REF:TSL:SEC:16/ September 28, 2016

Bombay Stock Exchange Ltd.,
Corporate Relationship Department
I Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

SCRIP CODE : 509243

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

SCRIP CODE : TVSSRICHAK

Dear Sirs

Sub : Annual Report 2015-16

Ref : Regulation 34(1) of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34(1) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the annual report for the financial year 2015-16.

Kindly take the above on record.

Thanking you

Yours faithfully
For TVS SRICHAKRA LIMITED

P SRINIVASAN
SECRETARY

stock exchange/annual report/letter

TVS TYRES

A MILLION MILES.
WAITING TO BE EXPLORED.

Annual Report 2015 - 16

CORPORATE INFORMATION

Board of Directors

R. Naresh
Executive Vice Chairman

Shobhana Ramachandhran
Managing Director

M.S. Viraraghavan

P. Vijayaraghavan

H. Janardana Iyer

V. Ramakrishnan

Rasesh R Doshi

A. Arumugam

Audit Committee

M.S. Viraraghavan
Chairman

P. Vijayaraghavan

H. Janardana Iyer

Rasesh R Doshi

Nomination And Remuneration Committee

M. S. Viraraghavan
Chairman

P. Vijayaraghavan

H. Janardana Iyer

Stakeholders Relationship Committee

P. Vijayaraghavan
Chairman

Shobhana Ramachandhran

V. Ramakrishnan

Corporate Social Responsibility Committee

Shobhana Ramachandhran
Chairman

P. Vijayaraghavan

Rasesh R Doshi

Registered Office

TVS Building,
7-B West Veli Street,
Madurai 625001
Tamil Nadu.

Administrative Office

No. 10 Jawahar Road,
Madurai 625002,
Tamil Nadu.

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

Subsidiary Company

TVS Srichakra Investments Limited

TVS Europe Distribution Limited
(upto 24.03.2016)

Listing of Shares with

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Plant Location
Madurai

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

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

Uttarakhand

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

Auditors

Sundaram & Srinivasan
Chartered Accountants,
New No. 249 (Old No.110),
P.T. Rajan Road,
Madurai – 625 014,
Tamil Nadu.

Bankers

State Bank of India
DBS 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
Tel : 044 28140801
e-mail : corpserv@integratedindia.in

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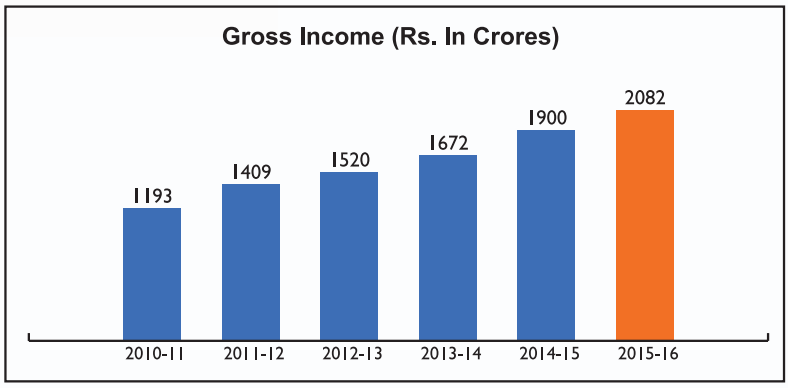
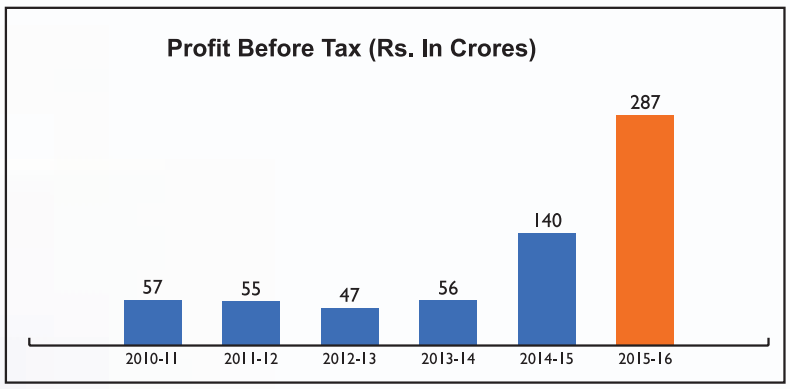
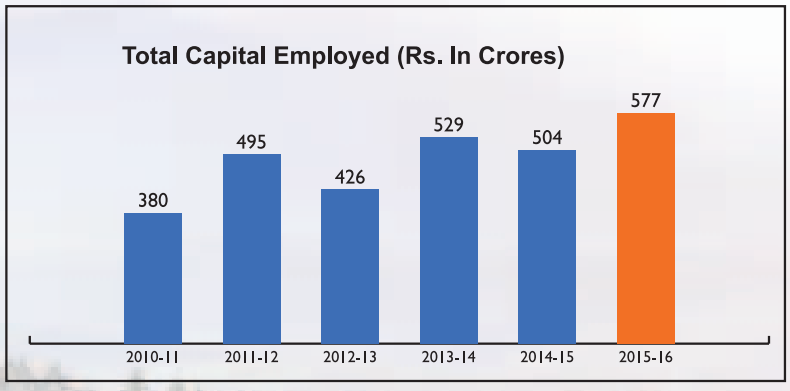
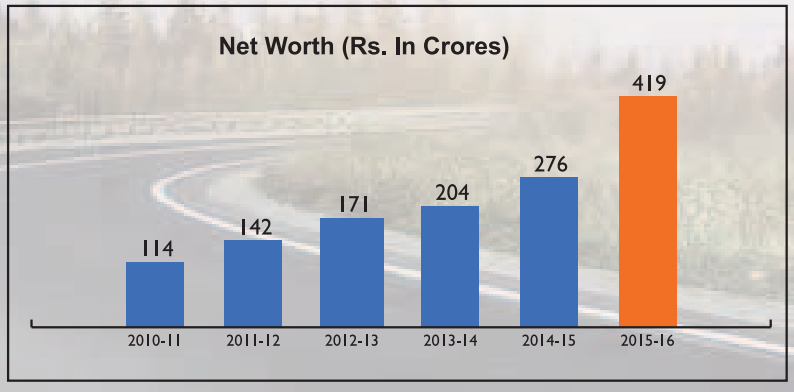
FINANCIAL HIGHLIGHTS









SIX YEAR PERFORMANCE AT A GLANCE

Rs. In crores

PARTICULARS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
A. OPERATING RESULTS						
Gross Income	1193.18	1409.30	1519.89	1672.38	1899.71	2082.06
Profit Before Depn. Int. & Tax	102.64	126.89	128.67	123.83	209.34	344.54
Profit Before Int. & Tax	86.82	106.10	104.45	100.16	169.46	302.19
Profit Before Tax (PBT)	57.17	54.75	47.27	55.92	139.57	287.41
Profit After Tax (PAT)	39.17	39.75	35.68	47.45	103.79	197.21
Dividends	9.57	10.34	5.74	12.25	25.88	45.94
Dividend Tax	1.59	1.68	0.98	2.08	5.27	9.35
Retained Profits	28.01	27.73	28.96	33.12	72.64	141.92
B. FINANCIAL STATUS						
Gross Fixed Assets	250	293	303	370	446	583
Net Fixed Assets	165	199	216	250	286	406
Investments	3	20	19	19	32	87
Net Current Assets	212.1	276.3	190.6	260	186.8	84.3
Share Capital	7.66	7.66	7.66	7.66	7.66	7.66
Reserves And Surplus	106	134	163	196	269	411
Net Worth	114	142	171	204	276	419
Loan Funds	256	340	233	304	205	131
Deferred Tax Liability (Net)	10	13	23	22	23	28
Total Capital Employed	380	495	426	529	504	577
C. KEY RATIOS						
PBDIT To Net Sales (%) *	8.4	8.6	5.8	7.4	10.9	15.8
PBIT To Net Sales (%) *	6.9	7.1	4.1	6.0	8.8	13.7
PBT To Net Sales (%) *	4.2	3.5	0.2	3.3	7.2	13.0
PBIT To Av. Capital Employed (%) *	23.13	22.9	13.2	20.7	32.1	51.8
Return on Average Net Worth (%)	39.23	31.13	22.86	25.36	43.25	56.77
Earnings Per Share (Rs.)	51.15	51.92	46.59	61.97	135.55	257.55
Dividend Per Share (Rs.) #	14.57	15.70	8.77	18.72	40.68	72.21
Dividend Pay out (%) #	28.49	30.22	18.83	30.21	30.01	28.04
Book Value Per Share (Rs.)	148.67	184.90	222.72	265.96	360.83	546.57
Debt Equity Ratio (No. Of Times)	2.25	2.40	1.37	1.49	0.74	0.31

* Excluding other income

\# Including dividend tax

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 33rd Annual Report and the audited accounts for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS **(Rs. in crores)**

Details	**Year ended 31.3.2016**	Year ended 31.3.2015
Sales & Other Income	**2082.06**	1899.71
Profit before finance cost and depreciation	**344.54**	209.34
Less : Finance Cost	**14.78**	29.89
Depreciation	**42.35**	39.88
Profit after finance cost and depreciation	**287.41**	139.57
Less : Provision for		
Income tax	**85.27**	35.00
Deferred tax	**4.93**	0.78
Profit after tax	**197.21**	103.79
Surplus brought forward from Previous Year	**236.68**	164.04
Appropriations :		
Dividend payable	**45.94**	25.88
Dividend Tax payable	**9.35**	5.27
Transfer to General Reserve	**-**	-
Balance carried to Balance Sheet	**378.60**	236.68

OPERATIONS

TVS Srichakra Ltd., witnessed a modest growth in revenue during FY 2016, due to various factors affecting the automobile sector.

On a standalone basis, your Company recorded net sales of Rs.2082.06 crore (including other income) as against Rs.1899.71 crore during the previous financial year. Your Company registered an impressive growth in Profit Before Finance Cost and Depreciation at Rs.344.54 Cr as against Rs.209.34 Cr during the previous financial year. Profit After Tax stood at Rs.197.21 Cr compared to Rs.103.79 Cr during the previous financial year.

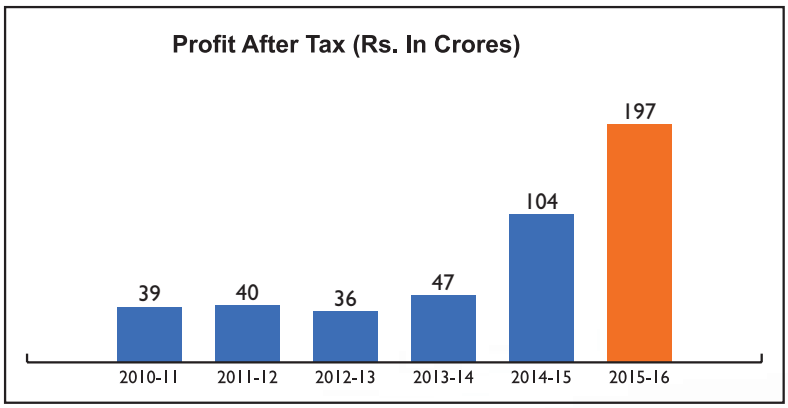
HIGHLIGHTS OF CONSOLIDATED ACCOUNTS

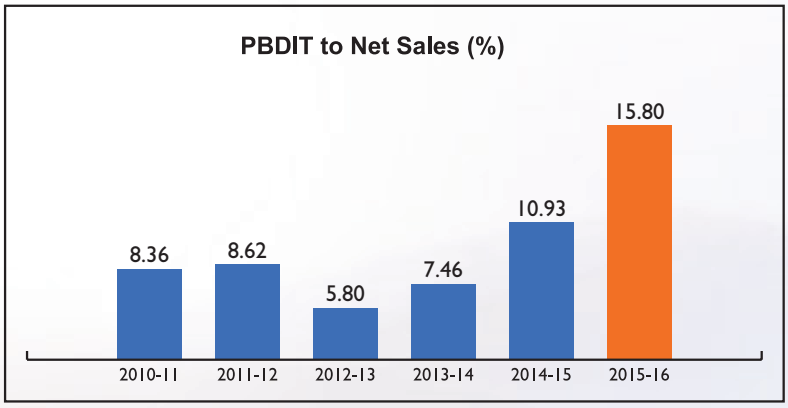
Consolidated income for the year ended 31st March, 2016 increased by Rs. 180.09 Crores to Rs.2360.60 crores as compared to Rs.2180.51 crores for the previous year ended 31st March, 2015.

