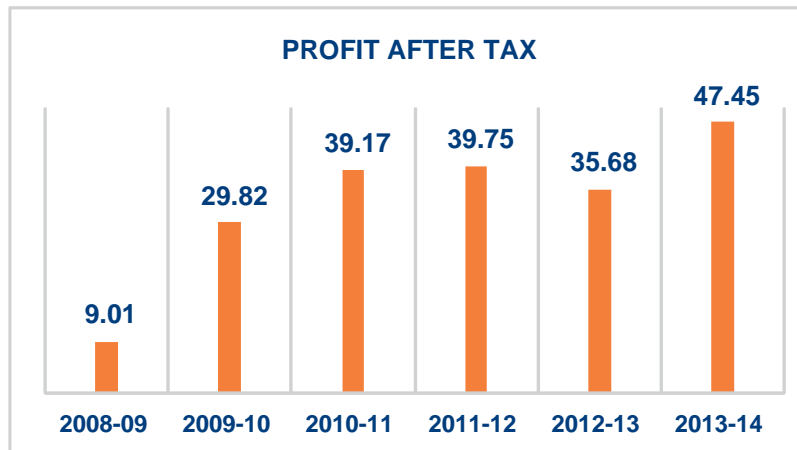
Your Company witnessed a revenue growth of 13.6% from operations during FY14, despite challenging economic environment and auto sector slow-down.

On a standalone basis, your company achieved total net sales and Other income of Rs.1672 crore as against Rs.1520 crore during the previous financial year. EBITDA was at Rs.124 crore as compared to 129 crore during the previous financial year. The net profit for the year under review was Rs.47 crore as against Rs.36 crore in the previous fiscal, a growth of almost 31%.

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

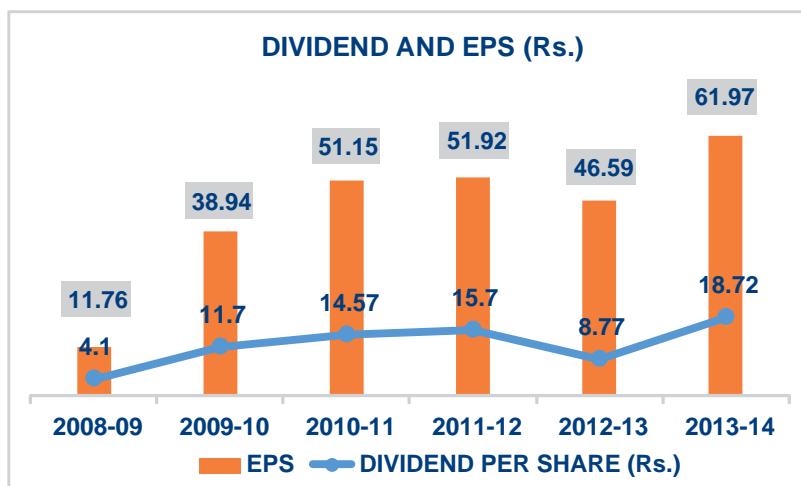


Rs. In Crore



DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.16 per equity share of Rs.10/- each (i.e. 160%) for the financial year ended 31st March, 2014 absorbing a sum of Rs.1433.34 lakhs, including tax on dividend, for the approval of the shareholders, at the ensuing Annual General Meeting.





DIRECTORS' REPORT (Contd.)

SUBSIDIARY COMPANIES

The following companies continue as subsidiaries of the Company and their audited accounts have been consolidated with those of the Company as on 31st March, 2014.

- 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 May 24, 2014 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 for the same. 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 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 Ministry of Corporate Affairs.

A statement referred to in clause (e) of sub-section 1 of Section 212 of the Companies Act, 1956 disclosing the Company's interest in subsidiaries and other information as required is attached.

DIRECTORS LIABLE TO RETIRE BY ROTATION

M/s S Narayanan and P Vijayaraghavan, 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 approval of the shareholders at the ensuing Annual General Meeting. Your Directors recommend their re-appointment as Directors of the Company.

APPOINTMENT OF DIRECTOR

Mr V Ramakrishnan was appointed as an Additional Director pursuant to Section 152 of the Companies Act, 2013, liable to retire by rotation, of the Company.

The brief resume of Mr V Ramakrishnan and other information have been detailed in the Notice convening the Annual General Meeting of the Company. Appropriate resolutions for his appointment is being placed for approval of the shareholders at the ensuing Annual General Meeting.

Necessary notice has already been received from a shareholder proposing his candidature to be appointed as a Director liable to retire by rotation at the ensuing Annual General Meeting.

Your Directors recommend his appointment as Director of the Company, liable to retire by rotation.



DIRECTORS' REPORT (Contd.)

INDEPENDENT DIRECTORS

Resignation

Dr N H Atthreya, one of the Independent Directors resigned due to his health conditions with effect from 8.6.2014. Dr N H Atthreya has been on the Board right from inception of the Company giving valuable contributions and guidance to the Board of Directors.

The Board of Directors would like to place on record, its appreciation of the contribution made by Dr N H Atthreya over these years.

The vacancy created by the resignation of Dr N H Atthreya will be filled within the prescribed time limit as per the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

Appointment of Independent Directors

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment, roles, functions, duties, re-appointment of Independent Directors (IDs) and the relevant rules under the Companies Act, 2013 (the Act 2013) and made them effective 1st April, 2014.

In terms of the provisions of Section 149(10) read with Section 149(5) of the Act 2013, Independent Directors are eligible to hold office for a term upto five consecutive years on the Board and eligible for re-appointment for the second term on passing special resolutions by the Company. During the period, they will not be liable to "retire by rotation" as per the provisions of Sections 150(2), 152(2) read with Schedule IV to the Act 2013.

It is therefore, proposed to appoint them as Independent Directors for a period upto 31st March, 2019 at the ensuing Annual General Meeting. Necessary declarations have been obtained from them, as envisaged under the Act 2013.

Both the Nomination and Remuneration Committee and the Board also ensured that their appointments as Independent Directors are in compliance with the requirements under the relevant statutes and that there were appropriate balance of skills, experience and knowledge in the Board, so as to enable the Board to discharge its functions and duties effectively.

Notices in writing signifying the intention to offer their candidatures as Independent Directors of the Company along with the requisite deposit have been received from members of the Company in terms of Section 160 of the Act 2013.

The brief resume of these directors proposed to be appointed and other relevant information have been furnished in the Notice convening the Annual General Meeting. Appropriate resolutions for their appointment are being placed for approval of the members at the Annual General Meeting.

Your Directors recommend their appointment as Independent Directors of the Company.

APPOINTMENT OF NEW INDEPENDENT DIRECTOR

Mr Rasesh R Doshi was appointed as an Independent Director for a term of five years with effect from 24.5.2014.

Mr Rasesh R Doshi does not suffer any of the dis-qualifications mentioned in sub-section 6 of Section 149 of the Companies Act, 2013 and is not disqualified under Section 274(1)(g) of the Companies Act, 1956 and Section 164 (2) of the Companies Act, 2013.

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

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

Your Directors recommend his appointment as an Independent Director of the Company, for a period of 5 years from 24.5.2014 to 23.5.2019.



DIRECTORS' REPORT (Contd.)

APPOINTMENT OF MR R NARESH

In order to comply with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the Board of Directors proposes to appoint Mr. R Naresh as Managing Director of the Company, designated as Executive Vice Chairman, liable to retire by rotation, for a period of three (3) years with effect from June 16, 2014 at the remuneration / emoluments as recommended by the Nomination and Remuneration Committee.

The brief resume of Mr R Naresh, and other information have been detailed in the Notice convening the Annual General Meeting of the Company. Appropriate resolutions for his appointment is being placed for approval of the shareholders at the ensuing Annual General Meeting.

Necessary notice has already been received from a shareholder proposing his candidature to be appointed as Managing Director of the Company, designated as Executive Vice Chairman, liable to retire by rotation at the ensuing Annual General Meeting.

Your Directors recommend his appointment as Managing Director of the Company, designated as Executive Vice Chairman, liable to retire by rotation at the ensuing Annual General Meeting.

None of the aforementioned Directors is disqualified under Section 274(1)(g) of the Companies Act, 1956 and Section 164 (2) of the Companies Act, 2013.

AUDITORS

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

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

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 2014-15 subject to the approval of the Central Government.

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

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

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 2014.

**DIRECTORS' REPORT (Contd.)****SECRETARIAL AUDIT**

In compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being conducted by a Practicing 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.

Particulars of employees

No employee of the Company was in receipt of remuneration during the financial year 2013–14, 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, 2014.

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, 2014, 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, 2014 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

Madurai
3.7.2014

R NARESH
EXECUTIVE VICE CHAIRMAN

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR



ANNEXURE TO 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 fill less & fan less cooling towers in newly commissioned 1110 Extruder.
- iii) Generators diesel consumption reduced by fine tuning the supply frequency which is continued during this year also.
- iv) Compressed air conserved by leak management. One compressor running stopped in Domestic Tyre Plant which is continued for this year also.
- v) High pressure & low pressure air lines segregated, and the air distribution stabilized which is continued during this year also.
- vi) Sufficient capacitors installed to maintain PF unity and reduce maximum demand.
- vii) Lighting energy saver panel installed for Lighting Loads.
- viii) 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 feed water temperature increased by separate condensate recovery pipe line provided from domestic plant to export plant.
- ii) 15 ton boiler ID draft duct modification done to improve the furnace pressure.
- iii) Additional condensate recovery pumps installed to improve the condensate recovery in export plant.
- iv) Incoming coal fuel quality testing instrument new one installed for monitoring and controlling the quality.
- 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.
- viii) Reduction of Firewood consumption is achieved by continued usage of fuel additives.

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

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

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 0.61 unit/kg
 - Specific fuel consumption in 15 TPH boiler, steam to fuel ratio increased from 4.3 to 4.5.

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

FORM A

(A) POWER AND FUEL CONSUMPTION :

	2013- 14	2012 - 13
1. Electricity		
(a) Purchased (Units)	40494075	42392479
Total Amount (Rs)	284846923	238479143
Rate / Unit (Rs.)	7.03	5.63
(b) Own Generation		
(i) Through Diesel		
Generating Sets (Units)	5181289	5287984
Units per litre of diesel oil	3.87	2.80
Cost / Unit (Rs.)	18.82	18.26

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

	2013- 14	2012 - 13
(ii) Through Wind Mill (for Captive Consumption)	7615091	8686512
Total Cost (Rs)	19747207	1397932
Rate / Unit (Rs.)	2.59	0.16
2. Furnace Oil		
Quantity (Litres)	684433	1407186
Total Cost (Rs.)	31764558	60600151
Average rate (Rs.) / Litre	46.41	43.06
3. Others		
Quantity (MT)	57402	57172
Total Cost (Rs.)	292458347	246500169
Average rate (Rs.) / MT	5094.92	4311.57

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Electricity (Units)	2.83	3.06
Furnace Oil (Litre)	0.04	0.08
Others (Kgs)	3.05	3.10

B. TECHNOLOGY ABSORPTION:

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

FORM B**RESEARCH & DEVELOPMENT (R&D)**

- Specific areas in which R & D carried out by the Company :
Development of products for high speed motorcycles and high horsepower tractors, development of new / alternate sources to improve cost efficiency, introduction of new processes for technically superior products, and improving operating efficiencies.
- Benefits derived as a result of the above R & D:
The R & D activities carried out by your Company has supported us in entering into premium vehicles with upgraded products. It has enhanced capabilities in processes and testing of products facilitating launching of new products for the Replacement and Export markets.

3. Future Plan of Action:

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

Technology upgradation to improve process capability, product quality and product testing.

4. Expenditure on R&D: Rs. in Crores

a) Capital	8.27
b) Recurring	21.35
c) Total	29.62
d) Total R & D expenditure as a percentage to total turnover	1.77%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- 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.

- 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.