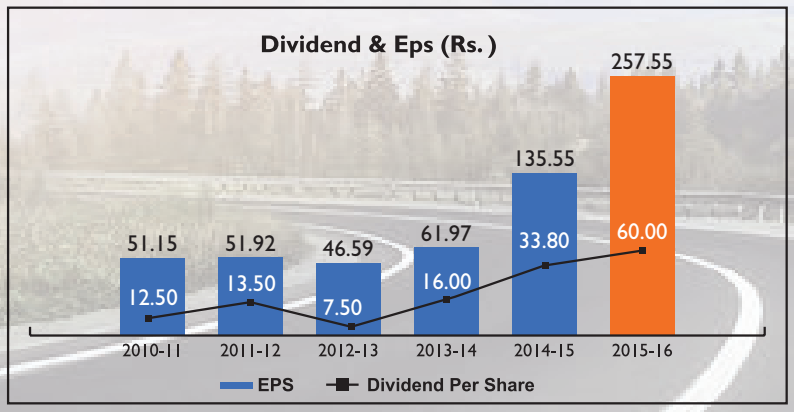
Consolidated net sales for the year ended 31st March, 2016 were Rs. 2339.16 Crores as against Rs. 2176.43 Crores for the year ended 31st March, 2015, representing a growth of 7%.

Consolidated profit before tax was Rs. 283.30 Crores for the year ended 31st March, 2016 as against Rs.137 Crores for the year ended 31st March, 2015.

Consolidated profit after tax was Rs.190.58 Crores for the year ended 31st March, 2016 as against Rs.97.81 Crores for the year ended 31st March, 2015.


Profit After Tax (Rs. In Crores)
39
40
36
47
104
197
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16


PBDIT to Net Sales (%)
8.36
8.62
5.80
7.46
10.93
15.80
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16


Dividend & Eps (Rs.)
51.15
51.92
46.59
61.97
135.55
257.55
12.50
13.50
7.50
16.00
33.80
60.00
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
EPS
Dividend Per Share

DIRECTORS' REPORT (contd.)

DIVIDEND

The Board of Directors have during the year ended 31st March, 2016, declared and paid two interim dividends, of Rs. 30/- per share (300% on the face value of Rs.10/- per share) each, aggregating to Rs. 60/- per share (600% on the face value of Rs.10/- per share) on 76,57,050 equity shares and decided that the interim dividends declared by the Board during the year 2015-16 be treated as final dividend.

FINANCE

Your Company was able to continue its sustained efforts in judicious management of working capital, receivables, inventories and other working capital parameter through regular monitoring. The cash and cash equivalent as at the end of 31st March, 2016 was at Rs.12.30 Crores.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loan or guarantee covered under the provisions of Section 186 of the Companies Act, 2013 ("the Act") has been given by your Company.

Particulars of investments made by your Company is furnished in the notes to the financial statements

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Over the years your Company has been involved in a number of community – focused activities, in the areas of health, education and preservation of the Country's rich culture and heritage. In continuation with it the CSR programmes / projects of your Company focus on specific areas of education, environment, health and sanitation which are in line with CSR Policy of your Company and Schedule VII of the Act.

Your Company also undertook other need based initiatives in compliance with Schedule VII to the Act.

Report on programmes / projects undertaken during the year is contained in "Annual Report on CSR Activities" given in Annexure 1

INTERNAL CONTROL SYSTEMS

Commensurate with the size of the Company well defined and adequate internal control system operating effectively throughout the year in place. The systems are periodically reviewed for identifying deficiencies and formulation of plans to improve efficiency at all levels.

The Company continued to implement the suggestions and recommendations made by the internal auditor to improve the control environment and corrective actions are presented to the Audit Committee of the Board.

BUSINESS RISK MANAGEMENT

The Business risk identified by the Company is regularly reviewed by Senior Management and the key risks are revised and modified as per the changing scenario. The Board reviews the key risks identified and mitigation plan initiated by the Company on a quarterly basis.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company's vigil mechanism deals with fraud and mismanagement and provides adequate safeguard against victimisation. The policy provides protected disclosure to the whistle blower and during the year no instances were reported under this mechanism.

Details pertaining to Whistle Blower Policy are explained in the Corporate Governance Report and are available in the website of the Company (www.tvstyres.com)

Particulars of Fraud other than those that are reportable to the Central Government reported by Statutory Auditor under Section 143(12) of the Companies Act, 2013

No fraud has been reported by the Statutory Auditor under Section 143(12) of the Act.

SUBSIDIARY COMPANIES

The audited accounts of the following subsidiaries have been consolidated with the Company as on 31st March, 2016.

a) TVS Srichakra Investments Limited

b) TVS Europe Distribution Limited and its subsidiaries

During the year under review, your Company sold its investments in TVS Europe Distribution Limited due to strategic reasons. Consequently, TVS Europe Distribution Limited ceased to be a subsidiary of your Company. In accordance with the applicable Accounting Standards, Listing requirements and applicable provisions of the Companies Act, 2013, the accounts of TVS Europe Distribution Limited was consolidated up to the effective date of sale of Company's investments.

INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS

The Companies (Indian Accounting Standards) Rules, 2015 was notified by Ministry of Corporate Affairs (MCA) on 16th February, 2015. Pursuant to the above, your Company will adopt IND AS from 1st April, 2016 with comparatives for the period ended 31st March, 2016.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the applicable provisions of the Act, relevant Accounting Standards issued by the Institute of Chartered Accountants of India and as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Regulations")

Statement containing the salient features of the financial statement of Company's subsidiary(s) as referred to sub-section 3 of Section 129 of the Companies Act, 2013 in Form AOC 1 is given in Annexure 2

The Standalone / Consolidate Financial statements along with all relevant documents and the Auditors' Report form part of this Annual Report, in terms of Section 136 of the Act. The above documents are available at Company's website and can be accessed at www.tvstyres.com.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Act, your Directors would like to state that:

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

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Directors liable to retire by rotation

In accordance with the provisions of the Act, Mr. R Naresh (DIN: 00273609), Executive Vice Chairman, retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

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

Independent Directors Declaration

All the Independent Directors have submitted the declaration of independence, that they satisfy the criteria of independence as laid down in the Act and the Regulations.

Familiarization Programme for Independent Directors

The Company has put in place familiarization programme with a view to familiarize the Independent Directors about the working of the Company. The Company has arranged for a presentation by the key operating functions of the Company periodically to familiarize the Independent Directors of the product range, major customers, marketing network, manufacturing methods, etc. The details of the familiarization programme are explained in the Corporate Governance Report and are available in Company's website (www.tvstyres.com).

In addition, an exclusive program / presentation was arranged for all the Directors on their roles and responsibilities and also the Dos and Don'ts of the new Insider Trading Regulations issued by Securities and Exchange Board of India.

Independent Directors are more actively involved in specialized strategic presentations of your Company's strategic core team of Senior Management.

Board Evaluation

During the year under review, performance evaluation of the Board and its Committee were carried out pursuant to the provisions of the Act and the Regulations. More details about it are available in the Corporate Governance Report.

Directors / Key Managerial Personnel appointed or resigned during the year

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC) re-appointed Ms. Shobhana Ramachandhran, Managing Director for a period of 5 years with effect from 25.8.2015 and the same was approved by the members at their 32nd Annual General Meeting.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and approval of Audit Committee appointed Mr. K P Rangaraj as Chief Financial Officer of the Company, in place of Mr. G V Mahadevan who has been moved to corporate finance group and is heading the finance function there.

Mr. K P Rangaraj is a qualified Chartered and a Cost Accountant and holds a Master's degree in Economics and has over 26 years of experience. He has a rich professional experience in fiancé domain both in Indian and Multinational Organizations.

Remuneration Policy

The Company follows remuneration policy as approved by the NRC and the Board and its main object is to ensure that the composition of remuneration is reasonable to attract, retain and motivate the Directors, KMP and Senior Management employees. The Policy for remuneration of Directors, KMP and Senior Management Personnel forms a part of the Corporate Governance Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act and the rules made thereunder are furnished in Annexure 3.

A statement showing the remuneration of employees who were in receipt of remuneration as prescribed under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and will be provided to any Member on a written request to the Secretary. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled, the above is open for inspection at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting.

BOARD MEETING

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

The Board met 6 (six) times during the year, the details of which are furnished in the Corporate Governance Report.

AUDIT COMMITTEE MEETING

During the year, the Audit Committee met 4 (four) times, particulars of the meeting are given in the Corporate Governance Report.

INDUSTRIAL RELATIONS

The Company ensures that healthy, cordial and peaceful industrial relations are maintained with the workers and employees at all levels.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company with the related parties during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party contracts / arrangements / transactions which may have a potential conflict with the interest of the Company or which warrants member's approval.

Form AOC-2, as required under Section 134 (3)(h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is given Annexure 4

The Related Party Transaction Policy as approved by the Board is uploaded in the Company's website at the web link

http://www.tvstyres.com/policy/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the Company, occurred after the close of the financial year till the date of this report.

AUDITORS

Statutory Auditor

M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, (Firm No:004207S) Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment.

M/s Sundaram & Srinivasan have expressed their willingness to be re-appointed as Statutory Auditor and have confirmed their eligibility to the effect that their re-appointment, if made, would be within the limits prescribed under the Act and that they are not disqualified for re-appointment and the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accounts of India.

The Audit Committee and the Board recommend the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

Cost Auditor

Pursuant to Section 148 of the Act and the rules made thereunder audit of cost records maintained by the Company has to be carried out for the financial year 2016-17. The Board on the recommendation of Audit Committee has appointed Dr. I Ashok, Cost Accountant, Madurai as Cost Auditor of the Company for carrying out the cost audit of the Company for the financial year 2016-17. The Company has received consent letter from the Cost Auditor to the effect that his appointment if made will be within the limits prescribed by the Act and he does not suffer from any disqualification.

Secretarial Auditor

The Board has pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 appointed Mr. N Balachandran, Practicing Company Secretary to carry out the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the year ended 31st March, 2016 is annexed as Annexure 5. The report does not contain any qualification.

CORPORATE GOVERNANCE

The Company is committed to maintaining the standards on Corporate Governance and adheres to the Corporate Governance requirement as set out by SEBI. A separate section on corporate governance under the listing regulations together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Act, is annexed herewith as Annexure 6

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in form MGT-9 is enclosed as Annexure 7 to the Directors Report.

PREVENTION OF INSIDER TRADING:

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

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

GENERAL

- During the year, your Company has not issued any shares with differential rights as to voting, dividend or otherwise nor issued sweat equity / stock options. Disclosure pertaining to voting rights not exercised directly by employees under Section 67(3)(c) is not required as the said section is not applicable to the Company. The paid up equity capital as on 31st March, 2016 was Rs.7,65,70,500/-.
- Your Company does not accept any deposit from the public within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.
- The Company believes that women should be able to do their work in a safe and respectful environment which enhances productivity. The Company has adopted a policy on prevention of sexual harassment of women at work place. During the year, no cases were reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No significant or material order was passed by the courts or regulators or tribunals impacting the going concern status and Company's operation in future.

ACKNOWLEDGEMENT

Your Directors would take this opportunity to express their sincere appreciation for the co-operation and support received from banks, customers, dealers and vendors. Your Directors wish to place on record their deep sense of appreciation for the committed services of the employees which made it possible for the Company to achieve these results.

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

For and on behalf of the Board

R NARESH	SHOBHANA RAMACHANDHRAN
EXECUTIVE VICE CHAIRMAN	*MANAGING DIRECTOR*

Madurai
11.5.2016

ANNEXURE 1 TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Women Development Programme – Promoting education, employment enhancing vocational skills training etc. Children Programme – promoting education including special education, vocational skills etc., Environment & Sanitation awareness and general health programmes The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is uploaded in the Company's website Weblink : http://www.tvstyres.com/policy/CSR%20POLICY.pdf
2.	Composition of the CSR Committee	Ms. Shobhana Ramachandhran (MD) Mr. P Vijayaraghavan Mr. Rasesh R Doshi (Independent Director)
3.	Average net profit of the Company for last three financial years	Rs.7,762 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs.155 lakhs
5.	Details of CSR spent during the financial year	
a)	Total amount spent during the year	Rs.156.37 lakhs
b)	Amount unspent, if any	NIL

ANNEXURE 1 TO DIRECTORS REPORT (Contd.)