- 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 & OUTGO:

Earnings – Exports	Rs. 22375.85 lakhs
Outgo	Rs. 31751.06 lakhs



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In the Indian tyre industry, which is more than 75 years old, your company TVS Srichakra, one of the youngest tyre company in the country, is a leader in two and three-wheeler tyres and also made a mark in more than 80 countries with its off-road tyres. The management discussion and analysis given below discusses the key issues of the business.

Industry Structure and Development

Global Tyre Industry

The global automotive tyre industry holds significant opportunities for industry players due to strong demand for replacement tyres and increasing sales of passenger vehicles, two-wheelers and commercial vehicles in developing countries.

Fuel efficiency and safety concerns are key factors influencing the purchase of tyres in developed markets, which are transitioning into higher-performance tyres. Although market challenges like volatile raw material prices and higher dependency of the suppliers on the OEMs exist, the increasing per capita income in developing nations, population growth, new infrastructural projects, urbanization, increase in middle class population, and the green movement are all expected to drive growth in the industry.

Indian Tyre Industry

India is one of the largest automobile markets in the world, which consequently makes the country one of the leading tyres markets. Indian automobile sector has reported CAGR of about 11% during period 2009-13. The Indian tyre industry has been reporting good growth figures over the past few years, spurred by the growing passenger vehicles, two and three wheeler market.

The rise in population, disposable income, aspirations of the Indian middle class and increase in the supply of vehicle models for the domestic market have been the major factors augmenting growth in the Indian tyre industry. In addition, with the emergence of new

technology, ultra-modern production facilities and availability of raw materials, the sector is poised to grow further. However growing, the industry has emerged as one of the most competitive markets in the world.

Two wheeler market

The Indian two wheeler market, with annual production of around 16 million units, is the largest in the world and accounts for maximum share in the total automobile fleet in the country. The market has grown at CAGR of 14% over the last 5 years, though it grew by 7.8% in this financial year due to slow-down in the auto Industry.

Despite challenging economic environment and high interest rate scenario, the moderate growth in two wheeler segment is due to rural demand owing to good monsoon and aggressive gender-based marketing strategies by scooter manufactures. While motorcycle sales were driven by rural demand, scooters retained their urban base.

Despite a dip in growth volume in the financial year, the key factors behind our industry growth are largely intact, which are large population, favorable demographics, inadequate public transportation and urbanization.

Opportunities and Threats

Opportunities

Raw Material Cost

Raw material is major contributor to the tyre production cost. Domestic natural rubber prices declined by 5-7 percent during the year. Given natural rubber surplus in international market, the downtrend of rubber prices may continue further. The fall in international natural rubber prices is expected to translate into a marginal decline in domestic natural rubber prices. Thus, reduced raw material prices will help tyre manufacturers to improve their operating margins to some extent.

Focus on Exports

The past few years have been tough for the automobile industry as a whole, but the two wheeler segment saw



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

some respite in FY2014 which helped the two wheeler tyre manufacturer to post moderate business growth over the previous year and this trend is expected to continue in FY2015. Given rupee weakness making exports more competitive, two wheeler manufacturers have started to focus on export business, on which the tyre manufacturers can leverage upon to grow their business.

Green Tyres

The concept of 'green tyres' is now emerging as a benchmark for the industry's competitiveness. Green tyre eliminates petroleum based carbon black and specific oils from the Compound, to take care of the environment and emission. Though the technology has been around since the 1990s, due to higher manufacturing costs, it was put on a backburner until recently. Green tyres provide numerous benefits over normal tyres, including lower fuel consumption and marks a good opportunity for the tyre manufacturers to invest in development of 'green tyres'.

Threats

Competition from Foreign players

Tyre industry can face stiff competition from foreign players if the tyre imports keep increasing. Tubeless tyres have been replacing the tube type tyres at a very fast pace and this can be a concern for tube type tyre manufacturers.

Volatility in Commodity Prices

Raw material cost accounts for around 70% of the industry's turnover with natural rubber being the key raw material. There has been huge volatility in the prices of rubber in the past few years.

This remains a major concern for the purchase decision maker to the risk of price volatility.

Exchange rates Volatility

Severe depreciation of Indian currency in July and August 2013 led to rising price of imports. Some raw materials

for tyre industry have high dependence on imports which exposes the tyre manufacturers to the risk of exchange rates volatility.

Segment wise performance

Strong growth in OEM Segment

Your Company is a leading player specializing in two wheeler tyres and has the highest share across all major two wheeler manufactures in India. This year, the Company achieved double digit growth in volume in OE segment in comparison to a single digit growth of the segment. Your Company's growth in this segment is higher than industry average growth which is due to larger share of business with major vehicle manufacturers through wide variety in our product portfolio. This higher growth has enabled your Company to gain further market share in OEM segment and solidifying our leadership position.

In terms of packing order of growth, Scooter segment continues to dominate the growth in the two wheeler industry. Motorcycle segment has shown same positive growth and ended up the year with a moderate single digit growth. However, three wheeler and Moped segments continue to de-grow. Your Company's efforts are aligned with the growth rates of different sub-segments.

Increased focus on Aftermarket Segment

This year, with strong focus on aftermarket business, your company took a fresh approach to this segment. Various researches were conducted to understand the brand attributes in the minds of the consumer. A customer satisfaction survey was also undertaken, for all businesses, to understand thinking of the key stakeholders about the brand and identify the areas of improvement in our endeavor to become a customer centric organization.

Post analyzing brand attributes, the look and feel of the brand across communication touch points was refreshed to give the brand a more vibrant and youthful identity.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

A unique 'in-store' execution campaign has been undertaken across India to enhance the visibility of the brand. Through this campaign a facelift was given to the stores selling TVS TYRES with the help of product led creative displayed across the store.

Riding on the success of initial brand-building exercise, your Company unleashed a new advertising campaign in the second half of the year that was very well received by all stakeholders. The highlight of the campaign was the associate sponsorship of the ICC T20 World cup.

The impact of this advertising campaign will be sustained with an equally strong media campaign in the coming months.

The renewed approach for after-market markets resulted in a good year and robust revenue growth during the year. Six new products were launched and two new depots were opened at Guwahati and Rudrapur in order to improve the coverage in north east and Uttaranchal markets.

Expansion in Exports Market

In this financial year, your Company started business in 15 new export markets, taking the exports markets number to more than 80 countries. Your Company launched 'Tigertrac' brand of agri radial tyres in Agritechnica in Germany in November 2013 and promoted 'TVS Eurogrip' brand by participation in tyre shows in Panama and Germany.

In sum, our expertise to get into all two and three wheeler vehicle manufacturers, improving our share with them over the years, through Innovation, Delivery, Quality and Service resulting in highest market share with OEM, expanding aftermarket sales with good channel of distribution and increasing exports with the introduction of newer family of tyres reaching around 80 countries have all helped the growth.

Outlook

The Indian economy grew by 4.7% in FY 2014, the second successive year of below 5% growth. The estimated GDP

growth of 5.5% in FY 2015 underline that the economy in general will improve this year, albeit gradually on the premise that the new Government in place will reduce uncertainty in business environment and focus on reviving growth.

The two wheeler automobile industry grew at 7% during FY2014 over the last year with both segments, domestic and exports, growing at around the same pace. In FY2014, while scooters sales growth was 23% over last year, motorcycles growth was merely 4%. Similar trend is expected to continue in FY2015.

It is forecasted that in FY2015, improvement in urban consumer sentiment, led by moderate recovery in economic growth, will help domestic two wheeler sales to grow over previous year. A tepid monsoon could however may derail this growth.

Risks and Concerns

Your Company's primary business risks are lack of segmental diversification and shifting technological and product demand. The major share of business of the Company comes from the OE segment, which is relatively lower margin than after-market segment. Further, there is strong trend emerging of mindset shift from tube type to tubeless tyres, which is significant technological development two wheeler tyre manufacturers are getting equipped to. Further, from the operations side availability of trained and skilled manpower and their continuity is also a cause for concern. Though your Company witnessed improvement in power situation in Tamil Nadu during the previous year, availability of adequate power is another area of concern.

The Company in cognizance of various business risks that it faces has proactively taken steps to mitigate these risks. To achieve distributed segmental revenue mix, significant efforts are underway to increase the after-market and export business. In order to increase the aftermarket business your Company has taken initiatives to brand building and improve the top of the mind recall quotient. A separate vertical has been created for brand



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

management with induction of professionals. On emerging market demands, your company is keeping pace with the trends and has one of the best offering in terms of the tubeless products. The share of tubeless tyres in two-wheeler market has significantly increased in the FY 2014 and your Company believe this trend to accelerate in coming years. Your company is fully prepared to cater this surge in demand. Lastly, other than consistent monitoring, sufficient measures have been taken to address the human resources and power situation.

Internal control systems and their adequacy

Your Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, recorded and reported correctly.

The key rules underlying the Company's internal control system are:

- Identifying the principal risks to which the company is exposed, taking into account the characteristics of the activities performed by the company and periodically submitting them to the Management for review.
- Implementing the policies defined by the Board of Directors, planning, implementing and managing the Company's internal control system, and constantly verifying its overall adequacy, efficacy and efficiency.
- Adapting the system to the dynamics of operating conditions and the legislation and regulations.
- Efficiency, transparency and traceability of transactions and management activities in general;
- Reliability of accounting and management data and financial information;
- Compliance with laws and regulations;
- Protection of the company's integrity, also in order to prevent fraud damaging the Company and the financial markets.

The internal control is supplemented by an extensive program of external audits and periodic review by the management.

Financial performance with respect to Operational Performance

The Company has achieved overall revenue growth of 10% over the previous year. All the segments of business viz., domestic and exports and within domestic both OE and aftermarket have reported growth over the year FY2013.

During the year the Company could recover the material price increase from its customers which helped in retention of margin. Further, volatility in the currency market with bias towards weak rupee helped in higher export realization. These two combined with focused improvement in overall material consumption enabled material costs being lower than the previous year.

Periodical review and monitoring of direct manpower cost enabled the Company to maintain the expenditure to be in line with the growth in revenue. Increase of 10% over the previous year is primarily on account of growth in operation and annual increments to workmen and executives.

Stability in material prices enabled reduction in overall inventory levels. Further, a strict credit limit control introduced from November 2013, in case of aftermarket customers, enabled reduction in receivable. In addition, cash generated through strategic business decision at the end of the previous year effectively deployed in reduction of overall borrowing. These steps combined with efficient management and availing of low cost funds enabled reduction in interest cost during the year against the previous year.

Other expenses were higher over the previous year mainly on account of promotional expenditure incurred in the aftermarket segment to augment growth in share of business and to capitalize on the push created through advertisement campaign undertaken during the year.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Material developments in Human Resources/ Industrial Relations front

The Company employed more than 2500 employees, on its rolls, both direct and indirect, as at the end of the year.

Development of Sales & Marketing Team

Recruitments were done through Tier 2 and 3 Management Institutes to augment the capabilities of Sales and Marketing team. In addition, in order to have a scientific based selection process, your Company has introduced multi-dimensional tool in the selection process for new recruits. This tool was also used for competency assessment in the Sales function which will be extended to all other functions as well.

Employee engagement initiatives

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

Health initiatives

Various medical camps and health awareness camps were arranged in association with leading hospitals and institutions for the benefit of employees

Employee services initiative

Creation and launch of 'Employee Self Service Portal' for the regional executives associated with the Company

through staffing service providers to help them access their personal details at anytime, anywhere. Through this initiative, many executives from different regions have got benefited and they are able to access their personal details on the website specially designed for them.

CSR initiatives

Vocational training to womenfolk, women's day celebration, children development project and youth training program etc. were conducted through the year at the villages surrounding the factory. Several activities initiated to strengthen the rural women empowerment through various small group activities.

Cautionary Statement

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



CORPORATE SOCIAL RESPONSIBILITY

Your company's community development initiatives focus on improving the livelihood and general well-being of the people near our factory operations. Our priority area is empowerment of rural women through various small group activities while addressing the key social issues of children, women, health and environment. We have conducted CSR initiatives throughout the year at various villages surrounding the factory.

We believe in moving a step forward towards the creation of societal values by organising and supporting health camps, environment awareness rallies and women development programs to enrich community growth.



**Women Entrepreneurs
at our Exhibition**



Health Camp for Elders



**Green Environment by Young
Club Members**



Awards & Scholarship Presentation



**Preparation of Garlands During Women
Development Program**



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 the 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, 2014, the board consists of eight (8) Directors. All the Directors except Executive Vice Chairman and Managing Director are Non-Executive Directors. In terms of Clause 49 of the Listing Agreement, the Company is required to have fifty percent of its Directors as Independent Directors.

Out of the six Non-Executive Directors, four Directors are Non-Executive - Independent Directors viz., M/s M S Viraraghavan, 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, capital expenditure budget and its quarterly updates, quarterly results, minutes of meetings of Audit Committee and other committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any etc.

Comprehensively drafted notes for each agenda item alongwith 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 judgment in the committee / board meetings.

During the year 2013-14, the Board met 5 times on 22.5.2013, 6.8.2013, 25.9.2013, 9.11.2013 and 10.2.2014 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 25th September, 2013 and also the number of other Directorships and committee memberships / chairmanships as on 31st March 2014 are as follows:

**CORPORATE GOVERNANCE (Contd.)**

Name of the Director	Category	Attendance particulars		No. of Directorships and committee memberships held in other Companies	
		Board Meeting	Last AGM	Other Directorships	Committee memberships
Mr S Narayanan	NE	2	Yes	3	1
Mr R Naresh	EVC	3	Yes	7	-
Ms Shobhana Ramachandhran	MD	5	Yes	10	1
Mr M S Viraraghavan	NE-I	4	Yes	-	-
Mr N H Atthreya	NE-I	5	Yes	1	1
Mr Sitaram Rao Valluri	NE-I	3	Yes	-	-
Mr P Vijayaraghavan	NE	5	Yes	1	-
Mr H Janardana Iyer	NE-I	3	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.

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. All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2014. The annual report contains a declaration to this effect signed by the Managing Director, as compliance officer of the Code.

2.6 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.



CORPORATE GOVERNANCE (Contd.)

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 25th September, 2013.

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

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)
11.5.2013	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
6.8.2013	M S Viraraghavan, N H Atthreya, P Vijayaraghavan and H Janardana Iyer
9.11.2013	M S Viraraghavan, N H Atthreya and P Vijayaraghavan
10.2.20104	M S Viraraghavan, N H Atthreya and P Vijayaraghavan

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 the 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, 2014.

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 30th Annual General Meeting of the Company held on 25.9.2013, 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, 2013 to 31st March, 2018.

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

(a) Name	(b) Sitting Fees paid [Rs. in lakhs]	(c) Commission paid [Rs. in lakhs]	(d) Total [Rs.in lakhs]	(e) No. of shares
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(a) Mr S Narayanan	(b) 0.15	(c) 6.15	(d) 6.30	(e) 2195,
(a) Mr M S Viraraghavan	(b) 0.40	(c) 12.31	(d) 12.71	(e) 900,
(a) Mr N H Atthreya	(b) 0.40	(c) 12.31	(d) 12.71	(e) 1200,
(a) Mr Sitaram Rao Valluri	(b) 0.15	(c) 6.15	(d) 6.30	(e) Nil,
(a) Mr P Vijayaraghavan	(b) 0.75	(c) 12.31	(d) 13.06	(e) 150,
(a) Mr H Janardhana Iyer	(b) 0.25	(c) 12.31	(d) 12.56	(e) Nil

6.3 Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2013-2014:

(a) Name	(b) Designation	(c) Salaries & Allowances	(d) Commission	(e) Perquisites	(f) Total [Rs. in lakhs]
(a) Ms. Shobhana Ramchandhran	(b) Managing Director	(c) 81.16	(d) 123.15	(e) Nil	(f) 204.31;
(a) Mr.RNaresh	(b) Executive Vice Chairman	(c) Nil	(d) 123.15	(e) Nil	(f) 123.15

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 GRIEVANCES COMMITTEE

7.1 The Shareholders Investors Grievances Committee consists of Mr. S. Narayanan, Ms. Shobhana Ramchandhran and Mr. P Vijayaraghavan as its



CORPORATE GOVERNANCE (Contd.)

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 Grievances 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 2013-14

S. No.	Nature of complaints	No. of complaints
1	Annual Report	1

7.5 All the queries and complaints received during the financial year ended 31st March, 2014 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.

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
2010-11	Lakshmi Sundaram Hall 15-A Gokhale Road Madurai 625 002	3.8.2011, 10.30 A.M
20011-12	Lakshmi Sundaram Hall 15-A Gokhale Road Madurai 625 002	27.9.2012, 10.30 A.M
2012-13	Lakshmi Sundaram Hall 15-A Gokhale Road Madurai 625 002	25.9.2013, 10.30 A.M

8.2 None of the subjects placed before the shareholders in the last / ensuing annual general meeting required / requires approval by a postal ballot.

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" and Dalal Street Investment Journal.

9.3 Website

The Company has in place a web site addressed as 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	11.9.2014, 10.30 AM Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002
10.2	Financial Year Financial Calendar 2014-15 (tentative) Financial reporting for the quarter ending 30th June 2014 30th September, 2014 31st December, 2014 31st March, 2015	1st April to 31st March Financial calendar Before 14th August, 2014 Before 14th November, 2014 Before 14th February, 2015 Before 30th May, 2015
10.3	Date of Book closure	From 6.9.2014 to 11.9.2014 (Both days inclusive)
10.4	Dividend Payment Date	Dividend will be paid on 25.9.2014
10.5	Listing on Stock Exchanges Name of the Stock Exchange Madras Stock Exchange Ltd Bombay Stock Exchange Ltd National Stock Exchange of India Ltd ISIN allotted by Depositories (Company ID Number)	Stock code / Symbol TVSSRICHA 509243 TVSSRICHA INE421C01016

Note : annual listing fees and custodial charges for the year 2014-15 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.

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.

10.7 Share Transfer System

Shares lodged for transfers are normally processed within seven days from the date of lodgment, 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 have also been received from a Company Secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and participants) Regulations, 1996.

The Company as required under clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely

**CORPORATE GOVERNANCE (Contd.)**

investorgrievances@tvstyres.com /
demat@tvstyres.com for the purpose of registering
complaints, if any, by the investors and expeditious
redressal of their grievances.

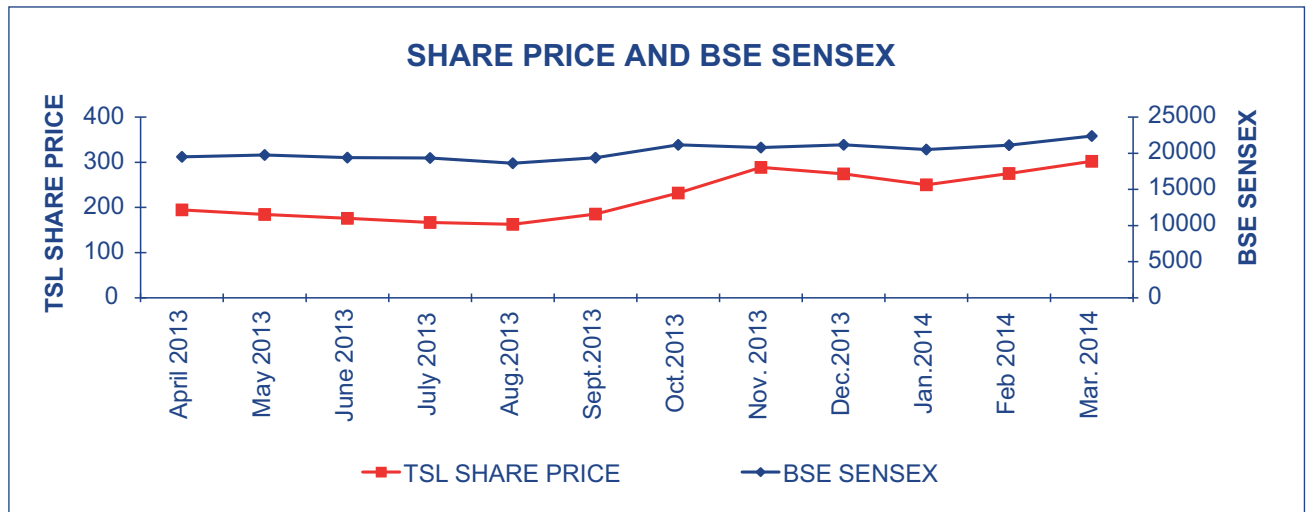
Shareholders are, therefore, requested to correspond
with the Share Transfer Agent for transfer/
transmission of shares, change of address and
queries pertaining their shareholdings, dividends,
etc., at the address given in this report.

10.8 Distribution of shareholding as on 31st March, 2014

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 500	17257	95.44	1873591	24.47
501 to 1000	526	2.91	381621	4.98
1001 to 2000	168	0.93	245083	3.20
2001 to 3000	37	0.20	94603	1.24
3001 to 4000	21	0.12	74876	0.98
4001 to 5000	13	0.07	59427	0.78
5001 - 10000	22	0.12	149636	1.95
10001 & above	38	0.21	4778213	62.40
Total	18082	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 13	196.25	167.15	195.15	170.20
May 13	189.00	172.00	189.00	172.50
June 13	195.00	173.90	195.55	179.75
July 13	178.00	166.80	176.65	162.25
Aug. 13	170.00	160.00	169.05	158.70
Sept.13	191.70	169.25	192.10	168.70
Oct.13	238.80	190.85	239.20	191.85
Nov.13	297.00	241.55	298.80	239.15
Dec.13	295.60	266.85	296.75	266.45
Jan. 14	274.75	248.70	271.85	248.10
Feb.14	277.85	250.10	278.00	246.55
Mar.14	303.50	267.10	304.35	265.10

**CORPORATE GOVERNANCE (Contd.)****10.10 Share price performance in comparison to broad based indices – BSE SENSEX:****10.11 Dematerialization of shares and liquidity**

Out of 4,108,489 shares held by persons other than promoters, 3,092,401 shares have been dematerialized as on 31st March, 2014 accounting for 75.27%.

The Company has already achieved 100% of promoter group’s shareholding in dematerialized form consisting of 3,548,561 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: corpserve@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.

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;
 demat@tvstyres.com
 Website: 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: ps@tvstyres.com



CORPORATE GOVERNANCE (Contd.)

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 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 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 department.

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.



CORPORATE GOVERNANCE (Contd.)

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. 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 charge will be levied by NSDL /CDSL on DPs for providing this facility to investors. Further information is available on the website of NSDL and CDSL, namely www.nsdl.co.in and www.cdslindia.com respectively.

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 due for payment which 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.



CORPORATE GOVERNANCE (Contd.)

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
31.3.2007	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
31.3.2013	25.9.2013	31.10.2013	30.11.2020

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 31.3.2014, 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 : 24.5.2014



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

G V MAHADEVAN
VICE PRESIDENT - FINANCE

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

Place : Chennai

Date : 24.5.2014

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, 2014.

Place : Chennai
Date : 24.5.2014

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR



INDEPENDENT AUDITORS' 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, 2014, the Statement of Profit and Loss, 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, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. 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, 2014;
- 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.

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;



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TVS SRICHAKRA LIMITED (Contd.)

- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 24.5.2014



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. No material discrepancies were noticed on such verification.
(c) The company has not disposed off any major/substantial part of the fixed assets during the year.
3. (a) Physical verification of stock of finished goods, stores, spare parts and raw materials has been conducted by the Management at reasonable intervals.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the accounts.
4. (a) A sum of Rs.105.96 lakhs has been granted to a wholly owned subsidiary company as advance during the year, which is interest free. This, along with an advance granted in the previous year, totalling Rs.3459.05 lakhs is outstanding at the year end. (Maximum outstanding is Rs.3459.05 lakhs)
(b) 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.
(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, there are no undisputed amounts payable in respect of Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty and Cess which were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.