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

(Rs. in crores)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or program wise	*Amount spent on the projects or programs	Cumulative expenditure upto the reporting period
			1) Local area or other 2) Specify the State and district where projects or programs was undertaken		Sub heads i) Direct expenditure on projects or programs 2) Over heads:	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Intellectual Programme Balwadi Project, Children's Parliament Education, Enhancement Infrastructure, Personality development, Village Knowledge center	Education	Madurai, Tamil Nadu	49.55	30.11	30.11
2	Health Programme Anaemia Management, Participating in local health governance, Preventive Health Care, Infant Mortality Reduction/ Maternal MR	Health	Madurai, Tamil Nadu	10.49	15.73	15.73

ANNEXURE 1 TO DIRECTORS REPORT (Contd.)

(Rs. in crores)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or program wise	*Amount spent on the projects or programs	Cumulative expenditure upto the reporting period
3	Livelihood Enhancement Programme Entrepreneurship Development Project Strengthening Women Development Income Enhancement Project	Women Develop/ Education	Madurai, Tamil Nadu	6.70	7.58	7.58
4	Environmental Program Clean Villlage Projects Solid Waste Management Project RO Plant (Narasingampatti) (infra) Infrastructure Project Promoting Kitchen Garden Household Sanitation Projects	Environment/ Sanitation	Madurai, Tamil Nadu	72.63	82.27	82.27
5	Education for Special School children	Education	Madurai, Tamil Nadu	15.88	20.68	20.68
	Total			155.25	156.37	156.37
6	Reasons for not spending the amount			---	---	---

All Amounts spent through implementing agency Arogya Welfare Trust

6. Reasons for not spending the amount: NIL

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

SHOBHANA RAMACHANDHRAN
CHAIRMAN OF THE CSR COMMITTEE / MANAGING DIRECTOR

ANNEXURE 2 TO DIRECTORS REPORT

Statement Containing the Salient features of the financial Statements of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to Sub - Section (3) of Section 129 of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules,2014 - AOC -1)

(Rs.in Crores)
Except % of shareholding

1	Sl. No	1
2	Name of the Subsidiary	TVS Srichakra Investments Limited
3	Reporting Period for the subsidiary Concerned, if different from Holding Company's reporting period	Not Applicable
4	Reporting Currency and Exchange rate as on the last date of relevant financial year in case of Foreign subsidiaries	NA
5	Share Capital	2.05
6	Reserves and Surplus	-2.20
7	Total assets (Excluding Investments)	33.0
8	Total Liabilities	45.18
9	Investments	12.03
10	Turnover	0.12
11	Profit before Taxation	-1.16
12	Provision for Taxation	-
13	Profit after taxation	-1.16
14	Proposed Dividend	Nil
15	% of Shareholding	100%

1) Names of the Subsidiaries which have been sold during the year - TVS Europe Distribution Limited

Part B : ASSOCIATES AND JOINT VENTURES

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

(Rs.in Crores)

Name of Associate/Joint Ventures	ZF Electronics TVS (India) Private Ltd*
1. Latest Unaudited Balance Sheet Date	31.03.2016
2. Share of Associate/Joint Ventures held by the company on the year end	50%
Amount of Investment in Associates/Joint Venture	0.54
Extent of Holding	50%
3. Description of Significant Influence	Jointly Controlled Entity
4. Reason why associate /Joint Venture is not Consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest unaudited Balance Sheet	7.83
6. Profit and Loss for the year before Tax	-0.95
i) Considered in Consolidation	-0.95
ii) Not Considered in Consolidation	Nil

* Held through TVS Srichakra Investments Limited

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

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

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

K S NARAYANASWAMY
Partner
M.No. 8593

Place : Madurai
Date : 11.5.2016

ANNEXURE 3 TO DIRECTORS' REPORT

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

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

Sl. No	Name of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Percentage Increase / Decrease in Remuneration
1	Mr R Naresh Executive Vice Chairman	284.06	103.76
2	Ms Shobhana Ramachandhran Managing Director	221.45	87.26
3	Mr M S Viraraghavan	4.80	1.88
4	Mr P Vijayaraghavan	4.97	3.05
5	Mr H Janardana Iyer	4.68	-
6	Mr V Ramakrishnan	3.18	23.03
7	Mr Rasesh R Doshi	4.77	4.85
8	Mr A Arumugam	3.12	215.04
9	Mr P Srinivasan Company Secretary	Not Applicable	0.42
10	Mr G V Mahadevan Chief Financial Officer ceases to be CFO w.e.f 11.8.2015	Not Applicable	(3.68)
11	Mr K P Rangaraj Chief Financial Officer	Not Applicable	Not Applicable

iii) The percentage increase in the median remuneration of employees in the financial year: 6.85%

iv) The number of permanent employe es on the rolls of Company: around 2600

v) Explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase of 18.73% during the financial year 2015-16. The remuneration components include a fair proportion of fixed and variable pay. The increase in fixed pay is periodically reviewed while the increase in variable pay is broadly aligned to the Company's performance during the financial year.

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

(Rs. In crores)

Particulars	Managing Director	Executive Vice-Chairman in the Cadre of Managing Director	Chief Financial Officer (CFO)	Secretary	Total
Remuneration	7.52	9.65	0.63	0.29	18.09
Remuneration (as % of PBT)	2.62%	3.36%	0.22%	0.10%	6.30%

ANNEXURE 3 TO DIRECTORS' REPORT (Contd.)

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

Particulars	As at 31.3.2016	As at 31.3.2015	Increase
Closing price of share at BSE (Rs.)	2309.45	1536.75	50.28%
Market Capitalisation (Rs.in crores)	1768.36	1176.69	50.28%
Price Earnings Ratio	8.97	11.34	(20.90)%

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

The average increase in salaries of employees other than managerial personnel in 2015-16 was 18.73%. Percentage increase in the managerial remuneration for the year was 96.19%.

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

Please refer point no. (vi).

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

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

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

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

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

ANNEXURE 4 TO DIRECTORS' REPORT

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

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

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

ANNEXURE 5 TO DIRECTORS' REPORT

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

C/2 YA MUNA FLATS
16TH STREET
NANGANALLUR
CHENNAI -600061
PH.NO.22670412
CELL: 9333376560

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To
The Members
TVS SRICHAKRA LIMITED CIN: L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai- 625001.

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

Based on my verification of the Company's books, papers ,minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the year under audit covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act,1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;

(v) The Following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;

  c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Other laws specifically applicable to the Company

  a Public Liability Insurance Act, 1991,

  b. Hazardous Wastes (Management and Handling) Rules, 1989 and amendment Rules 2003,

ANNEXURE 5 TO DIRECTORS' REPORT (Contd.)

c. Energy Conservation Act, 2001,

d. Consumer Protection Act, 1986,

e. Legal Metrology Act, 2009,

f. Trade Marks Act, 1999,

g. Patents Act, 1970,

h. Designs Act, 2000,

i. Indian Boilers Act, 1923

j. Special Economic Zones Regulations

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

(i) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India as notified by the Ministry of Corporate Affairs, effective form 1st day of July 2015, in respect of the Board Meetings and the previous Annual General Meeting for which notices have been issued after the said date;

(ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited and Bombay Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

a. Public/Rights/Preferential issue of shares / Debentures/ sweat equity

b. Redemption / Buy Back of securities.

c. Merger/ Amalgamations/ reconstruction.

d. Foreign Technical collaborations.

Place:Chennai
Date:11.5.2016

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

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

ANNEXURE 5 TO DIRECTORS' REPORT (Contd.)

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

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

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to be the future viability of the Company not the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place:Chennai
Date:11.5.2016

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

ANNEXURE 6 TO DIRECTORS' REPORT

Conservation of Energy / Technology Absorption / Foreign Exchange Earnings and Outgo.

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

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on conservation of energy

1. Electrical

i. Energy efficient screw compressors installed in tube & mixing plant. Energy saving achieved 1.5% in SC.126

ii. Mixing & tube cooling tower fan controlled with variable speed drive, energy saving achieved 0.15% in SC.126

iii. Mod.75,70,1111extruder finless fanless cooling towers installed for energy conservation, Energy saving achieved 0.32% in SC.126

iv. 10 TPH Boiler energy efficient pump installed, Energy saving achieved 0.2% in SC.45

v Water cleaning sand filters pump eliminations in Mod.25,1110 Extruder and Mixing softener pump capacity reduction, Energy saving achieved 0.13% in SC.126

vi. Separate air leak correction team utilized, air leak correction day to day leak correction activities followed, compressor running reduced, power saving achieved 1%.

2. Thermal

i. Module 50,60 & 75 waste flash steam recovered, feed water temperature increased in boiler, Boiler efficiency 1.5% increased.

ii In Module 65, DM waste water recovered, water treatment plant installed, water saved 45 KL/Day. RO water generation 7.5% saved.

iii. To improve feed water quality & avoid boiler water tube leak failures, RO followed by DM Plant installed near Mod.75, Boiler blow down decreased, we saved 6000 litre hot water wastage in boiler. Boiler efficiency increased 1%

iv. Separate steam leak correction team utilized to control steam leak wastages, specific steam consumption for domestic plants, reduced 3.5%

v Damaged insulation & identified uninsulated steam lines were insulated, steam consumption reduction 0.2 TPH.

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

Company has generated 5277832 units through Wind energy during the year 2015-16.

c) Capital investments on energy conservation equipment's:

The Company has invested Rs.0.65 Crore in the following:

i. Energy efficient compressors installation in tube & mixing plants.

ii. DM waste water collection & treatment plant installed in export plant.

iii Finless & fan less cooling towers installed in Mod.70, 75 &1111 extruders for energy conservation.

iv. Energy efficient pump installed in 10 TPH Boiler.

v. Mixing & tube plant cooling towers to control fan RPM, variable speed for drive installed energy saving.

ANNEXURE 6 TO DIRECTORS' REPORT (Contd.)

vi. RO followed by DM plant installed in Mod.75

vii. Steam distribution audit done by private agency

B. TECHNOLOGY ABSORPTION:

1. Efforts in brief, made towards technology absorption

   We have introduced many new products for AM and made inroads into premium bike segment with improved process / product quality.

2. Benefits derived like product improvement, cost reduction, product development or import substitution as a result:

   Company developed range of new products for OEMs and Replacement Market in shortest time and new technology tyres for export market.