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

(c) According to the information and explanations given to us, the dues of Excise Duty, Sales Tax & Income Tax and which have not been deposited on account of any dispute are furnished below:

Rs. in Lakhs

Forum Where Dispute is Pending	Excise Duty	Sales Tax	Income-tax
High Court	-	-	-
Customs, Excise and Service Tax Appellate Tribunal	158.00	-	-
Commissioner of Central Excise	1.81	-	-
Deputy Commissioner of Central Excise	63.65	-	-
Assistant Commissioner of Central Excise	23.84	-	-
Appellate Tribunal	13.18	11.00	
Assessing Officer	-	1650.00	-
Commissioner of Income-tax (Appeals), Madurai	-	-	352.95

- | | |
|---|--|
| <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 : 24.5.2014

**BALANCE SHEET AS AT 31ST MARCH 2014**

Particulars	Note No.	31.3.2014	Rs. in lakhs 31.3.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	765.70	765.70
(b) Reserves and Surplus	2	19598.94	16287.64
(c) Money received against share warrants			
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	11286.25	10705.40
(b) Deferred tax liabilities (Net)	4	2186.38	2277.83
(c) Other Long term liabilities	5	965.41	2865.10
(d) Long-term provisions	6	231.69	226.75
4 Current liabilities			
(a) Short-term borrowings	7	15213.03	11529.22
(b) Trade payables	8	21570.06	31778.26
(c) Other current liabilities	9	4386.91	1585.99
(d) Short-term provisions	10	7654.69	3852.46
Total		<u>83859.06</u>	<u>81874.35</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	11	22460.76	18259.44
(ii) Intangible assets	11	470.96	282.04
(iii) Capital work-in-progress	11	1618.25	2958.50
(iv) Intangible assets under development	11	427.39	143.03
(b) Non-current investments	12	1925.73	1928.18
(c) Long-term loans and advances	13	5254.47	4992.78
(d) Other non-current assets	14	1245.61	816.19
2 Current assets			
(a) Inventories	15	20665.15	25317.14
(b) Trade receivables	16	26637.59	18643.12
(c) Cash and cash equivalents	17	793.94	4488.76
(d) Short-term loans and advances	18	2359.21	4045.17
Total		<u>83859.06</u>	<u>81874.35</u>
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director

R NARESH
Executive Vice Chairman

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No. 008593

Place : Chennai
Date : 24.5.2014

P SRINIVASAN
Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

			Rs. in lakhs	
Particulars		Note No.	31.3.2014	31.3.2013
I.	Revenue from operations	19	167099.09	147610.35
II.	Other income	20	138.82	4378.78
III.	Total Revenue (I + II)		167237.91	151989.13
IV.	Expenses:			
	Cost of materials consumed	21	108600.70	97170.81
	Purchases of Traded goods		350.21	166.19
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	1472.55	3767.71
	Employee benefit expenses	23	12488.30	11299.65
	Finance costs	24	4423.41	5718.63
	Depreciation and amortization expense	11	2367.44	2421.99
	Other expenses	25	31943.17	26717.36
	Total expenses		161645.78	147262.34
V.	Profit before exceptional and extraordinary items and tax (III-IV)		5592.13	4726.79
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		5592.13	4726.79
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		5592.13	4726.79
X.	Tax expense :			
	(1) Current tax for the year (MAT Payable)		1368.36	994.83
	Less: MAT Credit Entitlement		(429.42)	(816.19)
	Net of MAT Credit Entitlement		938.94	178.64
	(2) Deferred tax		(91.45)	980.41
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		4744.64	3567.74
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		4744.64	3567.74
XVI.	Earnings per equity share:			
	(1) Basic		61.96	46.59
	(2) Diluted		61.96	46.59
	Significant Accounting Policies	26		
	Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director

R NARESH
Executive Vice Chairman

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No. 008593

Place : Chennai
Date : 24.5.2014

P SRINIVASAN
Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Particulars	31.3.2014	31.3.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	5592.13	4726.79
Adjustments for :		
Depreciation	2367.44	2421.99
Interest paid	4423.41	5718.63
Interest received	(82.07)	(158.88)
Dividend Received	-	(25.00)
Rent received	-	(0.18)
(Profit)/Loss on Sale of Assets	2.97	(2547.86)
Provision for doubtful debt	158.18	-
(Profit)/Loss on Sale of Investments	-	(1146.42)
Assets Condemned	-	27.27
Non operating income	(56.75)	(29.53)
	6813.18	4260.02
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12405.31	8986.81
Adjustments for :		
Trade Receivables	(8152.65)	312.20
Other Receivables	1145.89	(1438.26)
Inventories	4651.99	4716.03
Trade and other payables	(7557.92)	7071.78
	(9912.69)	10661.75
Cash Generated From Operations	2492.62	19648.56
Direct taxes paid	1015.21	412.52
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1477.41	19236.04
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(7,218.55)	(2723.33)
Proceeds from disposal of assets	13.01	5529.62
Investments sold	2.45	1,200.00
Dividend received	-	25.00
Non operating income	56.75	29.53
Rent received	-	0.18
Interest received	109.78	99.56
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(7036.56)	4160.56
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(4425.37)	(5313.88)
Proceeds/(Repayment) from short term borrowings	3683.81	(5322.21)
Proceeds/(Repayment) of long term borrowings	3370.85	(5321.03)
Loan to subsidiary	(105.96)	(3353.09)
Loan given / Received back	-	1012.20
Dividend & Dividend tax paid	(659.00)	(1171.15)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	1864.33	(19469.16)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(3694.82)	3927.44
CASH AND CASH EQUIVALENTS - OPENING BALANCE	4488.76	561.32
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	793.94	4488.76

SHOBHANA RAMACHANDHRAN

Managing Director

Place : Chennai

Date : 24.5.2014

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, 2014. 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 24.5.2014 to the members of the Company.

Place : Chennai
Date : 24.5.2014

K S NARAYANASWAMY
Partner
Membership No.008593

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

**NOTES TO FINANCIAL STATEMENTS**

Rs. in lakhs

NOTE 1 - SHARE CAPITAL

31.3.2014 31.3.2013

Authorised

1,00,00,000 Equity Shares of Rs. 10 each 1000.00 1000.00

Issued, Subscribed and fully Paid Up:

76,57,050 Equity Shares of Rs. 10 each 765.70 765.70

Subscribed & Paid up

76,57,050 Equity Shares of Rs.10 each fully paid 765.70 765.70

Subscribed but not fully Paid up

Equity Shares of Rs. 10 each, not fully paid up.

Total 765.70 765.70

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

Other Information :

Equity Share holders 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 share having a par value of Rs. 10/- each. Each share holder 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****NOTE 2 - Reserves and Surplus**

	31.3.2014	31.3.2013
a. Capital Reserves		
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. Securities Premium Account		
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>
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	46.24	46.24
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>46.24</u>	<u>46.24</u>
d. Other Reserves - General Reserve		
Opening Balance	2621.00	2261.00
(+) Current Year Transfer	480.00	360.00
(-) Written Back in Current Year	-	-
Closing Balance	<u>3101.00</u>	<u>2621.00</u>
e. Surplus		
Opening balance	13526.67	10990.81
(+) Net Profit/(Net Loss) For the current year	4744.64	3567.74
(-) Proposed Dividend	1225.13	574.28
(-) Dividend Tax	208.21	97.60
(-) Transfer to Reserves	480.00	360.00
Closing Balance	<u>16357.97</u>	<u>13526.67</u>
Total	<u>19598.94</u>	<u>16287.64</u>

**NOTES TO FINANCIAL STATEMENTS (Contd.)****Rs. in lakhs****NOTE 3 - Long Term Borrowings**

	31.3.2014	31.3.2013
Secured		
(a) Term loans		
from banks	10918.55	10235.03
from other parties	367.70	470.37
Total	<u>11286.25</u>	<u>10705.40</u>

Additional Information :**Details of Security for Secured Loans**

- a) Term Loan Availed from State Bank of India is secured by exclusive first charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist, Uttarakhand and buildings thereon, belonging to the company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No.519 / 1B2, locatd at Narasingampatti Village, Madurai.
- b) Term Loan from Karur Vysya 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.

	31.3.2014	31.3.2013
NOTE 4 - Deferred Tax Liability/Assets		
i) Deferred Tax Liability		
a) On account of Depreciation on Fixed Assets	2558.28	2358.91
b) On account of timing Differences in Recognition of Expenditure	-	-
ii) Deferred Tax Asset		
a) On account of timing Differences in Recognition of Expenditure	(371.90)	(81.08)
Total	<u>2186.38</u>	<u>2277.83</u>

NOTE 5 - Other Long Term Liabilities

(a) Trade Payables	-	-
(b) Others	965.41	2865.10
Total	<u>965.41</u>	<u>2865.10</u>

**NOTES TO FINANCIAL STATEMENTS (Contd.)****Rs. in lakhs****NOTE 6 - Long Term Provisions**

	31.3.2014	31.3.2013
(a) Provision for employee benefits		
Leave Encashment (unfunded)	231.69	226.75
Total	<u>231.69</u>	<u>226.75</u>

NOTE 7 - Short Term Borrowings**Secured**

(a) Loans repayable on demand		
from banks	10178.52	11529.22
from other parties	-	-

Un-secured

(a) Loans repayable on demand		
from banks	5034.51	-
from other parties	-	-
Total	<u>15213.03</u>	<u>11529.22</u>

Additional Information :**a. Details of Security for Secured Loans**

Working Capital facilities availed from State Bank of India are secured by exclusive first charge on the entire current assets of the company, viz Stock of Raw Materials, stock in process, finished goods, spares, consumables, stores & receivables and further by second charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist, Uttarkhand and buildings thereon, belonging to the company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No.519/1 B2, located at Narasingampatti Village, Madurai.

NOTE 8 - Trade Payables

	31.3.2014	31.3.2013
i) To Micro Small and Medium Enterprises	-	-
ii) Others	21570.06	31778.26
Total	<u>21570.06</u>	<u>31778.26</u>

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

Rs. in lakhs

NOTE 9 - Other Current Liabilities

	31.3.2014	31.3.2013
(a) Current maturities of long-term debt	3853.17	1063.17
(b) Current maturities of finance lease obligations	–	–
(c) Interest accrued but not due on borrowings	410.63	412.59
(d) Unpaid dividends	123.11	110.23
Total	<u>4386.91</u>	<u>1585.99</u>

NOTE 10 - Short Term Provisions**(a) Provision for employee benefits**

Salaries & Reimbursements	71.08	273.00
Contribution to Provident Fund	39.92	36.74
Leave encashment	23.47	23.16
Gratuity (Funded)	48.41	139.90
(b) Others - Other Creditors	5497.24	2083.48

(c) Provisions

Taxation Less Advance Tax	541.23	624.30
Dividend	1225.13	574.28
Dividend Tax	208.21	97.60
Total	<u>7654.69</u>	<u>3852.46</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 2013	Additions	Disposals	As at 31 March 2013	Depreciation charge for the year	On disposal	As at 31 March 2014	As at 31 March 2013
a								
Tangible Assets								
Land - Freehold	106.04	6.47	0.95	-	-	-	111.56	106.04
Land - Leasehold	285.36	-	-	12.37	3.17	-	269.82	272.99
Buildings	6702.43	681.84	14.41	912.02	224.46	4.03	6237.41	5790.41
Plant and Machinery	20160.05	5239.90	1.04	9895.83	1872.20	0.84	13631.72	10264.22
Furniture and Fixtures	399.52	39.75	-	203.60	21.87	-	213.80	195.92
Vehicles	125.73	5.11	11.62	45.46	11.44	7.18	69.50	80.27
Office equipment	411.15	100.85	1.64	199.77	56.82	1.63	255.40	211.38
Others (Electrical)	1668.37	417.06	-	330.16	83.72	-	1671.55	1338.21
Total	29858.65	6490.98	29.66	11599.21	2273.68	13.68	22460.76	18259.44
b								
Intangible Assets								
Computer software	398.84	282.68	-	116.80	93.76	-	470.96	282.04
Total	398.84	282.68	-	116.80	93.76	-	470.96	282.04
c								
Capital Work In Progress								
Total	-	-	-	-	-	-	1618.25	2958.50
d								
Intangible assets under Development								
GRAND TOTAL	30257.49	6773.66	29.66	11716.01	2367.44	13.68	24977.36	21643.01
Previous Year	29311.94	6262.66	5317.11	11602.10	2421.99	2308.08	21643.01	11716.01

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 12 - Non Current Investments

Rs. in lakhs

As at 31.3.2014	As at 31.3.2013
--------------------	--------------------

Non Trade

Investment in Equity instruments

1934.29	1936.74
---------	---------

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

8.56	8.56
------	------

Total

1925.73	1928.18
---------	---------

Details of Non Trade Investments

Rs. in lakhs

Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity/ Others	No. of Shares/units		Partly Paid/ Fully paid	Quoted/ Unquoted	Extent of Holding (%)		Amount (Rs. in lakhs)		Whether stated at Cost Yes/No	If Answer to Column (9) is 'No' - Basis of Valuation
		As at 31 March 2014	As at 31 March 2013			As at 31 March 2014	As at 31 March 2013				
Investment in Equity Instruments											
TVS Europe Distribution Ltd	Subsidiary	2125000/ 1 GBP	2125000 / 1 GBP	Fully paid	Unquoted	56	56	1720.72	1720.72	yes	-
TVS Srichakra Investment Ltd	Subsidiary	2050000 / Rs 10	2050000 / Rs 10	Fully paid	Unquoted	100	100	205.00	205.00	yes	-
Van Leeuwen Tyres & Wheels BV	Associate	15000 / 1 Euro	15000 / 1 Euro	Fully paid	Unquoted	30	30	8.57	8.57	yes	-
Arkey Energy (Rameshwaram) Ltd	Others	24500/ Rs 10	24500/ Rs 10*	Fully Paid	Unquoted	-	-	2.45	2.45	yes	-
Total								1934.29	1936.74		
Less : Provision for diminution in the value of Investments in an earlier year								8.56	8.56		
Total								1925.73	1928.18		
* Sold during the year											

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

Rs. in lakhs

NOTE 13 - Long Term Loans and Advances

31.3.2014 31.3.2013

a. Capital Advances

Secured, considered good	-	-
Unsecured, considered good	412.46	332.87
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<u>412.46</u>	<u>332.87</u>

b. Security Deposits

Secured, considered good	-	-
Unsecured, considered good	902.88	870.08
	<u>902.88</u>	<u>870.08</u>

c. Loans and advances to related parties

Secured, considered good	-	-
Unsecured, considered good	3458.02	3353.09
	<u>3458.02</u>	<u>3353.09</u>

d. Other loans and advances

Secured, considered good	-	-
Unsecured, considered good	481.11	436.74
	<u>481.11</u>	<u>436.74</u>

Total	<u>5254.47</u>	<u>4992.78</u>
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NOTE 14 - Other non-current assets

MAT Credit Entitlement	1245.61	816.19
Total	<u>1245.61</u>	<u>816.19</u>

NOTE 15 - Inventories As certified by Managing Director

a. Raw Materials and components at cost	13925.29	17130.42
b. Work-in-progress at cost	1197.65	2009.67
c. Finished goods at lower of cost and realisable value	4802.24	5395.01
d. Stock-in-trade at cost	28.29	96.05
e. Stores and spares at cost	711.68	685.99
Total	<u>20665.15</u>	<u>25317.14</u>

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

Rs. in lakhs

NOTE 16 - Trade Receivables

	31.3.2014	31.3.2013
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	26415.90	18377.21
	<u>26415.90</u>	<u>18377.21</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	221.69	265.91
Unsecured, considered Doubtful	192.72	34.54
Provision for Doubtful debts	(192.72)	(34.54)
	<u>221.69</u>	<u>265.91</u>
Total	<u>26637.59</u>	<u>18643.12</u>

NOTE 17 - Cash and Cash Equivalents

a. Balances with banks		
- In Unpaid Dividend Accounts	123.31	110.43
- In Margin money	378.97	854.66
- 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	267.99	4.44
- In Current Accounts	5.46	504.72
b. Cheques, drafts on hand	-	-
c. Cash on hand	18.21	14.51
d. Others	-	-
Total	<u>793.94</u>	<u>4488.76</u>

NOTE 18 - Short Term Loans and Advances**a. Loans and advances to related parties**

Unsecured, considered good	-	25.88
	<u>-</u>	<u>25.88</u>

b. Others

Unsecured, considered good	2359.21	4019.29
	<u>2359.21</u>	<u>4019.29</u>
Total	<u>2359.21</u>	<u>4045.17</u>

**NOTES TO FINANCIAL STATEMENTS (Contd.)****Rs. in lakhs****NOTE 19 - Revenue from operations**

	31.3.2014	31.3.2013
Sale of products	180135.43	159608.76
Sale of services	-	-
Other operating revenues	1208.79	516.50
Excise duty	(14245.13)	(12514.91)
Total	<u>167099.09</u>	<u>147610.35</u>

NOTE 20 - Other Income

Interest Income	82.07	158.88
Dividend Income - Long Term Investments	-	25.00
Profit on Sale of Fixed Assets (Net)	-	2547.86
Exchange Rate Gain & Loss	-	471.09
Profit on Sale of Investments	-	1146.42
Other non-operating income (net of expenses directly attributable to such income)	56.75	29.53
Total	<u>138.82</u>	<u>4378.78</u>

NOTE 21 - Cost of Materials Consumed

Opening Stock	17130.42	18244.44
Add : Purchase (includes processing Rs. 2894.73 lakhs) (Previous year Rs. 2151.33 lakhs)	105395.57	96056.79
Total	<u>122525.99</u>	<u>114301.23</u>
Less : Closing Stock	13925.29	17130.42
Cost of Materials consumed	<u>108600.70</u>	<u>97170.81</u>

NOTE 22 - (Increase) / Decrease in Stock

Opening Stock Finished goods & Traded goods	5491.06	8123.23
Opening Stock Work in progress	2009.67	3145.21
Closing Stock of Finished goods & Traded Goods	4830.53	5491.06
Closing Stock of Work in progress	1197.65	2009.67
(Increase) / Decrease in Finished goods & Traded Goods	660.53	2632.17
(Increase) / Decrease in Work in progress	812.02	1135.54
Total (Increase) / Decrease in Stock	<u>1472.55</u>	<u>3767.71</u>

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

Rs. in lakhs

NOTE 23 - Employee Benefit Expenses

	31.3.2014	31.3.2013
(a) Salaries and wages	10060.03	9316.51
(b) Contributions to -		
(i) Superannuation Fund	65.33	68.00
(ii) Gratuity fund contributions	48.41	139.90
(iii) Provident Fund	643.41	591.95
(c) Remuneration to Whole time directors	327.46	118.88
(d) Staff welfare expenses	1343.66	1064.41
Total	<u>12488.30</u>	<u>11299.65</u>

NOTE 24 - Finance Costs

Interest expense	4137.86	5363.45
Other borrowing costs	285.55	355.18
Total	<u>4423.41</u>	<u>5718.63</u>

NOTE 25 - Other Expenses

Consumption of Stores & Spares	3951.90	3646.86
Power & Fuel	7088.07	6421.13
Repairs to building	205.89	387.37
Repairs to machinery	560.69	446.52
Repairs Others	130.78	50.23
Insurance	287.05	229.43
Rates & taxes	350.80	260.48
Telephone & Internet Charges	96.17	95.74
Exchange Rate Gain & Loss	83.84	-
Travelling Expense	630.52	636.54
Business Promotion	1534.03	1394.20
Freight Out	4899.41	4269.91
Bad Debts written off	-	5.50
Provision for doubtful debts	158.18	34.54
Loss on Sale of Fixed Assets	2.97	-
Assets condemned	-	27.27
Remuneration to non Whole time directors - Commission	61.57	12.04
Commission & Discount	8142.02	5413.59
Rent & Lease rentals	1602.40	638.94
Audit Fees	9.30	9.30
Donation	5.69	2.39
Consultancy	1221.79	1992.53
Warranty Claims	674.35	491.58
Other expenses	245.75	251.27
Total	<u>31943.17</u>	<u>26717.36</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.

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

**26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****8. AS 13: Accounting for Investments:**

All the investments are long term investments. Diminutions 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)

LEAVE ENCASHMENT		
Particulars	31.3.2014	31.3.2013
Obligations at period beginning	249.91	164.74
Service Cost	41.60	120.65
Interest cost	20.27	9.98
Actuarial (gain)/loss	(1.35)	42.09
Benefits paid	(55.27)	(87.55)
Amendment in benefit plans	-	-
Obligations at the period end	255.16	249.91

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

Rs. In Lakhs

GRATUITY		
Particulars	31.3.2014	31.3.2013
Obligations at period beginning	1174.26	982.64
Service Cost	53.67	158.67
Interest cost	104.55	79.23
Actuarial (gain)/loss	(19.76)	(1.91)
Benefits paid	(55.81)	(44.37)
Amendment in benefit plans	-	-
Obligations at the period end	1256.91	1174.26

GRATUITY		
Change in plan assets	31.3.2014	31.3.2013
Plan assets at the beginning of the year	1034.36	811.49
Expected return on the plan assets	86.14	69.99
Actuarial gain/(loss)	3.60	26.10
Contributions	139.90	171.15
Benefits paid	(55.81)	(44.37)
Difference in Opening Balance	0.31	-
Plan assets at the year end, fair value	1208.50	1034.36

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	1208.50
Defined plan obligations at the year end	1256.91
Assets/(liabilities) recognized in the Balance Sheet	48.41

Assumptions:	Gratuity	Leave Encashment
Interest Rate	9.12%	9.12%
Discount Factor	9.12%	9.12%
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	31.3.2014	31.3.2013
Service Cost	53.67	158.67
Interest Cost	104.55	79.23
Expected return on plan assets	(86.14)	(69.99)
Actuarial (gains)/losses	(23.36)	(28.01)
Difference in Opening Balance	0.31	–
Net gratuity cost	48.41	139.90

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

11. AS 17: Segment reporting:

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

12. AS 19: Leases:

The operating lease entered in the immediately preceding year is for a period of 10 years. The details of maturity profile of future operating lease payments are furnished below:

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

	Rs. In Lakhs
– Not later than one year	1076.64
– Later than one year and not later than five years	6384.98
– Later than five years	101.28

- b. Total of minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date Not Applicable
- c. Lease payments recognized in the Statement of Profit and Loss for the year under the head rent paid Rs.742.66 Lakhs.