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

4. Expenditure on R&D:

Rs. in Crores

a)	Capital	5.56
b)	Recurring	18.03
c)	Total	23.59
d)	Total R&D expenditure as a percentage to total turnover	1.15%

C. Foreign Exchange Earnings & Outgo

Rs. in Crores

Earnings Exports	204.48
Outgo	251.78

ANNEXURE 7 TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

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

FORM NO. MGT-9

I REGISTRATION AND OTHER DETAILS

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

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	PROMOTERS									
(1)	**Indian**									
a)	Individual / HUF	554017	-	554017	7.24	479017	-	479017	6.26	-0.98
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	2994544	-	2994544	39.11	2994544	-	2994544	39.11	NIL
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	3548561	-	3548561	46.34	3473561	-	3473561	45.36	-0.98
(2)	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		3548561	-	3548561	46.34	3473561	-	3473561	45.36	-0.98
B.	**PUBLIC SHARE HOLDING**									
(1)	Institutions									
a)	Mutual Funds	-	650	650	0.01	91187	650	91837	1.20	1.19
b)	Banks / FI	6791	800	7591	0.10	13026	800	13826	0.18	0.03
c)	Central Govt	94	-	94	-	94	-	94	-	NIL
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	2408	1250	3658	0.05	33353	1250	34603	0.45	0.40
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	9293	2700	11993	0.16	137660	2700	140360	1.83	1.62

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

Category of shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2)	**Non-Institutions**									
a)	Bodies Corporate									
i)	Indian	607489	3646	611135	7.98	624289	3482	627771	8.20	0.38
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	1875657	895495	2771152	36.19	1912845	826271	2739116	35.77	0.09
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	626927	35502	662429	8.65	564798	24775	589573	7.70	0.83
c)	Others (specify)	51330	450	51780	0.68	86205	464	86669	1.13	0.30
	Sub-Total B(2)	3161403	935093	4096496	53.50	3188137	854992	4043129	52.80	0.07
	Total Public Shareholding B = B(1) + B(2)	3170696	937793	4108489	53.66	3325797	857692	4183489	54.64	1.69
C	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total A + B + C	6719257	937793	7657050	100	6799358	857692	7657050	100	0.71

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	T V Sundram Iyengar & Sons Pvt. Ltd	2123115	27.73	N.A.	2123115	27.73	N.A.	NIL
2	Sundaram Industries Pvt. Ltd	750000	9.79	N.A.	750000	9.79	N.A.	NIL
3	Ms. Shobhana Ramachandhran (Promoter cum Director)	274051	3.58	N.A.	274051	3.58	N.A.	NIL
4	Sri R Haresh	151320	1.98	N.A.	76320	1.00	N.A.	-0.98
5	Nitya Kalyanee Investment Ltd	121429	1.59	N.A.	121429	1.59	N.A.	NIL
6	Sri R Naresh (Promoter cum Director)	127656	1.67	N.A.	127656	1.67	N.A.	NIL
7	Sri R Haresh	945	0.01	N.A.	945	0.01	N.A.	NIL
8	Sri R Dinesh	45	-	N.A.	45	-	N.A.	NIL
	TOTAL	3548561	46.34		3473561	45.36		-0.98

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri R Naresh	127656	1.67	127656	1.67
	At the end of the year	No change			
2	Ms Shobhana Ramachandhran	274051	3.58	274051	3.58
	At the end of the year	No change			
3	Sri R Haresh	151320	1.98	76320	1.00
	At the end of the year			76320	1.00

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Gagandeep Credit Capital Pvt.Ltd	346770	4.53	346770	4.53
2	Nilesh Kishor Shah	156000	2.04	135629	1.77
3	Paramjit Mann	86813	1.13	86813	1.13
4	Anvil Fintrade Pvt. Ltd	67585	0.88	67585	0.88
5	Uday Nandlal Shah	62700	0.82	60775	0.80
6	Tejas B Trivedi	49805	0.65	58173	0.76
7	Religare Finvest Ltd	48570	0.63	48217	0.63
8	Sharad Nandlal Shah	50000	0.65	46000	0.60
9	Shivani Trivedi	1828	0.02	33229	0.43
10	Shantikumar Girdharlal Shah	32500	0.42	30500	0.40

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri M S Viraraghavan - Director	900	0.01	900	0.01
	At the end of the year			900	0.01
2	Sri P Vijayaraghavan - Director	150	-	150	-
	At the end of the year			150	-

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

M/s H Janardana Iyer, V Ramakrishnan, Rasesh R Doshi, A Arumugam - Directors
M/s K P Rangaraj, P Srinivasan - KMPs

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

V. INDEBTEDNESS

Rs. in Crores

		Secured Loans excluding Deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)	Principal Amount	205.37	-	205.37
ii)	Interest due but not paid	-	-	-
iii)	Interest accrued but not due	-	-	-
	Total (i+ii+iii)	205.37	-	205.37
Change in Indebtedness during the financial year				
	Addition	3.99	-	3.99
	Reduction	78.20	-	78.20
	Net Change	74.21	-	74.21
Indebtedness at the end of the financial year				
i)	Principal Amount	131.16	-	131.16
ii)	Interest due but not paid	-	-	-
iii)	Interest accrued but not due	-	-	-
	Total (i+ii+iii)	131.16	-	131.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Ms S R	Mr R N	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	160.62	96.07	256.69
b)	Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961			-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			-
	- as % of profit	579.00	869.00	1448.00
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	739.62	965.07	1704.69
	Ceiling as per the Act			

Ms SR - Ms Shobhana Ramachandhran, Mr R N - Mr R Naresh - Executive Vice Chairman

ANNEXURE 7 TO DIRECTORS' REPORT (contd.)

B. REMUNERATION TO OTHER DIRECTORS

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			
	Independent Directors	**Mr M S V**	**Mr H J I**	**Mr R R D**	**Mr A A**
1	Fee for attending Board Committee Meetings	1.30	0.90	1.20	0.60
2	Commission	15.00	15.00	15.00	10.00
3	Others, pease specify	-	-	-	-
	Total (1)	16.30	15.90	16.20	10.60
	Other Non Executive Directors	Mr P V	Mr V R		
1	Fee for attending Board Committee Meetings	1.90	0.80		
2	Commission	15.00	10.00		
3	Others, pease specify	-	-		
	Total (2)	16.90	10.80		

Mr M S V - Mr M S Viraraghavan, Mr H J I - Mr H Janardana Iyer,

Mr R R D - Mr Rasesh R Doshi, Mr A A - Mr A Arumugam

Mr P V - Mr P Vijayaraghavan, Mr V R - Mr V Ramakrishnan

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1	Gross Salary	63.31	28.62	91.93
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
b)	Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	63.31	28.62	91.93

VII Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compunding of offences for the year ending 31st March, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian tyre industry is over 75 years old and TVS Srichakra Limited, despite being a late entrant to the market, has achieved leadership position in the two wheeler tyre category in the country. The management discussion and analysis given below discusses the key issues of the business.

INDUSTRY STRUCTURE AND DEVELOPMENT

GLOBAL TYRE INDUSTRY

The global tyre industry is driven by economic activity represented by gross domestic product. Any increase in economic activity drives the variable affecting the transportation sector which ultimately leads to an increase in tyre demand.

Economic development has been increasingly volatile across various markets, affecting the global demand for tyres. This has also seen economic growth shift from United States of America, European Union and Japan to emerging markets like China and India. New concerns have been raised about China's economy slowing to 6.5% (Source: International Monetary Fund). India remains the only bright spot in the world economy, aside from the slight improvement in United States economy. International Monetary Fund has projected a growth of 3.4% for the year 2016 compared to 3.1% in 2015 for India. If due to any unforeseen economic concerns there are any shortfalls in this growth it will impact:

- Demand for new vehicles
- Postponement of tyre replacement expenses
- Skewing tyre demand towards low cost tyres
- Reduction in commuting distances by vehicles
- Reduction in disposable income and discretionary driving

Global Overall Vehicle PARC which determines the replacement market potential has reached the 1 billion mark in 2010 and, going forward, it is expected to grow to 2 billion vehicles by 2030, making the replacement market the biggest market segment in the tyre industry.

Raw materials in the rubber industry can be of two types - crude based and non-crude based. Crude based material price is dominated by crude prices which have been benign in the last fiscal and are expected to remain so, until a sudden surge is witnessed in economic activity. Non-crude based raw materials, basically natural rubber, has also stayed below historical prices due to slack in demand, mainly from China.

INDIAN TYRE INDUSTRY

India is one of the largest automobile markets in the world, which consequently makes the country one of the leading markets for tyres. Within the vehicle segments, the commercial vehicle segment dictates the growth of the tyre industry and is its largest contributor. Alternatively, the replacement segment is the largest demand segment of the industry.

The Indian tyre industry has been reporting consistent growth figures over the past few years, spurred by the growing passenger vehicles, two and three wheeler market.

The rise in population especially in the middle age group, disposable income with the per capita GDP expected to cross the $2000 barrier by FY18, 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, its huge potential has also seen the Indian tyre industry evolve into one of the most competitive markets in the world.

TWO WHEELER MARKET

The Indian economy is expected to grow by 7.2% (Source: Govt. published data) in FY15-16 (April - December) as per the revised GDP calculation methodology. Inflation has been brought under control mainly by the steep fall in

crude oil prices which forced the Reserve Bank of India to offer lower rates throughout FY15-16. FY15-16 was a weak year for the two wheeler industry with production levels struggling to catch up with FY14-15 growth rates, but the surge in demand in the last quarter helped the industry rally and end the year with a 2% growth rate (Source: SIAM - Society of Indian Automobile Manufacturers).

This growth was primarily driven by the scooter segment sales which saw a 11% YoY growth, offsetting the motorcycle segment sales which de-grew by -1% (Source: SIAM). This rising demand for the scooter segment has been influenced by a growing female user base and urban growth, while the deflated demand for motorcycles with low to mid-range engine capacity has been due to the tepid growth of rural India. However, motorcycles with high-range engine capacity did exhibit positive growth under the influence of the growing youth population in the urban market.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

The consistent growth in two wheeler sales in India in recent years and the increasing exports of two wheelers from Indian Original Equipment Manufacturers (OEM) to Africa and Latin America (LATAM) regions effected an increased demand for the two wheeler tyre industry in replacement market and exports. The ability to realise a greater value in these segments offered Indian tyre companies the unique opportunity to increase their bottom line, whereas increasing exports also offered a natural hedging to foreign exchange risks.

Your Company has been able to make good use of these opportunities in increasing its aftermarket and export share.

Also, various government initiatives to improve rural demand and economy will provide an opportunity in the coming year for the OEM segment sales to further grow.

EXPANSION

Your Company has been consistently growing its market share in a growing market.Your Company intends to continue this trend and, foreseeing the future, your Company has taken steps towards increasing its capacities.

THREAT

Import of two wheeler tyres is a growing threat and continues to grow YoY. Moreover, foreign players have started creating capacities in India which will be a new threat in the coming financial year. New domestic players are also entering the two wheeler segment which will make the market even more competitive. Raw material prices are expected to increase compared to last year on the back of increased demand although prices hinge on China's economic growth and exchange rate.

COMPETITION

Keeping in mind the highly competitive nature of the industry, there is a continuous struggle by all the players to improve their respective market shares. Cheaper imports from China and South-East Asian countries during the year further added to the competitive pressures faced by the industry, while the threat of foreign players setting up dedicated capacities in India to compete with the domestic players looms large.

GROWTH

Your Company lost marginal market share in the OEM Segment but continued to hold the leadership position. In the Aftermarket Segment, your Company has increased its visibility and consolidated its position as the third largest player by market share. Your Company was able to increase its two wheeler tyre exports and sustain its volumes in the off highway tyres export segment, despite sluggish demand from European countries

SEGMENT-WISE PERFORMANCE

DOMESTIC OEM MARKET

Your Company maintained its volumes while the two and three wheeler Industry grew by 1.5% in comparison to the volumes of FY 14-15 (Source: SIAM).

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

AFTERMARKET

Your Company achieved substantial growth in its aftermarket volumes although, value growth, in comparison, was not as much due to transfer of the raw material price reduction to end users during the year 2015-16. This growth has been achieved through increased visibility driven by focused advertising efforts, rapid network expansion and new product offerings undertaken during the year. Your Company, in spite of the competition, was able to end the year with an improved Debtors Turnover Ratio as compared to the previous year. In order to expand its reach and increase the service levels, your Company has also opened new Depots during the year.

EXPORTS

Your Company has entered new markets for the sale of off highway tyres and expanded its two wheeler tyre distribution channels. In order to improve the visibility of the brand, your Company has also participated in various international shows.

INDUSTRY AND BUSINESS OUTLOOK

The industry growth forecast for FY16-17 looks positive compared to FY15-16. The two wheeler industry is expected to grow at a rate of 7-9%, with the growth of the scooter segment expected to continue to overshadow the motorcycle segment (Source: Credit Rating Information Services of India Limited). Seventh Pay Commission may further add to the growth. However, the yesteryear sale of vehicles will continue to drive the aftermarket segment which is estimated to grow at 9% CAGR (Source: Credit Rating Information Services of India Limited).

BUSINESS STRATEGY

Your Company is the market leader in the OEM segment and going forward, plans to consolidate its position at the top. In the aftermarket segment, your Company has been actively making its presence felt and has plans to further improve its market share in the category over the course of this coming year. To support this growth, your Company plans to continue investing in brand building. Your Company also plans to invest time and resources in product innovation and release high performance tyres in the market. Your Company strives to set the benchmark in two wheeler conveyance solutions in the industry while adhering to a low cost of manufacturing. Your company will also focus on the export segment to increase its dollar revenue.

RISKS AND CONCERNS

Your Company's primary business risks are arising out of its larger presence and orientation towards the OEM segment. Continuous availability of trained and skilled manpower is a concern that your Company has to deal with. Development of new technology and processes continue to be an incessant risk as the market, by nature, keeps demanding technological advancements. Though your Company witnessed notable improvement in the power situation in Tamil Nadu during the previous year, availability of adequate power continues to be an area of concern. However your Company has already drafted plans to address these risks and concerns, and mitigate them.