13. AS 20: Earnings Per Share:

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

**26. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****14. AS 22: Accounting for taxes on income:**

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

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 :	31.3.2014	31.3.2013
Balance at the beginning of the year	5004.04	12648.47
Additions / (Deletions) during the year	2484.07	(7644.43)
Balance at the end of the year	7488.11	5004.04

Liabilities disputed and not provided for:		
- Income tax, Sales Tax & Excise duty:		
Balance at the beginning of the year	215.25	204.79
Additions / (Deletions) during the year	2059.18	10.46
Balance at the end of the year	2274.43	215.25



27 NOTES ON ACCOUNTS

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

b) The company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application

The main Raw Materials in the production are as follows:

a) Natural Rubber b) Carbon Black c) Synthetic Rubber d) Butyle Rubber e) Chemical & Oils f) Bead wire g) Valves

		Rs. in lakhs		
		31.3.2014		31.3.2013
c)	CIF Value of Imports			
	1 Raw Materials	29822.09		28751.90
	2 Spares	15.89		19.02
	3 Capital Goods	275.22		516.66
d)	Consumption of imported and indigenous raw materials and components			
		%		%
	1 Imported	33.55	35461.35	35.11
	2 Indigenous	66.45	70244.62	64.89
e)	Consumption of imported and indigenous Stores and Spares			
	1 Imported	22.00	869.45	-
	2 Indigenous	78.00	3082.45	100.00
f)	Earnings in foreign exchange			
	1 F.O.B. value of goods exported		22375.85	19694.96
	2 Interest		-	42.50
g)	Expenditure incurred in Foreign Currency on			
	1 Consultancy		412.40	444.69
	2 Interest		996.58	1004.97
	3 Other Matters		228.88	221.99

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

		Rs. in lakhs
	31.3.2014	31.3.2013
h)		
1. Remuneration to Managing Director		
Salaries & Allowances	81.16	70.70
Commission	123.15	24.09
Contribution to Provident & Other Funds	12.96	11.34
2. Remuneration to Executive Vice Chairman		
Commission	123.15	24.09
i)		
Interest Paid includes:		
1 Interest on Fixed Loans	2315.18	1184.77
2 Interest Capitalised	74.45	140.00
j)		
Tax deducted at Source from Interest	6.80	7.98
k)		
Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	1270.10	1228.30
l)		
Payments to auditors		
a. for audit	7.00	7.00
b. for taxation matters	0.45	0.45
c. for Certification	1.25	1.25
d. for Income Tax Work	0.10	0.10
e. for reimbursement of expenses	0.50	0.50
m)		
Contingent Liabilities not provided for:		
a) Estimated amount of contracts remaining to be executed on capital account	1093.10	1057.05
b) On Letters of Credit opened by Company's Bankers	6322.68	3801.39
c) Excise Duty under Dispute	247.30	202.13
d) Sales Tax under Dispute	1663.18	13.12
e) Customs duty on goods lying at Bonded Warehouse	72.33	145.60
f) Income Tax under Dispute	363.95	—

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

	Rs. in lakhs	
	31.3.2014	31.3.2013
n) Details of Research and Development Expenditure		
(i) Capital Expenditure		
a) Plant & Machinery	594.05	229.32
b) Electrical Installations	–	1.95
c) Vehicles	5.11	4.48
d) Computers	6.93	0.73
e) Furniture	0.70	–
f) Buildings	195.93	5.20
g) Intangible Assets	5.09	–
h) Capital work in progress (P & M)	18.90	–
Total	826.71	241.68
(ii) Revenue Expenditure		
a) Raw Materials consumed	840.55	163.98
b) Stores & Spares consumed	5.69	18.59
c) Salaries, Wages, Bonus and Allowances	278.39	278.36
d) Freight	9.97	19.26
e) Rent including lease rentals	2.16	7.94
f) Rates & Taxes	18.54	12.41
g) Insurance	–	0.78
h) Travelling expenses	61.36	98.24
i) Repairs & Maintenance	142.84	103.66
j) Consultancy - Foreign	460.48	329.88
k) Consultancy - Domestic	146.43	–
l) Others	169.34	152.91
Total	2135.75	1186.01
Total Research and Development expenditure	2962.46	1427.69

**27 NOTES ON ACCOUNTS (Contd.)****o) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)**

Description of relationship and Names of related parties:

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

(Rs. in lakhs)

Sl. No.	Particulars	Subsidiary	Associates	Key Management Personnel	Enterprise with Common Key Management Personnel
A	Transactions for the year ended 31.3.2014				
1	Purchases	–	70.53 (103.46)	–	287.69 (338.48)
2	Sales	–	8880.53 (8886.03)	–	136.84 (221.14)
3	Interest Paid	–	–	–	–
4	Interest Received	–	18.49	–	–
		(37.89)	–	–	(15.60)
5	Services rendered	–	535.16 (402.51)	–	4.33 (0.96)
6	Services received	–	94.73 (101.91)	343.61 (133.94)	3.81 (8.15)
7	Loans Given	–	2000.00	–	–
8	Loans Repaid	–	2000.00	–	–
		(1012.20)	–	–	–
9	Sale of Investments	–	–	–	–
		(1200.00)	–	–	–
10	Advance	105.96 (3353.09)	–	–	–
B	Outstanding as on 31.3.2014				
1	Receivable	3459.05 (3378.42)	783.97 (800.58)	–	10.57 (26.57)
2	Payable	–	–	246.30 (48.18)	–

Figures in brackets are that of previous year.

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

		Rs. in lakhs
	31.3.2014	31.3.2013
p) Trade Payables and Short Term Provisions includes:		
a) Acceptances	8322.35	11666.30
b) Due to Managing Director	123.15	24.09
c) Due to Executive Vice Chairman	123.15	24.09
d) Due to Non-Whole Time Directors	61.57	12.04
q) No amount is due as on 31st March, 2014 for credit to Investor Education and Protection Fund.		
r) Details of Earnings Per Share		
Profit after tax	Rs. In Lakhs 4744.64	3567.74
No. of equity shares	Nos 7657050	7657050
Face value of share	Rs 10.00	10.00
Basic Earnings per share	Rs 61.96	46.59
s) Terms of repayment of Term Loan		
1. Term loan from State Bank of India is repayable in 66 monthly installments commencing from October 2010		
2. Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2014		
3. Term loan from Karur Vysya Bank Limited is repayable in 72 monthly installments commencing from October 2011		
4. Hire Purchase Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
5. ECB Loan from DBS Bank Limited is repayable in 20 Quarterly installments commencing from January 2014		
6. Term loan from DBS Bank is repayable in 16 quarterly installments commencing from January 2012		
t) An amount of Rs. 16/- per share has been approved by the board of directors towards dividend.		

SHOBHANA RAMACHANDHRAN
Managing Director

R NARESH
Executive Vice Chairman

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No. 008593

Place : Chennai
Date : 24.5.2014

P SRINIVASAN
Secretary



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**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.3.2014**



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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, 2014, the consolidated Statement of Profit and Loss, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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 : 24.5.2014

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014**

Particulars	Note No.	Rs. in lakhs	
		31.3.2014	31.3.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	765.70	765.70
(b) Reserves and surplus	2	19609.91	15361.66
(c) Money received against share warrants		—	—
2 Share application money pending allotment		—	—
3 Minority Interest		3068.73	2233.99
4 Non-current liabilities			
(a) Long-term borrowings	3	17826.41	15615.31
(b) Deferred tax liabilities (Net)	4	2193.75	2283.90
(c) Other Long term liabilities	5	1416.62	3237.09
(d) Long-term provisions	6	231.69	226.75
5 Current liabilities			
(a) Short-term borrowings	7	16381.32	11961.50
(b) Trade payables	8	26825.09	35751.05
(c) Other current liabilities	9	4879.49	2834.30
(d) Short-term provisions	10	7838.13	3964.56
	TOTAL	<u>101036.84</u>	<u>94235.81</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	11	24875.43	20560.65
(ii) Intangible assets	11	8955.40	7277.02
(iii) Capital work-in-progress	11	1618.25	2958.50
(iv) Intangible assets under development		427.39	143.03
(b) Non-current investments	12	53.59	56.04
(c) Long-term loans and advances	13	1799.83	1639.69
(d) Other non-current assets	14	1245.61	816.19
2 Current assets			
(a) Inventories	15	25383.78	28982.07
(b) Trade receivables	16	32446.38	22680.27
(c) Cash and cash equivalents	17	925.72	4649.85
(d) Short-term loans and advances	18	3305.46	4472.50
	TOTAL	<u>101036.84</u>	<u>94235.81</u>
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director

R NARESH
Executive Vice Chairman

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

Place : Chennai
Date : 24.5.2014

P SRINIVASAN
Secretary

K S NARAYANASWAMY
Partner
Membership No. 008593

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Note No.	(Rs. in lakhs)	
		31.3.2014	31.3.2013
I. Revenue from operations	19	191175.94	165193.84
II. Other income	20	170.56	3151.42
III. Total Revenue (I + II)		191346.50	168345.26
IV. Expenses:			
Cost of materials consumed	21	108600.70	97170.81
Purchases of Traded goods		16775.13	12595.38
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	418.85	3238.96
Employee benefit expenses	23	14791.90	13079.94
Finance costs	24	4952.91	6222.45
Depreciation and amortization expense	11	2485.84	2480.52
Other expenses	25	35842.46	29077.57
Total expenses		183867.79	163865.63
V. Profit before exceptional and extraordinary items and tax (III - IV)		7478.71	4479.63
VI. Exceptional items		-	178.36
VII. Profit before extraordinary items and tax (V - VI)		7478.71	4657.99
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		7478.71	4657.99
X Tax expense :			
(1) Current tax		1626.12	1211.10
Less: MAT Credit Entitlement		(429.42)	(816.19)
Net of MAT Credit Entitlement		1196.70	394.91
(2) Deferred tax		(91.45)	980.41
XI Profit/(Loss) for the period from continuing operations (IX - X)		6373.46	3282.67
Minority Interest		860.73	563.55
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		5512.73	2719.12
XVI Earnings per equity share:			
(1) Basic		72.00	35.51
(2) Diluted		72.00	35.51
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing DirectorR NARESH
Executive Vice ChairmanAs per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 SPlace : Chennai
Date : 24.5.2014P SRINIVASAN
SecretaryK S NARAYANASWAMY
Partner
Membership No. 008593

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	31.3.2014	31.3.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before taxation and extraordinary item	7478.71	4479.63
Adjustments for :		
Depreciation	2485.84	2480.52
Finance Costs	4952.91	6222.45
Interest received	(82.07)	(120.65)
Dividend Received	(25.00)	(25.00)
Rent received	-	(0.18)
Minority Share of Profits	(860.73)	(563.55)
Adjustment for foreign exchange reserve	170.15	(30.08)
Provision for doubtful debts	158.18	59.90
(Profit)/ Loss on Sale of Assets	1.19	(2547.86)
Assets condemned	-	27.27
Non operating income	(63.49)	(29.53)
	<u>6736.98</u>	<u>5473.29</u>
	14215.69	9952.92
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for :		
Trade Receivables	(9924.29)	(130.94)
Other Receivables	1044.42	(1727.92)
Inventories	3598.29	4187.28
Trade and other payables	(5906.34)	7610.92
	<u>(11187.92)</u>	<u>9939.34</u>
Cash Generated From Operations	3027.77	19892.26
Direct taxes paid	1747.20	1397.44
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u>1280.57</u>	<u>18494.82</u>
Extraordinary & Exceptional Items	-	178.36
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u>1280.57</u>	<u>18673.18</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(8945.24)	(4942.68)
Proceeds from disposal of assets	20.16	5,605.66
Dividend received	25.00	25.00
Non operating income	63.49	29.53
Rent received	-	0.18
Sale of investments	2.45	-
Interest received	124.14	71.84
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	<u>(8710.00)</u>	<u>789.53</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Cost	(4954.86)	(5817.70)
Increase in Minority equity	834.74	1629.69
Proceeds/ (Repayment) from short term borrowings	4419.82	(11183.88)
Proceeds/(Repayment) of long term borrowings	4064.60	617.89
Dividend & Dividend tax paid	(659.00)	(1171.15)
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)	<u>3705.30</u>	<u>(15925.15)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(3724.13)</u>	<u>3537.56</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	4649.85	1112.29
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	925.72	4649.85

SHOBHANA RAMACHANDHRAN
Managing Director

Place : Chennai
Date : 24.5.2014

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, 2014. 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 24.5.2014 to the members of the Company.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No.008593

Place : Chennai
Date : 24.5.2014

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**

Rs. in lakhs

NOTE 1 - SHARE CAPITAL

Particulars	31.3.2014	31.3.2013
Authorised		
1,00,00,000 Equity Shares of Rs. 10 each	1000.00	1000.00
Issued, Subscribed and fully Paid Up:		
76,57,050 Equity Shares of Rs. 10 each	765.70	765.70
Subscribed & Paid up		
76,57,050 Equity Shares of Rs.10 each fully paid	765.70	765.70
Subscribed but not fully Paid up		
Equity Shares of Rs. 10 each, not fully paid up.		
Total	<u>765.70</u>	<u>765.70</u>

Particulars	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>

Other Information :

Equity Share holders 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 share holder 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

NOTE 2 - RESERVES AND SURPLUS

Particulars	31.3.2014	31.3.2013
a. Capital Reserves		
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. Securities Premium Account		
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>
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	46.24	46.24
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	<u>46.24</u>	<u>46.24</u>
d. Other Reserves - General Reserve		
Opening Balance	2621.00	2261.00
(+) Current Year Transfer	480.00	360.00
(-) Written Back in Current Year		
Closing Balance	<u>3101.00</u>	<u>2621.00</u>
e. Surplus		
Opening balance	12618.54	10931.30
(+) Net Profit/(Net Loss) For the current year	5512.73	2719.12
(-) Proposed Dividend	1225.13	574.28
(-) Dividend Tax	208.21	97.60
(-) Transfer to Reserves	480.00	360.00
Closing Balance	<u>16217.93</u>	<u>12618.54</u>
f. Foreign Currency Translation Reserve	151.01	(17.85)
Total	<u>19609.91</u>	<u>15361.66</u>

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

Rs. in lakhs

31.3.2014

31.3.2013

NOTE 3 - LONG TERM BORROWINGS**Secured****(a) Term loans**

from banks

17143.62

15144.94

from other parties

682.79

470.37

Total Long Term Borrowings

17826.41

15615.31

Additional Information :

Details of Security for Secured Loans

- a) Term Loan Availed from State Bank of India is secured by exclusive first charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Uttam Singh Dist, Uttarakhand and buildings thereon, belonging to the company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No.519/1B2, located at Narasingampatti Village, Madurai.
- b) Term Loan from Karur Vysya Bank Ltd., is secured by hypothecation of Specific Plant and Machinery located at 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, Uttarakhand 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 subsidiary company's bank loan is secured by 90% of the issued share capital of its subsidiary undertaking together with a corporate guarantee from its subsidiary undertaking and a floating charge over the assets of its subsidiary undertaking.

NOTE 4 - Deferred Tax Liability/Assets

i) Deferred Tax Liability

a) On Account of Depreciation on Fixed Assets

2565.65

2363.84

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

(371.90)

(81.08)

Total

2193.75

2283.90

NOTE 5 - Other Long Term Liabilities

(a) Trade Payables

-

-

(b) Others

1416.62

3237.09

Total

1416.62

3237.09

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)****Rs. in lakhs****31.3.2014****31.3.2013****NOTE 6 - Long Term Provisions****(a) Provision for employee benefits**

Leave Encashment (unfunded)

231.69

226.75

(b) Others

Provision for Taxation

-

-

Total

231.69**226.75****NOTE 7 - Short Term Borrowings****Secured****Loans repayable on demand**

from banks

11047.26

11961.50

from other parties

-

-

Unsecured

from banks

5334.06

-

Total

16381.32**11961.50****Additional Information :****a. Details of Security for Secured Loans**

Working Capital facilities availed from State Bank of India are secured by exclusive first charge on the entire current assets of the company, viz Stock of Raw Materials, stock in process, finished goods, spares, consumables, stores & receivables and further by second charge on the assets created out of the term loans including 1) Equitable Mortgage of Lease hold rights over 28424 Sq mt plot of land, Plot No 7, Sector I, Industrial Area, I.I.E Pant Nagar, Rudrapur, Tehsil - Kicha Dist., Uttarakhand and buildings thereon, belonging to the company and 2) Equitable mortgage over Land (1.90 acres) and Building at Survey No.519/1B2, located at Narasingampatti Village, Madurai.

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

NOTE 8 - Trade Payables

i) To Micro Small and Medium Enterprises

-

-

ii) Others

26825.09

35751.05

Total

26825.09**35751.05**

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

		Rs. in lakhs
	31.3.2014	31.3.2013
NOTE 9 - Other Current Liabilities		
(a) Current maturities of long-term debt	3945.68	2092.18
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	410.64	412.59
(d) Unpaid dividends	123.11	110.23
(e) Others	400.06	219.30
Total	<u>4879.49</u>	<u>2834.30</u>
NOTE 10 - Short Term Provisions		
(a) Provision for employee benefits		
Salaries & Reimbursements	71.08	273.00
Contribution to Provident Fund	181.01	75.60
Leave encashment	23.47	23.16
Gratuity (Funded)	48.41	139.90
(b) Others - Other Creditors	5504.37	2083.48
(c) Provisions		
Taxation Less Advance Tax	576.45	697.54
Dividend	1225.13	574.28
Dividend Tax	208.21	97.60
Total	<u>7838.13</u>	<u>3964.56</u>



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 2013	As at 31 March 2014	As at 31 March 2013	Depreciation charge for the year	On disposals	As at 31 March 2014	As at 31 March 2013
a Tangible Assets							
Land - Freehold	1342.49	1511.03	-	-	-	1511.03	1342.49
Land - Leasehold	285.36	285.36	12.37	3.17	-	269.82	272.99
Buildings	7616.05	8283.81	912.27	254.97	4.03	7120.60	6703.78
Plant and Machinery	20178.21	25424.25	9898.31	1877.79	0.84	13648.99	10279.90
Furniture and Fixtures	500.48	550.95	236.48	62.98	-	251.49	264.00
Vehicles	146.86	128.63	54.12	15.69	13.53	72.35	92.74
Office equipment	491.70	619.24	226.71	93.76	1.63	300.40	264.99
Others	1668.36	2085.42	330.16	83.72	-	1671.54	1338.20
(Electrical)							
Translation adjustment	1.56	29.21	-	-	-	29.21	1.56
Total	32231.07	38917.90	11670.42	2392.08	20.03	24875.43	20560.65
b Intangible Assets							
Goodwill	6881.30	6881.30	-	-	-	6881.30	6881.30
Computer software	398.83	681.51	116.80	93.76	-	470.95	282.03
Translation adjustment	113.69	1603.15	-	-	-	1603.15	113.69
Total	7393.82	9165.96	116.80	93.76	-	8955.40	7277.02
c Capital Work In Progress							
Total	-	-	-	-	-	1618.25	2958.50
d Intangible assets underDevelopment							
Total	-	-	-	-	-	427.39	143.03
GRAND TOTAL	39624.89	48083.86	11787.22	2485.84	20.03	35876.47	30939.20
Previous Year	36569.93	39624.89	11793.15	2480.52	2486.45	30939.20	



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 12 - Non Current Investments

Non Trade

Rs. in lakhs

	31.3.2014	31.3.2013
Particulars		
Investment in Equity instruments	122.05	124.50
Less : Provision for diminution in the value of Investments in an earlier year	68.46	68.46
Total	53.59	56.04

Details of Non Trade Investments

Rs. in lakhs

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 to Column (9) is 'No' - Basis of Valuation
		As at 31 March 2014	As at 31 March 2013			As at 31 March 2014	As at 31 March 2013				
Investment in Equity Instruments											
Van Leeuwen 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	599000 / Rs 10	Unquoted	Fully paid	50	50	59.90	59.90	yes	-
Arkay Energy (Rameshwaram) Ltd	Others		24500 / Rs 10*	Unquoted	Fully Paid	-	-	-	2.45	yes	-
Total								122.05	124.50		
Less : Provision for diminution in the value of Investments								68.46	68.46		
Total								53.59	56.04		
*Sold during the year											

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

	31.3.2014	31.3.2013
NOTE 13 - Long Term Loans and Advances		
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	412.46	332.87
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	<u>412.46</u>	<u>332.87</u>
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	902.89	870.08
	<u>902.89</u>	<u>870.08</u>
c. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
	<u>-</u>	<u>-</u>
d. Other loans and advances		
Secured, considered good	-	-
Unsecured, considered good	484.48	436.74
	<u>484.48</u>	<u>436.74</u>
Total	<u>1799.83</u>	<u>1639.69</u>
NOTE 14 - Other Non Current Assets		
MAT Credit Entitlement	1245.61	816.19
Total	<u>1245.61</u>	<u>816.19</u>
NOTE 15 - Inventories As certified by Managing Director		
a. Raw Materials and components at cost	13925.29	17130.42
b. Work-in-progress at cost	1197.65	2009.67
c. Finished goods at lower of cost and realisable value	4802.24	5395.01
d. Stock-in-trade at cost	4746.92	3760.98
e. Stores and spares at cost	711.68	685.99
Total	<u>25383.78</u>	<u>28982.07</u>

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

	31.3.2014	31.3.2013
NOTE 16 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	32224.69	22414.36
	<u>32224.69</u>	<u>22414.36</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Unsecured, considered good	221.69	265.91
Unsecured, considered Doubtful	192.72	34.54
Provision for Doubtful debts	(192.72)	(34.54)
	<u>221.69</u>	<u>265.91</u>
Total	<u>32446.38</u>	<u>22680.27</u>
NOTE 17 - Cash and Cash Equivalents		
a. Balances with banks		
- In Unpaid Dividend Accounts	123.31	110.43
- In Margin money	378.97	854.66
- In Deposits accounts with Maturity of less than 3 Months from the Balance Sheet date	-	3000.00
- In Deposits accounts with Maturity of less than 12 Months from the Balance Sheet date	267.99	4.44
- In Current Accounts	137.24	664.90
b. Cheques, drafts on hand	-	-
c. Cash on hand	18.21	15.42
d. Others	-	-
Total	<u>925.72</u>	<u>4649.85</u>
NOTE 18 - Short Term Loans and Advances		
a. Loans and advances to related parties		
Unsecured, considered good	15.60	15.60
	<u>15.60</u>	<u>15.60</u>
b. Others		
Unsecured, considered good	3289.86	4456.90
	<u>3289.86</u>	<u>4456.90</u>
Total	<u>3305.46</u>	<u>4472.50</u>

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)****Rs. in lakhs****NOTE 19 - Revenue from operations**

	31.3.2014	31.3.2013
Sale of products	180135.43	159608.76
Sale of Traded Goods	24076.85	17583.49
Other operating revenues	1208.79	516.50
Excise duty	(14245.13)	(12514.91)
Total	<u>191175.94</u>	<u>165193.84</u>

NOTE 20 - Other Income

Interest Income - Long Term Investments	-	-
Interest Income	82.07	120.65
Dividend Income - Long Term Investments	25.00	25.00
Profit on Sale of Fixed Assets (Net)	-	2547.86
Exchange Rate Gain & Loss	-	428.38
Other non-operating income (net of expenses directly attributable to such income)	63.49	29.53
Total	<u>170.56</u>	<u>3151.42</u>

NOTE 21 - Cost of Materials Consumed

Opening Stock	17130.42	18244.44
Add: Purchase (includes processing charges Rs. 2894.73 lakhs - Previous year Rs. 2151.33 lakhs)	105395.57	96056.79
Total	<u>122525.99</u>	114301.23
Less: Closing Stock	13925.29	17130.42
Cost of Materials consumed	<u>108600.70</u>	<u>97170.81</u>

NOTE 22 - (Increase) / Decrease in Stock

Opening Stock Finished goods & Traded goods	9155.99	11259.41
Opening Stock Work in progress	2009.67	3145.21
Closing Stock of Finished goods & Traded Goods	9549.16	9155.99
Closing Stock of Work in progress	1197.65	2009.67
(Increase) / Decrease in Finished goods & Traded Goods	(393.17)	2103.42
(Increase) / Decrease in Work in progress	812.02	1135.54
Total (Increase) / Decrease in Stock	<u>418.85</u>	<u>3238.96</u>

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

	31.3.2014	31.3.2013
NOTE 23 - Employee Benefit Expenses		
(a) Salaries and wages	12183.18	10970.04
(b) Contributions to -		
(i) Superannuation Fund	65.33	68.00
(ii) Gratuity fund contributions	48.41	139.90
(iii) Provident Fund	643.41	591.95
(c) Remuneration to Whole time directors	327.47	118.88
(d) Staff welfare expenses	1524.10	1191.17
Total	<u>14791.90</u>	<u>13079.94</u>
NOTE 24 - Finance Costs		
Interest expense	4667.32	5867.27
Other borrowing costs	285.59	355.18
Total	<u>4952.91</u>	<u>6222.45</u>
NOTE 25 - Other Expenses		
Consumption of Stores & Spares	3951.90	3646.86
Power & Fuel	7090.30	6421.13
Repairs to building	205.89	387.37
Repairs to machinery	561.02	446.52
Repairs Others	130.78	50.23
Insurance	287.06	229.43
Rates & taxes	353.28	263.50
Telephone & Internet Charges	96.17	95.74
Travelling Expense	630.52	636.54
Business Promotion	1534.03	1394.20
Freight Out	4899.41	4269.91
Bad Debts written off	365.67	5.50
Provision for doubtful debts	158.18	34.54
Loss on Sale of Fixed Assets	1.19	27.27
Exchange Rate Gain & Loss	130.53	-
Remuneration to non Whole time directors-commission	61.57	12.04
Commission & Discount	8587.82	5413.59
Rent & Lease rentals	1631.32	943.43
Audit Fees	9.30	9.30
Donation	6.81	2.39
Provision for diminution in investments	-	59.90
Consultancy	1221.79	2016.42
Warranty Claims	674.35	491.58
Other expenses	3253.57	2220.18
Total	<u>35842.46</u>	<u>29077.57</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	100.00%
TVS Europe Distribution Limited, UK	56.67%
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 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 dispatched.