SUSTAINABLE DEVELOPMENT

Your Company in cognizance of various business risks that it faces has proactively taken steps to mitigate these risks. To achieve distributed and diversified segmental revenue mix, significant efforts are underway to increase the aftermarket and export businesses. To increase the aftermarket business, your Company has taken initiatives for brand building and improve its top of the mind recall quotient.

The share of tubeless tyres in two wheeler market has significantly increased in FY 2016 and your Company believes this trend will accelerate in the coming years. Your Company, to this effect, has designed a comprehensive portfolio of tubeless products and is fully geared to cater to this surge in demand.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate internal control system to ensure that all its assets are safeguarded and protected against any loss, all the transactions are properly authorised, recorded information provided to management is reliable and timely and statutory obligations are adhered to.

Your Company has an established internal financial control framework including internal controls over financial reporting, operating controls and an anti-fraud framework. The frameworks are reviewed regularly by management, tested by the internal audit team and presented to the Audit Committee. Based on this periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has achieved overall revenue growth of 8.64% over the previous year. Your company has been able to maintain its leadership position in the OEM segment. After-Market segment has seen phenomenal growths due to improving brand perception and your company has gained significant market share in the segment. Exports on a whole was subdued due to weak global economic scenario although the exports of two three wheeler tyres experienced good growth owing to the extra efforts put in by your company to growth in this segment. Overall volume growth for the last year was 14% due improvement in market share in after-market and increased two / three wheeler exports

Last year was a weak year for the commodity prices and so was the case with all the raw materials used by your company. Due to fall in raw material prices your company had to pass on the price reduction and hence the revenue growth was not as much as the volume growth. Your company had taken various initiatives in strategic purchases which allowed your company to retain some benefits of the raw material price reduction. Rupee devaluation also supported the topline growth. Improved operational efficiency helped increase the asset utilization.

Your company has improved its working capital requirement by reducing debts, improving credit policies with supplier and distributor which has also reduced our interest costs.

Going further and taking into consideration our aggressive plans for growth in the after-market segment and two / three wheeler exports your company also plans to increase the brand spend for the coming fiscal.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The strategic initiatives undertaken by your Company include:

- A program called Extra Edge was initiated to assist front line supervisors in improving their business communication, etiquettes and customer centricity

- A process called Internal Deployment of Executives Assets (IDEA) was initiated during the year to identify potential internal candidates for vacant positions
- In-house training for new apprentices was imparted to provide a better understanding of your Company and its culture, safety, operational processes, etc., to reduce the probability of accidents
- For Senior Executives, a workshop on Relational Dimensions was conducted which was addressed by eminent behavioural Trainer Mr TT Srinath.
- More than 2640 employees (both direct and indirect) were on the rolls of your Company as at 31st March, 2016
- Healthy, cordial and peaceful industrial relations have been and continue to be maintained with the workers and employees at all levels

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

Your Company aims to ensure occupational health and safety in manufacturing and other related processes to achieve and sustain its goal of ZERO ACCIDENTS AND ZERO HEALTH HAZARDS'.

To this effect, several safety awareness programs were periodically conducted for our employees by industry experts. In addition to this, your Company has also implemented increased visual controls for process dos & don'ts, strengthened the orientation and induction training for all new employees, including contract employees, and organised regular pep talks focussing on prevention of accidents that occur due to unsafe actions (USA)

Unsafe conditions are tracked on a perpetual basis and safety measures implemented to mitigate their risk. Workers are instructed to check their individual machines on safety aspects to detect unsafe conditions and initiate corrective action through the Department concerned.

Your Company has also engaged ERM (Environmental Resource Management) consultancy to train team members & develop standard procedures to cultivate a safe working environment.

Your Company has devised a framework for capturing and reporting 'Near Miss' incidents at the earliest. These incidents are reviewed on priority and corrective and preventive actions taken immediately with horizontal deployment in similar workplaces.

A stringent work permit system for height work, hot work, etc., has been implemented for all employees, including contract labour, to prevent accidents during operations.

All new machines/layouts were certified by the safety team before commissioning. Your Company also conducted regular inspection of all plant machineries inside its factories, including contractors, to ensure safety standards are met and maintained.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's views, projections 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, economic developments, etc. may influence the Company's operations or performance.

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended31st March, 2016.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

The Company would constantly endeavour to improve on these aspects.

Your Company has complied with the requirements of Corporate Governance as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

GOVERNANCE STRUCTURE

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

BOARD OF DIRECTORS

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

COMMITTEE OF DIRECTORS

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

MANAGEMENT STRUCTURE

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

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.

CORPORATE GOVERNANCE (Contd.)

COMPOSITION AND CATEGORY OF DIRECTORS

As at 31st March, 2016, the board consists of eight (8) Directors, all the Directors except Executive Vice Chairman and Managing Director are Non-Executive Directors.

As per Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is having fifty per cent of its Directors as Non-Executive Directors. Out of the six Non-Executive Directors, four directors are Non-Executive Independent Directors viz., M/s M S Viraraghavan, H Janardana Iyer, Rasesh R Doshi and A Arumugam.

The Company has already a Woman Director, which satisfies the requirement laid under Section 149(1) of the Companies Act, 2013 and Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Thus the composition of the Company's Board is in conformity with the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' PROFILE

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

BOARD MEETINGS

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

The Company regularly places, before the Board for its review, the information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as annual operating plans and updates, capital expenditure budget and its quarterly updates, quarterly results, minutes of meetings of Audit Committee and other committees of the board, information on recruitment and remuneration of senior executives including appointment or removal of Chief Financial Officer and the Company Secretary, show cause, demand, prosecution notices and penalty notices which are materially important, fatal accidents, dangerous occurrences, any material effluent or pollution problems, material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the Company, public or product liability claims of substantial nature, significant labour problems, significant development in Human Resources, sale of investments, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company is prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any etc.,

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

During the year 2015-16, the Board met 6 times on 23.5.2015, 12.8.2015, 23.9.2015, 7.11.2015, 6.2.2016 and 11.3.2016 and the gap between two meetings did not exceed 120 days.

ATTENDANCE AND OTHER DIRECTORSHIPS

Details of director's attendance at the board meetings during the year and at the last Annual General Meeting (AGM) held on 23rd September, 2015 and also the number of other Directorships and committee memberships / chairmanships as on 31st March 2016 is as follows

Name of the Director	Category	Attendance Particulars		Directorships in other Companies		Committees in which Chairman / Member of other Companies	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Mr. R Naresh	EVC	5	Yes	3	5	-	-
Ms. Shobhana Ramachandhran	MD	6	Yes	-	10	-	3
Mr. M S Viraraghavan	NE-I	5	Yes	-	-	-	-
Mr. P Vijayaraghavan	NE	6	Yes	-	1	-	-
Mr. H Janardana Iyer	NE-I	4	Yes	-	2	-	5
Mr. V Ramakrishnan	NE	6	Yes	-	1	-	-
Mr. Rasesh R Doshi	NE-I	5	Yes	-	3	-	1
Mr. A Arumugam	NE-I	5	Yes	-	4	-	-

EVC – Executive Vice Chairman
MD – Managing Director
NE – Non Executive
NE-I – Non Executive – Independent

None of the director is a director in more than ten Public Limited Company(s) or serve as an Independent Director in more than seven listed Companies. Further, none of the directors on the board is a member of more than ten committees or Chairman of more than five committees across all companies in which they are Directors. Chairmanship / Membership of Committees include only Audit and Stakeholders Relationship Committee as covered under Regulation 26 of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the disclosures made by the Directors.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationship with other directors are provided in the notice convening the ensuing Annual General Meeting (AGM) of the Company.

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, 2016. The annual report contains a declaration to this effect signed by the Managing Director, as compliance officer of the Code.

ACCESS TO INFORMATION AND UPDATION TO BOARD

The Board reviews all information provided periodically for discussion and consideration at its meetings in terms of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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/ Chief Financial Officer and Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 6thFebruary, 2016, inter alia, to discuss the evaluation of the

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

All the Independent Directors were present at the meeting.

COMMITTEES OF THE BOARD

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

3. AUDIT COMMITTEE

Terms of Reference

Terms of reference of Audit Committee covers the matters specified for Audit Committees under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177(4) of the Companies Act, 2013. The role of the Audit Committee is as prescribed under Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Some of the important functions performed by the committee are:

FINANCIAL REPORTING AND RELATED PROCESSES

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

Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting

policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.

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

Reviewing of significant related party transactions submitted by the Management

Reviewing management letters / letters of internal control weaknesses issued by statutory auditors;

Internal audit reports relating to internal control weaknesses; appointment, removal and term of remuneration of the Chief Internal Auditor.

REVIEWING STATEMENT OF DEVIATIONS

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

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

INTERNAL CONTROLS AND GOVERNANCE PROCESSES

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

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

AUDIT

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

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

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

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

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

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

Review annual Cost Audit Report submitted by the Cost Auditor.

OTHER DUTIES

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

COMPOSITION, NAMES OF MEMBERS AND CHAIRPERSON

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

The Company Secretary acts as the Secretary of the Audit Committee

Chairman of the Audit Committee was present at the last AGM held on 23rd September, 2015.

The Composition of the Committee is in accordance with Section 177(2) of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Date of the meeting	Members present (M/s)
22.5.2015	M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi.
11.8.2015	M S Viraraghavan, P Vijayaraghavan, and Rasesh R Doshi.
7.11.2015	M S Viraraghavan, P Vijayaraghavan, and Rasesh R Doshi.
6.2.2016	M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi.

Senior Management also attend the meetings as and when required.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee consists of M/s M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer all non-executive Directors of the Company with Sri M S Viraraghavan as its Chairman, which complies pursuant to the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Chairman of the Nomination and Remuneration Committee was present at the last AGM held on 23rd September, 2015.

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

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of performance of independent directors and the board of directors;

Devising a policy on diversity of board of directors;

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal

Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

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

Date of the meeting	Members present (M/s)
22.5.2015	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer
11.8.2015	M S Viraraghavan and P Vijayaraghavan
23.9.2015	M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Directors individually as well as the working of Audit, Nomination and Remuneration Committees

REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Employees.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

- A non-executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- A non-executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee;
- The total commission payable to the directors shall not exceed 1% of the net profit of the Company;
- The Commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

REMUNERATION OF MANAGING DIRECTOR

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of commission.
- In determining the remuneration (including the fixed increment and commission) the Nomination & Remuneration Committee shall consider the following:
  a. the relationship of remuneration and performance benchmarks is clear;
  b. balance between fixed and commission payment reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

c. responsibility required to be shouldered by the Managing Director and the industry benchmarks and the current trends;

the Company's performance visà-vis the annual budget achievement and individual performance visà-vis the KRAs / KPIs

Sitting fee of Rs.10,000/- each is paid to the non-executive directors for every meeting of the board and / or committee thereof attended by them, which is within the limits, prescribed under the Act.

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

(a) Name (b) Sitting Fees paid [Rs. in lakhs] (c) Commission paid [Rs. in lakhs] (d) Total [Rs.in lakhs] (e) No. of shares
(a) Mr M S Viraraghavan (b) 1.30 (c) 15.00 (d) 16.30 (e) 900, (a) Mr N H Atthreya (b) Nil (c) 4.10 (d) 4.10 (e) 1200, (a) Mr Sitaram Rao Valluri(b) Nil (c) 2.65 (d) 2.65 (e) Nil, (a) Mr P Vijayaraghavan (b) 1.90 (c) 15.00 (d) 16.90 (e) 150, (a) Mr H Janardhana Iyer (b) 0.90 (c) 15.00 (d) 15.90 (e) Nil (a) Mr V Ramakrishnan (b) 0.80 (c) 10.00 (d) 10.80 (e) Nil (a) Mr.Rasesh R Doshi (b) 1.20 (c) 15.00 (d) 16.20 (e) Nil (a) Mr A Arumugam (b) 0.60 (c) 10.00 (d) 10.60 (e) Nil

Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2015-2016 :
(a) Name (b) Designation (c) Salaries & Allowances (d) Commission (e) Perquisites (f) Total [Rs. in lakhs]
(a) Ms Shobhana Ramachandhran (b) Managing Director (c) 160.62 (d) 579.00 (e) Nil (f) 739.62; (a) Mr R Naresh (b) Executive Vice Chairman (c) 96.07 (d) 869.00 (e) Nil (f) 965.07

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

Remuneration of Senior Management Employees

i. In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

a) the relationship of remuneration and performance benchmark is clear;

b) balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

c) the remuneration is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive;

d) the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market;

ii. the Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Ms. Shobhana Ramachandhran, Mr. P Vijayaraghavan and Mr. V Ramakrishnan as its members. Mr. P Vijayaraghavan, is the Chairman of the Committee. The Committee met two times during the year.