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 statement of profit and loss.

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 date of incorporation 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.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)****l) Accounting for retirement benefits:**

The company provides for gratuity, a defined benefit retirement plan, covering eligible employees. In accordance with the provisions of the Payment of Gratuity Act, 1972, the company provides a lump-sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the employees' salary and tenure of employment. Liabilities with regard to the retirement plan are determined by an independent actuarial valuation at the balance sheet date, based upon which the company contributes all the ascertained liabilities to the 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	31.3.2014	31.3.2013
Obligations at period beginning	249.91	164.74
Service Cost	41.6	120.65
Interest cost	20.27	9.98
Actuarial (gain)/loss	(1.35)	42.09
Benefits paid	(55.27)	(87.55)
Amendment in benefit plans	-	-
Obligations at the period end	255.16	249.91

GRATUITY		
Particulars	31.3.2014	31.3.2013
Obligations at period beginning	1174.26	982.64
Service Cost	53.67	158.67
Interest cost	104.55	79.23
Actuarial (gain)/loss	(19.76)	(1.91)
Benefits paid	(55.81)	(44.37)
Amendment in benefit plans	-	-
Obligations at the period end	1256.91	1174.26

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)****(Rs. In Lakhs)**

GRATUITY		
Change in plan assets	31.3.2014	31.3.2013
Plan assets at the beginning of the year	1034.36	811.49
Expected return on the plan assets	86.14	69.99
Actuarial gain/(loss)	3.60	26.10
Contributions	139.90	171.15
Benefits paid	(55.81)	(44.37)
Difference in Opening Balance	0.31	-
Plan assets at the year end, fair value	1208.50	1034.36

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	1208.50
Defined plan obligations at the year end	1256.91
Assets(liabilities) recognized in the Profit and Loss account during the year	48.41

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

GRATUITY		
Gratuity cost:	31.3.2014	31.3.2013
Service Cost	53.67	158.67
Interest Cost	104.55	79.23
Expected return on plan assets	(86.14)	(69.99)
Actuarial (gains)/losses	(23.36)	(28.01)
Difference in Opening Balance	0.31	-
Net gratuity cost	48.41	139.90

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

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.

m) 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.

n) Segment reporting:

The holding company operates only in one segment and the foreign subsidiary in another. Disclosure requirements of Accounting standard on Segment reporting (AS 17) issued by the Institute of Chartered Accountants of India are furnished.

o) Leases:

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

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

	Rs in Lakhs
- Not later than one year	1076.64
- Later than one year and not later than five years	6384.98
- Later than five years	101.28

- 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. 742.66 Lacs

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	117.58
One to five Years	89.59
Present value of Future Minimum Lease payments	
Upto One year	117.58
One to five Years	89.59

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.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)****q) Accounting for taxes on income:**

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

r) Interim financial reporting:

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

s) Intangible Assets:

The company 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.

t) Impairment of Assets:

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

u) Provisions, Contingent Liabilities and Contingent Assets:

- 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:	31.3.2014	31.3.2013
Balance at the beginning of the year	5004.04	12648.47
Additions / (Deletions) during the year	2484.07	(7644.43)
Balance at the end of the year	7488.11	5004.04

Liabilities disputed and not provided for: - Income tax, Sales Tax & Excise duty:		
Balance at the beginning of the year	215.25	204.79
Additions / (Deletions) during the year	2059.18	10.46
Balance at the end of the year	2274.43	215.25

**27. CONSOLIDATED NOTES ON ACCOUNTS**

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

b) The company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application

The main Raw Materials in the production are as follows:

a) Natural Rubber b) Carbon Black c) Synthetic Rubber d) Butyle Rubber e) Chemical & Oils f) Bead wire g) Valves

		(Rs. in lakhs)		
		31.3.2014	31.3.2013	
c)	CIF Value of Imports			
1	Raw Materials	29822.09		28751.90
2	Spares	15.89		19.02
3	Capital Goods	275.22		516.66
d)	Consumption of imported and indigenous raw materials and components			
		%		%
1	Imported	33.55	35461.35	35.11 33361.08
2	Indigenous	66.45	70244.62	64.89 61658.40
e)	Consumption of imported and indigenous Stores and Spares			
		%		%
1	Imported	22.00	869.45	- -
2	Indigenous	78.00	3082.45	100.00 3646.86
f)	Earnings in foreign exchange			
1	F.O.B. value of goods exported		22375.85	19694.96
2	Interest		-	42.50
g)	Expenditure incurred in Foreign Currency on			
1	Consultancy		412.40	444.69
2	Interest		996.58	1004.97
3	Other Matters		228.88	221.99

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

		Rs. in lakhs
	31.3.2014	31.3.2013
h)	1. Remuneration to Managing Director:	
	Salaries & Allowances	70.70
	Commission	24.09
	Contribution to Provident & Other Funds	11.34
	2. Remuneration to Executive Vice Chairman:	
	Commission	24.09
i)	Interest Paid includes:	
	1 Interest on Fixed Loans	1184.77
	2 Interest Capitalised	140.00
j)	Tax deducted at Source from Interest	7.98
k)	Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery	1228.30
l)	Details of the Audit Fees	
	a. for audit fees	7.00
	b. for taxation matters	0.45
	c. for Certification	1.25
	d. for Income Tax	0.10
	e. for reimbursement of expenses	0.50
m)	Contingent Liabilities not provided for:	
	a) Estimated amount of contracts remaining to be executed on capital account	1057.05
	b) On Letters of Credit opened by Company's Bankers	3801.39
	c) Excise Duty under Dispute	202.13
	d) Sales Tax under Dispute	13.12
	e) Customs duty on goods lying at Bonded Warehouse	145.60
	f) Income Tax under Dispute	—

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

		Rs. in lakhs	
		31.3.2014	31.3.2013
n) Details of Research and Development Expenditure			
(i) Capital Expenditure			
a) Plant & Machinery		594.05	229.32
b) Electrical Installations		-	1.95
c) Vehicles		5.11	4.48
d) Computers		6.93	0.73
e) Furniture		0.70	-
f) Buildings		195.93	5.20
g) Intangible Assets		5.09	-
h) Capital work in progress (P & M)		18.90	-
	Total	<u>826.71</u>	<u>241.68</u>
(ii) Revenue Expenditure			
a) Raw Materials consumed		840.55	163.98
b) Stores & Spares consumed		5.69	18.59
c) Salaries, Wages, Bonus and Allowances		278.39	278.36
d) Freight		9.97	19.26
e) Rent including lease rentals		2.16	7.94
f) Rates & Taxes		18.54	12.41
g) Insurance		-	0.78
h) Travelling expenses		61.36	98.24
i) Repairs & Maintenance		142.84	103.66
j) Consultancy - Foreign		460.48	329.88
k) Consultancy - Domestic		146.43	-
l) Others		169.34	152.91
	Total	<u>2135.75</u>	<u>1186.01</u>
Total Research and Development expenditure		<u>2962.46</u>	<u>1427.69</u>

**27. CONSOLIDATED NOTES ON ACCOUNTS (Contd.)****o) DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)**

Description of relationship and Names of related parties:

- | | |
|--|--|
| 1. Subsidiaries | TVS Srichakra Investments Ltd.,
TVS Europe Distribution Ltd. |
| 2. Associates | TVS Sundram Iyengar & Sons Limited
ZF Electronics TVS (India) P Ltd
Van Leeuwen Tyres & Wheels B.V., Holland |
| 3. Key Management Personnel | Sri R Naresh, Executive Vice Chairman
Ms Shobhana Ramachandhran, Managing Director |
| 4. 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
A	Transactions for the year ended 31.3.2014			
1	Purchases	70.53 (103.46)	– –	287.69 (338.48)
2	Sales	8880.53 (8886.03)	– –	136.84 (221.14)
3	Interest Paid	– (145.37)	– –	– –
4	Interest Received	18.49 –	– –	– (15.60)
5	Services rendered	535.16 (402.51)	– –	4.33 (0.96)
6	Services received	94.73 (101.91)	343.61 (133.94)	3.81 (8.15)
7	Loans Given	2000.00	–	–
8	Loans Repaid	2000.00	–	–
B	Outstanding as on 31.3.2014			
1	Receivable	783.97 (800.58)	– –	10.57 (26.57)
2	Payable	– –	246.30 (48.18)	– –

Figures in brackets are that of previous year.

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

		31.3.2014	31.3.2013
p)	Trade Payables and Short Term Provisions includes		
	a) Acceptances	11316.93	13863.21
	b) Due to Managing Director	123.15	24.09
	c) Due to Executive Vice Chairman	123.15	24.09
	d) Due to Non-Whole Time Directors	61.57	12.04
q)	No amount is due as on 31st March, 2014 for credit to Investor Education and Protection Fund.		
r)	Details of Earnings Per Share		
	Profit after tax	Rs. In Lakhs 5512.73	2719.12
	No. of equity shares	Nos 7657050	7657050
	Face value of share	Rs 10.00	10.00
	Basic Earnings per share	Rs 72.00	35.51
s)	Terms of repayment of Term Loan		
	1. Term loan from State Bank of India is repayable in 66 monthly installments commencing from October 2010		
	2. Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2014		
	3. Term loan from Karur Vysya Bank Limited is repayable in 72 monthly installments commencing from October 2011		
	4. Hire Purchase Loan from Sundaram Finance Ltd., is repayable in monthly installments commencing from January 2010		
	5. ECB Loan from DBS Bank Limited is repayable in 20 Quarterly installments commencing from January 2014		
	6. Term loan from DBS Bank is repayable in 16 quarterly installments commencing from January 2012		
	7. Term loan obtained by Foreign subsidiary is repayable in bi-annual instalments commencing from November 2013.		
t)	An amount of Rs. 16/- per share has been approved by the board of directors towards dividend.		

SHOBHANA RAMACHANDHRAN
Managing Director

R NARESH
Executive Vice Chairman

As per our report attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No. 004207 S
K S NARAYANASWAMY
Partner
Membership No. 008593

Place : Chennai
Date : 24.5.2014

P SRINIVASAN
Secretary

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

Rs. in lakhs

Particulars	Name of the Subsidiaries			
	TVS Srichakra Investments Ltd.		TVS Europe Distribution Ltd.	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Reporting Currency in INR				
a) Capital	205.00	205.00	3053.39	3053.39
b) Reserves	(72.54)	(52.91)	2292.58	735.05
c) Total Assets	3599.21	3510.39	20112.74	15305.19
d) Total Liabilities	3599.21	3510.39	20112.74	15305.19
e) Details of Investment	1203.00	1203.00	-	-
f) Turnover including other Income	31.74	15.60	24078.63	17540.08
g) Profit before Taxation	(19.64)	(45.04)	1906.19	1125.67
h) Provision for Taxation	-	4.92	257.76	211.35
i) Profit after Taxation	(19.64)	(49.97)	1648.43	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	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
GBP to INR	99.84	82.32	96.23	81.54

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



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TVS Srichakra Limited

Tamil Nadu: Vellaripatti, Melur Taluk, Madurai - 625 122, Tamil Nadu. Tel: 0452 - 2443300, 2420461.

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

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