Company Secretary is the Compliance Officer of the Committee

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

During the year, the Company has received one complaint and the same has been redressed satisfactorily

All the queries and complaints received during the financial year ended 31st March, 2016 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.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

a) to frame the CSR Policy and its review from time-to-time.

b) to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

c) to ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

7. WHISTLE BLOWER POLICY

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

During the year, no instance was reported under this policy

8. SUBSIDIARY COMPANIES

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

The Audit Committee of Directors reviews the financial statements.

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

9. GENERAL BODY MEETING

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

Year	Location	Date	Time
2012-13	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	25.9.2013	10.30 AM
2013-14	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	11.9.2014	10.30 AM
2014-15	Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002	23.9.2015	10.30 AM

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

Two special resolutions were put through in the year 2014-15

10. DISCLOSURES

RELATED PARTY TRANSACTIONS

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with related parties during the financial year which are in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

RISK MANAGEMENT

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

INSTANCES OF NON-COMPLIANCE(S), IF ANY

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

DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL

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

CEO AND CFO CERTIFICATION

The Managing Director (CEO) and the President – Finance (CFO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2016.

COMPLIANCE WITH MANDATORY / NON-MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements in terms of Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

MEANS OF COMMUNICATION

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

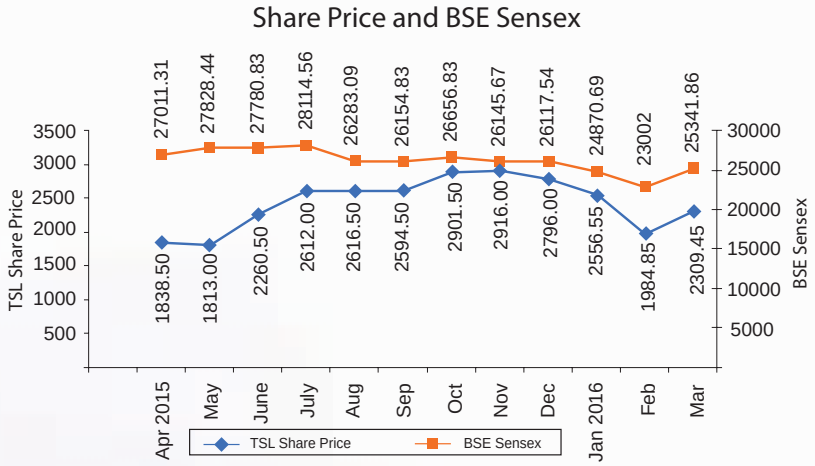
(a)	Annual General Meeting, Date, Time and Venue	Date : 22.9.2016 Time : 10.30 A.M. Venue : Lakshmi Sundaram Hall 15-A Gokhale Road, Madurai 625 002
(b)	Financial Year	1st April to 31st March
	Financial reporting for the quarter ending	Financial calendar 2016-17 (tentative)
	30th June 2016	Before 14th August, 2016
	30th September, 2016	Before 14th November, 2016
	31st December, 2016	Before 14th February, 2017
	31st March, 2017	Before 30th May, 2017
(c)	Dividend Payment date	First Interim Dividend paid on 25.2.2016 Second Interim Dividend paid on 28.3.2016 No further dividend has been recommended
(d) (e)	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	
	Name of the Stock Exchange	Stock code / Symbol
	BSE Ltd	509243
	National Stock Exchange of India Ltd	TVSSRICHAK
	ISIN allotted by Depositories (Company ID Number)	INE421C01016
	annual listing fees and custodial charges for the year 2015-16 were duly paid to the above Stock Exchanges and to the Depositories.	

f) MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

Month	Bombay Stock Exchange Ltd (BSE)		National Stock Exchange Ltd (NSE)	
	High	Low	High	Low
April 15	2084.25	1515.75	2031.00	1527.20
May 15	1953.00	1700.00	1876.35	1704.40
June 15	2412.00	1600.00	2340.90	1647.85
July 15	2735.00	2120.00	2676.30	2152.55
Aug. 15	3249.00	2355.00	3181.10	2559.50
Sept.15	2800.00	2281.00	2740.10	2339.85
Oct.15	3148.00	2562.00	3076.00	2578.20

Month	Bombay Stock Exchange Ltd (BSE)		National Stock Exchange Ltd (NSE)	
	High	Low	High	Low
Nov.15	2983.50	2652.00	2999.00	2656.00
Dec.15	2929.50	2666.00	2930.00	2655.00
Jan. 16	2957.70	2273.30	2960.00	2281.00
Feb.16	2680.00	1945.10	2689.95	1985.00
Mar.16	2480.00	2025.25	2460.00	1990.20

g) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX ETC;



h) REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS

Registrar & Share Transfer Agent of the Company

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. Their address is :
M/s Integrated Enterprises (India) Limited
"Kences Towers" II Floor, No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600017
Phone 044 – 28140801 – 803 Fax 044 – 28142479
Email corpserv@integratedindia.in

i) SHARE TRANSFER SYSTEM

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

Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

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

As per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015,the following e-mail IDs, namely Sec.investorgrievances@tvstyres.com, Secretarial@tvstyres.com were hosted on the Company's website for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

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

J) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARTCH 2016

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	22821	96.43	1849644	24.16
501 to 1000	502	2.12	364023	4.75
1001 to 2000	179	0.76	258889	3.38
2001 to 3000	53	0.22	135179	1.77
3001 to 4000	33	0.14	115174	1.50
4001 to 5000	19	0.08	86043	1.12
5001 to 10000	25	0.11	177223	2.31
10001 to above	35	0.15	4670875	61.00
Total	23667	100.00	7657050	100.00

k) DEMATERIALIZATION OF SHARES AND LIQUIDITY

Out of 4183489 shares held by persons other than promoters, 3325797 shares have been dematerialized as on 31st March, 2016 accounting to 79.49%.

The Company has already achieved 100% of promoter group's shareholding in dematerialized form consisting of 3473561 equity shares of face value of Rs.10/- each

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

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

l) PLANT LOCATIONS

TAMIL NADU
Perumalpatti Road, Vellaripatti Village, MelurTaluk, Madurai District, Pin 625 122
Narasingampatti Village, Therkutheru, MelurTaluk, Madurai District, Pin 625 122

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

ADDRESS FOR COMMUNICATION
TVS Srichakra Limited, No.10, Jawahar Road, Madurai 625 002
Phone : 0452 2443300 Fax : 0452 2443466
Email : Sec.investorgrievances@tvstyres.com; Secretarial@tvstyres.com, website: www.tvstyres.com

COMPLIANCE OFFICER
Mr. P Srinivasan, Secretary, TVS Srichakra Limited,
10 Jawahar Road, Madurai 625 002
Phone : 0452 – 2443300, Fax : 0452 – 2443466, Email id – Srinivasan.P@tvstyres.com

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT.

UNCLAIMED SHARE CERTIFICATES

In terms of the Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 regulation, 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 regulation. 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.

Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached listed entity for transfer of shares from suspense.account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
No. of shareholders	No. of shares in the suspense account			No. of shareholders	No. of shares in the suspense account
29	1639	-	-	29	1639

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, 2009 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

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

Financial Year	Date of declaration	Date of transfer to special account	Date of transfer to IEPF
31.3.2009	25.9.2009	31.10.2009	28.11.2016
31.3.2010	20.9.2010	19.3.2010	16.4.2017
31.3.2011	3.8.2011	8.9.2011	6.10.2018
31.3.2012	27.9.2012	2.11.2012	1.12.2019
31.3.2013	25.9.2013	31.10.2013	30.11.2020
31.3.2014	11.9.2014	17.10.2014	15.11.2021
31.3.2015	23.9.2015	29.10.2015	26.11.2022

CORPORATE GOVERNANCE (Contd.)

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATIONS 17 TO 27 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 31.3.2016, as stipulated in Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Stakeholders Relationship Committee.

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

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

K S NARAYANASWAMY
Partner
Membership No. 8593

Madurai
11.5.2016

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, 2016 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.

K P RANGARAJ
CHIEF FINANCIAL OFFICE

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

Madurai
11.5.2016

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, 2016.

Madurai
11.5.2016

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH, 2016

To

The Members of TVS SRICHAKRA LIMITED

TVS Building

7-B West Veli Street

Madurai – 625 001

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TVS SRICHAKRA LIMITED, MADURAI – 625 001 ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TVS SRICHAKRA LIMITED, MADURAI FOR THE YEAR ENDED 31ST MARCH, 2016

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state affairs of the Company as at 31st March 2016, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no. 27(O) to the financial statements;

ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and protection Fund by the Company during the year.

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm registration No. 004207S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 11.5.2016

ANNEXURE A

REFERRED TO IN PARAGRAPH 1 ON 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The Company has a regular program of verifying fixed assets every year which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

c) The title deeds of immovable properties are held in the name of the Company

(ii) Physical Verification of stock of finished goods, stores, spare parts and raw materials has been conducted by the Management at reasonable intervals. The discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the accounts.

(iii) According to information and explanation given to us the company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. A sum of Rs.34.59 crores which has been granted to a wholly owned subsidiary Company as advance in an earlier year has been converted into optionally convertible debenture during the year. Interest on the advance has been received during the year. An advance of Rs.1.66 crores made during the year has been received back during the year along with interest. No amount is outstanding at the end of the year.

(iv) According to information and explanation given to us, the company has not given any loan, furnished any guarantees or provided any security during the year. The company has complied with Section 185 of the Companies Act, 2013 in respect of investments made during the year.

(v) According to information and explanation given to us, the company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 during the year.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act 2013 and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues applicable to it. According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31.03.2016 for a period of more than six months from the date they became payable.

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

REFERRED TO IN PARAGRAPH 1 ON 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

(Rs in Crores)

Forum Where Dispute is pending	Income-tax	Sales Tax	Excise duty & Service Tax
High Court	-	-	0.34
Commissioner	4.46	-	0.02
Joint Commissioner	-	0.60	0.20
Deputy Commissioner	-	0.11	0.09
Assistant Commissioner	-	19.01	0.29
Appellate Tribunal	-	-	2.53
Income Tax Office CPC (TDS)	1.19	-	-

(viii) The Company has not defaulted in repayment of loans or borrowings to banks. The company has not availed any loans from financial institutions.

(ix) The Company has not raised any money by way of initial public offer or further public offers including debt instruments during the year and hence reporting on utilization of such money does not arise.

(x) Based upon the audit procedures performed and information and explanation given by the management we report that no fraud on or by the Company by it officers or employees has been noticed or reported during the year ended31st March 2016.

(xi) According to information and explanation given to us, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and as such this clause of the Order is not applicable.

(xiii) According to information and explanations given to us and based upon the audit procedures performed, all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The company has not made private placement of shares/debentures during the year.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them.

(xvi) The Company is not required to be registered under Section 45 IA of the RBI Act.

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm registration No. 004207S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 11.5.2016

ANNEXURE B

REFERRED TO IN PARAGRAPH 2(F) ON 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

We have audited the Internal Financial Controls over financial reporting of TVS SRICHAKRA LIMITED, MADURAI – 625 001 ("the Company"), as of 31st March, 2016 in conjunction with the audit of the financial statements of the Company for the year ended on that date.

MANAGEMENTS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects

Our Audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk, whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

REFERRED TO IN PARAGRAPH 2(F) ON 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm registration No. 004207S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 11.5.2016

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BALANCE SHEET AS AT 31ST MARCH 2016

Rs. in Crores

Particulars	Note No.	31.3.2016	31.3.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	**7.66**	7.66
(b) Reserves and surplus	2	**410.85**	268.63
(c) Money received against share warrants			
2 Share application money pending allotment		**-**	-
3 Non-current liabilities			
(a) Long-term borrowings	3	**29.83**	73.83
(b) Deferred tax liabilities (Net)	4	**27.57**	22.64
(c) Other Long term liabilities	5	**88.03**	14.91
(d) Long-term provisions	6	**3.87**	7.71
4 Current liabilities			
(a) Short-term borrowings	7	**86.57**	102.07
(b) Trade payables	8	**123.99**	134.55
(c) Other current liabilities	9	**177.14**	134.82
(d) Short-term provisions	10	**2.57**	33.60
Total		**958.08**	800.42
II. ASSETS			
1 **Non-current assets**			
(a) Fixed assets			
(i) Tangible assets	11	**359.03**	264.12
(ii) Intangible assets	11	**2.76**	2.98
(iii) Capital work-in-progress	11	**43.09**	14.17
(iv) Intangible assets under development	11	**0.85**	4.23
(b) Non-current investments	12	**87.25**	32.01
(c) Long-term loans and advances	13	**35.25**	64.81
(d) Other non-current assets	14	**0.60**	7.46
2 **Current assets**			
(a) Inventories	15	**207.93**	209.84
(b) Trade receivables	16	**171.10**	166.80
(c) Cash and cash equivalents	17	**12.30**	9.42
(d) Short-term loans and advances	18	**37.92**	24.58
Total		**958.08**	800.42
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN: 00273609

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Rs. in Crores

	Particulars	Note No.	31.3.2016	31.3.2015
I.	Revenue from operations	19	**2059.87**	1895.99
II.	Other income	20	**22.19**	3.72
III.	**Total Revenue (I + II)**		**2082.06**	1899.71
IV.	Expenses:			
	Cost of materials consumed	21	**1052.06**	1137.99
	Purchases of Traded goods		**3.77**	2.83
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	**(15.93)**	(17.37)
	Employee benefit expenses	23	**201.83**	164.23
	Finance costs	24	**14.78**	29.89
	Depreciation and amortization expense	11	**42.35**	39.88
	Other expenses	25	**495.79**	402.69
	Total expenses		**1794.65**	1760.14
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**287.41**	139.57
VI.	Exceptional items		**-**	-
VII.	**Profit before extraordinary items and tax (V - VI)**		**287.41**	139.57
VIII.	Extraordinary Items		**-**	-
IX.	**Profit before tax (VII- VIII)**		**287.41**	139.57
X	Tax expense:			
	(1) Current tax		**85.00**	35.00
	(2) Tax relating to earlier year		**0.27**	-
	(3) Deferred tax		**4.93**	0.78
XI	**Profit/(Loss) for the period from continuing operations (IX-X)**		**197.21**	103.79
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)**		**197.21**	103.79
XVI	Earnings per equity share:(in Rs)			
	Basic and Diluted		**257.55**	135.55
Significant Accounting Policies		26		
Notes on Accounts		27		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN: 00273609

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Rs in Crores

	31.3.2016		31.3.2015	
A. **CASH FLOW FROM OPERATING ACTIVITIES:**				
Profit before tax		**287.41**		139.57
Adjustments for :				
Depreciation	**42.35**		39.88	
Interest paid	**14.78**		29.89	
Interest received	**(2.28)**		(1.11)	
(Profit)/loss on Sale of Assets			0.01	
Profit on sale of Investments	**(16.37)**			
Provision for Doubtful debts withdrawn			(1.93)	
Assets Condemned	**0.05**		0.33	
Non operating income	**(1.20)**		(0.68)	
		37.33		66.39
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**324.74**		205.96
Adjustments for :				
Trade Receivables	**(4.30)**		101.51	
Other Receivables	**25.45**		1.87	
Inventories	**1.91**		(3.19)	
Trade and other payables	**109.94**		(25.66)	
		133.00		74.53
Cash Generated From Operations		**457.74**		280.49
Direct taxes paid		**87.20**		38.48
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**370.54**		242.01
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	**(160.30)**		(84.32)	
Proceeds from disposal of assets			0.02	
Investments Purchased	**(84.67)**		(12.75)	
Investments Sold off	**45.80**			
Grant received	**0.30**			
Non operating income	**1.20**		0.68	
Interest received	**2.28**		1.11	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(195.39)**		(95.26)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest paid	**(14.69)**		(33.10)	
Proceeds/ (Repayment) from short term borrowings	**(15.50)**		(50.06)	
Proceeds/(Repayment) of long term borrowings	**(58.71)**		(48.09)	
Loan to subsidiary			(0.01)	
Dividend & Dividend tax paid	**(83.37)**		(14.01)	
NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**(172.27)**		(145.27)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**2.88**		1.48
CASH AND CASH EQUIVALENTS - OPENING BALANCE		**9.42**		7.94
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**12.30**		9.42

SHOBHANA RAMACHANDHRAN — *Managing Director* — *DIN : 00273837*

R NARESH — *Executive Vice Chairman* — *DIN: 00273609*

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ — *Chief Financial Officer*

P SRINIVASAN — *Secretary*

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SHARE CAPITAL		Rs in Crores
	31.3.2016	31.3.2015
Authorised		
1 00 00 000 Equity Shares of Rs. 10 each	**10.00**	10.00
Issued, Subscribed & Paid up		
76 57 050 Equity Shares of Rs.10 each fully paid	**7.66**	7.66
Subscribed but not fully Paid up		
Equity Shares of Rs. 10 each, not fully paid up.		
Total	**7.66**	7.66

	Equity Shares	
	No.'000	Rs. In Crores
Shares outstanding at the beginning of the year	7657.05	7.66
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	7657.05	7.66
Other Information :		
Equity Share holders holding more than 5% of the total Share capital of the company		
T V Sundram Iyengar & Sons Private Limited	27.73%	27.73%
Sundaram Industries Private Limited	9.79%	9.79%

Rights, preferences and restrictions attached to shares -

Equity shares - The company has one class of equity shares having a par value of Rs. 10/- each. Each 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.

NOTE 2 - RESERVES AND SURPLUS		
a. Capital Reserves		
Opening Balance	**0.01**	0.01
(+) Addition during the Year	**0.30**	-
(+) Current Year Transfer	**-**	-
(-) Written Back in Current Year	**-**	-
Closing Balance	**0.31**	0.01
b. Securities Premium Account		
Opening Balance	**0.93**	0.93
Adjustments / Transfers during the year	**-**	-
Closing Balance	**0.93**	0.93
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	**0.46**	0.46
(+) Current Year Transfer	**-**	-
(-) Written Back in Current Year	**-**	-
Closing Balance	**0.46**	0.46

		Rs in Crores	
		31.3.2016	31.3.2015
d. Other Reserves - General Reserve			
Opening Balance		**31.01**	31.01
(+) Current Year Transfer		**-**	-
(-) Written Back in Current Year		**-**	-
Closing Balance		**31.01**	31.01
e. Surplus			
Opening balance		**236.22**	163.58
(+) Net Profit/(Net Loss) For the current year		**197.21**	103.79
(-) Interim Dividend paid		**45.94**	-
(-) Dividend Tax on Interim Dividend paid		**9.35**	-
(-) Proposed Dividend		**-**	25.88
(-) Dividend Tax on Proposed Dividend		**-**	5.27
Closing Balance		**378.14**	236.22
	Total	**410.85**	268.63

NOTE 3 - LONG TERM BORROWINGS

Secured			
(a)Term loans			
from banks		**29.83**	73.83
from other parties		**-**	-
	Total	**29.83**	73.83

Additional Information :

Details of Security for Secured Loans

a) Term Loan Availed from State Bank of India is secured by (a) 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) second charge on the entire current assets of the company.

b) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village, Madurai.

NOTE 4 - DEFERRED TAX LIABILITY / ASSETS

		31.3.2016	31.3.2015
i) Deferred Tax Liability			
a) On Account of Depreciation on Fixed Assets		**30.05**	24.84
b) On account of timing Differences in Recognition of Expenditure		**(2.48)**	(2.20)
	Total	**27.57**	22.64

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 5 - OTHER LONG TERM LIABILITIES

Rs in Crores

		31.3.2016	31.3.2015
(a) Trade Payables		**-**	-
(b) Others		**88.03**	14.91
	Total	**88.03**	14.91

NOTE 6 - LONG TERM PROVISIONS

(a) Provision for employee benefits			
Leave Encashment (unfunded)		**3.47**	2.93
Gratuity		**0.40**	4.78
(b) Others		**-**	-
(c) Provision for Taxation		**-**	-
	Total	**3.87**	7.71

NOTE 7 - SHORT TERM BORROWINGS

Secured			
(a) Loans repayable on demand			
from banks		**86.57**	102.07
from other parties		**-**	-
Unsecured			
(b) Loans repayable on demand			
from banks		**-**	-
from other parties		**-**	-
	Total	**86.57**	102.07

Additional Information :

a. Details of Security for Secured Loans

"Working Capital facilities availed from State Bank of India are secured by a first charge by way of hypothecation of Stock of Raw Materials, Stores, Work in Progress, Finished goods and Book Debts. Working Capital facilities are also secured through a second charge on the assets created out of the term loans including:

1) EM of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E, Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the company and

2) EM over Land [1.90 acres] and Buildings at S No. 519 / 1B 2 Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District belonging to the company. "

NOTE 8 - TRADE PAYABLES

		31.3.2016	31.3.2015
i) To Micro Small and Medium Enterprises		**-**	-
ii) Others		**123.99**	134.55
	Total	**123.99**	134.55

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 9 - OTHER CURRENT LIABILITIES			Rs in Crores
		31.3.2016	31.3.2015
(a) Current maturities of long-term debt		**14.76**	29.47
(b) Current maturities of finance lease obligations		**-**	-
(c) Interest accrued but not due on borrowings		**0.99**	0.90
(d) Unpaid dividends		**4.62**	1.55
(e) Other -Creditors		**156.77**	102.90
	Total	**177.14**	134.82

NOTE 10 - SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Leave encashment	**0.66**	0.52
Gratuity	**1.91**	-
(b) Provisions		
Taxation Less Advance Tax	**-**	1.93
Dividend	**-**	25.88
Dividend tax	**-**	5.27
Total	**2.57**	33.60

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 11 - FIXED ASSETS **Rs. in Crores**

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at 31 March 2015	Additions	Deletions	**As at 31 March 2016**	As at 31 March 2015	Depreciation charge for the year	On Deletions	**As at 31 March 2016**	**As at 31 March 2016**	As at 31 March 2015
a Tangible Assets										
Land - Freehold	1.96	-	-	**1.96**	-	-	-	**-**	**1.96**	1.96
Land - Leasehold	2.85	-	-	**2.85**	0.19	0.03	-	**0.22**	**2.63**	2.66
Buildings	87.82	27.31	-	**115.13**	16.06	3.88	-	**19.94**	**95.19**	71.76
Plant and Machinery*	265.02	78.74	0.44	**343.32**	133.57	23.82	-	**157.39**	**185.93**	131.45
Furniture and Fixtures	4.80	1.07	-	**5.87**	2.68	0.45	-	**3.13**	**2.74**	2.12
Vehicles	1.55	0.19	0.08	**1.66**	0.57	0.15	0.04	**0.68**	**0.98**	0.98
Office equipment	6.92	1.46	0.27	**8.11**	3.83	1.41	-	**5.24**	**2.87**	3.09
Electrical & Electronics*	66.35	27.56	-	**93.91**	16.25	10.93	-	**27.18**	**66.73**	50.10
Total	437.27	136.33	0.79	**572.81**	173.15	40.67	0.04	**213.78**	**359.03**	264.12
b Intangible Assets										
Computer software	7.36	1.46	-	**8.82**	4.38	1.68	-	**6.06**	**2.76**	2.98
Licence	1.81	-	-	**1.81**	1.81	-	-	**1.81**	**-**	-
Others (specify nature)										
Total	9.17	1.46	-	**10.63**	6.19	1.68	-	**7.87**	**2.76**	2.98
c Capital Work In Progress									**43.09**	14.17
Total	-	-	-	**-**	-	-	-	**-**	**43.09**	14.17
d Intangible assets under Development									**0.85**	4.23
Total	-	-	-	**-**	-	-	-	**-**	**0.85**	4.23
GRAND TOTAL	446.44	137.79	0.79	**583.44**	179.34	42.35	0.04	**221.65**	**405.73**	285.50
Previous Year	370.01	78.01	1.58	**446.44**	140.70	39.88	1.24	**179.34**	**285.50**	

Note: Refer Note 4 of significant accountig policies and Note 27 (b) of notes on accounts

* Assets as on 1.4.2015 hove been regrouped to fall in line with component accountig

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 12 - NON CURRENT INVESTMENTS

Rs. In Crores

	31.3.2016	31.3.2015
Non Trade		
Investment in Equity instruments	**42.75**	32.10
Investment in Debt instruments	**44.59**	
Less : Provision for diminution in the value of Investments	**0.09**	0.09
Total	**87.25**	32.01

Details of Non-Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares/Debentures / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs. In Crores)		Whether stated at Cost Yes / No
		31.3.2016	31.3.2015			31.3.2016	31.3.2015	31.3.2016	31.3.2015	
Investement in Equity Instruments										
I) Equity										
TVS Europe Distribution Ltd*	Subsidiary		3325000 / 1 GBP	Unquoted	Fully paid		59		29.43	yes
TVS Srichakra Investment Ltd	Subsidiary	2050000 / Rs 10	2050000 / Rs 10	Unquoted	Fully paid	100	100	2.05	2.05	yes
Van Leeuwen Tyres & Wheels BV	Associate	15000 / 1 Euro	15000 / 1 Euro	Unquoted	Fully paid	30	30	0.09	0.09	yes
Sai Regency Power Corporation Private Limited	Others	150000/ Rs 10/-	150000/ Rs 10/-	Unquoted	Fully paid	0.9	0.9	0.15	0.15	yes
Mytrah Vayu(Manjira) Private Limited	Others	449840/Rs 10/-	381840/Rs 10/-	Unquoted	Fully paid	2.57	9.02	0.45	0.38	yes
II) Preference Shares										
TVS Automobile Solutions LTD	Others	1589699/Rs 10/-		Unquoted	Fully paid			40.01		yes
(Compulsory Convertible Preference Shares)										
Investement in Debt Instruments										
TVS Srichakra Investment Ltd	Subsidiary	445900/ Rs 1000		Unquoted	Fully paid			44.59		yes
(11% Optional Convertible Debentures)										
Total								87.34	32.10	
Less : Provision for diminution in the value of Investments								0.09	0.09	
Total								87.25	32.01	

Additions during the year	No. of Shares / Debentures	value in Crores
MYTRAH VAYU (MANJIRA) PRIVATE LIMITED	68000 Shares	0.07
TVS Srichakra Investment Ltd	445900 Debentures	44.59
TVS Automobile Solutions LTD	1589699 Preference share	40.01

*Ceased to be a subsidiary with effect from 24.03.2016 consequent upon company divesting its holdings.

NOTE 13 - LONG TERM LOANS AND ADVANCES		Rs. in Crores
	31.3.2016	31.3.2015
a. Capital Advances		
Secured, considered good	**-**	-
Unsecured, considered good	**16.62**	14.25
Doubtful	**-**	-
Less: Provision for doubtful advances	**-**	-
	16.62	14.25
b. Security Deposits		
Secured, considered good	**-**	-
Unsecured, considered good	**15.24**	12.76
	15.24	12.76
c. Loans and advances to related parties		
Secured, considered good	**-**	-
Unsecured, considered good	**-**	34.59
	-	34.59
d. Other loans and advances		
Secured, considered good	**-**	-
Unsecured, considered good	**3.39**	3.21
	3.39	3.21
Total	**35.25**	64.81

NOTE 14 - OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	**7.46**	7.46
Less :MAT Credit utilised	**(7.46)**	-
Advance Tax less provisions	**0.60**	-
Total	**0.60**	7.46

NOTE 15 - INVENTORIES AS CERTIFIED BY MANAGING DIRECTOR		
a. Raw Materials and components at cost	**108.22**	124.59
b. Work-in-progress at cost	**14.06**	12.11
c. Finished goods at lower of cost and realisable value	**79.01**	65.24
d. Stock-in-trade at cost	**0.51**	0.30
e. Stores and spares at cost	**6.13**	7.60
Total	**207.93**	209.84

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	**171.01**	163.72
	171.01	163.72
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	**-**	-
Unsecured, considered good	**0.09**	3.08
Unsecured, considered Doubtful	**-**	-
Less:Provision for Doubtful Debts	**-**	-
	0.09	3.08
Total	**171.10**	166.80

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 17 - CASH AND CASH EQUIVALENTS		Rs. in Crores
	31.3.2016	31.3.2015
a. Balances with banks		
- In Unpaid Dividend Accounts	**4.62**	1.55
- In Margin money	**0.01**	0.01
- In Fixed Deposit	**1.77**	-
- As security deposit for a vendor	**4.42**	2.67
- In Current Accounts	**1.06**	4.39
b. Cash on hand	**0.42**	0.80
Total	**12.30**	9.42

NOTE 18 - SHORT TERM LOANS AND ADVANCES		
a. Loans and advances to related parties		
Unsecured, considered good	**-**	-
b. Others		
Prepaid Expenses	**2.15**	3.63
Accrued Income	**0.64**	-
Other advances	**35.13**	20.95
Total	**37.92**	24.58

NOTE 19 - REVENUE FROM OPERATIONS		
Sale of products	**2221.06**	2045.80
Other operating revenues	**16.63**	14.54
	2237.69	2060.34
Less: Excise duty	**177.82**	164.35
Total	**2059.87**	1895.99

NOTE 20 - OTHER INCOME		
Interest Income - Current Investments *	**2.28**	1.11
Exchange Rate gain & loss	**2.34**	-
Provision for doubtful debt withdrawn	**-**	1.93
Profit on sale of Investments	**16.37**	-
Other non-operating income	**1.20**	0.68
(net of expenses directly attributable to such income)		
Total	**22.19**	3.72

* Includes interest from a subsidiary Rs.0.67 Crores

NOTE 21 - COST OF MATERIALS CONSUMED		
Opening Stock	**124.59**	139.25
Add : Purchase (includes processing Rs 44.31Cr	**1035.69**	1123.33
(Previous year Rs 36.25Cr)		
Total	**1160.28**	1262.58
Less : Closing Stock	**108.22**	124.59
Cost of Materials consumed	**1052.06**	1137.99

NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs. in Crores

	31.3.2016	31.3.2015
Opening Stock of Finished goods & Traded goods	**65.54**	48.30
Opening Stock of Work in progress	**12.11**	11.98
Closing Stock of Finished goods & Traded Goods	**79.52**	65.54
Closing Stock of Work in progress	**14.06**	12.11
(Increase) / Decrease in Finished goods & Traded Goods	**(13.98)**	(17.24)
(Increase) / Decrease in Work in progress	**(1.95)**	(0.13)
Total (Increase) / Decrease in Stock	**(15.93)**	(17.37)

NOTE 23 - EMPLOYEE BENEFIT EXPENSES

(a) Salaries and wages	**153.42**	126.92
(b) Contributions to -		
(i) Superannuation Fund	**0.78**	0.71
(ii) Gratuity fund contributions	**2.31**	4.78
(iii) Provident Fund and other funds	**9.48**	8.02
(c) Remuneration to Whole time directors	**17.17**	8.59
(d) Staff welfare expenses	**18.67**	15.21
Total	**201.83**	164.23

NOTE 24 - FINANCE COSTS

Interest expense	**13.45**	29.39
Other borrowing costs	**1.33**	0.50
Total	**14.78**	29.89

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 25 - OTHER EXPENSES		Rs. in Crores
	31.3.2016	31.3.2015
Consumption of Stores & Spares	**52.98**	47.31
Power & Fuel	**74.66**	70.11
Repairs to building	**2.04**	2.31
Repairs to machinery	**5.21**	5.47
Repairs Others	**0.26**	0.64
Insurance	**3.35**	3.55
Rates & taxes	**17.57**	17.21
Telephone & Internet Charges	**1.43**	1.23
Travelling Expense	**12.85**	8.24
Exchange Rate gain & loss	**-**	4.73
Bank charges	**1.58**	1.82
Advertisement and sales Promotion	**50.43**	30.22
CSR Activities	**1.56**	0.88
Freight Out	**67.01**	60.54
Bad Debts written off	**1.06**	3.07
Provision for doubtful debts	**-**	-
Loss on Sale of Fixed Assets (Net)	**-**	0.01
Assets condemned	**0.05**	0.33
Commission to non Whole time directors	**0.80**	0.85
Director's sitting fees	**0.07**	0.04
Commission & Discount	**134.94**	100.54
Rent & Lease rentals	**19.07**	16.25
Audit Fees	**0.23**	0.20
Donation	**1.03**	0.03
Consultancy	**23.17**	13.29
Warranty Claims	**19.56**	8.62
Advance written off	**-**	0.91
Other expenses	**4.88**	4.29
Total	**495.79**	402.69

26. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

1 AS 1: DISCLOSURE OF ACCOUNTING POLICIES:

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

2 AS 2: VALUATION OF INVENTORIES:

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

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

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

3 AS 3: CASH FLOW STATEMENTS:

The Cash flow statement has been prepared under 'Indirect method'

4 AS 6: DEPRECIATION ACCOUNTING:

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

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

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

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

5 AS 9: REVENUE RECOGNITION:

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

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

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

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

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.

26. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

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

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

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

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

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

8 AS 12 : GOVERNMENT GRANTS

Capital Subsidy received from Government is credited to Capital Reserves

9 AS 13: ACCOUNTING FOR INVESTMENTS:

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

10 AS 15(REVISED): ACCOUNTING FOR RETIREMENT BENEFITS:

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

Leave encashment is provided for based on actuarial valuation.

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

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

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

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

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

(Rs.InCrores)

LEAVE ENCASHMENT		
Particulars	**31.3.2016**	31.3.2015
Obligations at period beginning	**3.45**	2.55
Service Cost	**0.47**	0.46
Interest cost	**0.27**	0.16
Actuarial (gain)/loss	**(0.06)**	1.14
Benefits paid	**-**	(0.86)
Obligations at the period end	**4.13**	3.45

26. SIGNIFICANT ACCOUNTING POLICIES:(Contd.)

(Rs.InCrores)

GRATUITY		
Particulars	**31.3.2016**	31.3.2015
Obligations at period beginning	**18.67**	12.57
Service Cost	**1.81**	1.56
Interest cost	**1.44**	0.96
Actuarial (gain)/loss	**(0.12)**	4.18
Benefits paid	**(0.60)**	(0.60)
Obligations at the period end	**21.20**	18.67

GRATUITY		
Change in plan assets	**31.3.2016**	31.3.2015
Plan assets at the beginning of the year	**13.89**	12.08
Expected return on the plan assets	**1.28**	0.95
Actuarial gain/(loss)	**(0.46)**	0.97
Contributions	**4.78**	0.49
Benefits paid	**(0.60)**	(0.60)
Plan assets at the year end, fair value	**18.89**	13.89

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

Fair value of the plan assets at the year end	18.89
Defined plan obligations at the year end	21.20
Assets / (liabilities) recognized in the Balance sheet	2.31

Gratuity cost:	**31.3.2016**	31.3.2015
Service Cost	**1.81**	1.56
Interest Cost	**1.44**	0.96
Expected return on plan assets	**(1.28)**	(0.95)
Actuarial (gains)/losses	**0.34**	3.21
Net gratuity cost	**2.31**	4.78

Assumptions:

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

11 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.

12 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.

26. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

13 AS 19: LEASES:

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

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

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

Rs in Crores

- Not later than one year	17.80
- Later than one year and not later than five years	28.68
- Later than five years	1.01

b Total of minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date — Not Applicable

c Lease payments recognized in the Statement of Profit and Loss for the year under the head rent Paid — Rs in Crores 7.31

14 AS 20: EARNINGS PER SHARE:

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

15 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.

16 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.

17 AS 26: INTANGIBLE ASSETS:

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

18 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.

26. SIGNIFICANT ACCOUNTING POLICIES:(Contd.)

19 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.

Contingent liabilities: **Rs. In Crores**

	31.3.2016	31.3.2015
Balance at the beginning of the year	**83.97**	74.88
Additions /(Deletions) during the year	**(12.03)**	9.09
Balance at the end of the year	**71.94**	83.97

Liabilities disputed and not provided for:- Income Tax, Sales Tax & Excise Duty:

		Rs. In Crores
	31.3.2016	31.3.2015
Balance at the beginning of the year	**8.07**	22.74
Additions / (Deletions) during the year	**18.17**	(14.67)
Balance at the end of the year	**26.24**	8.07

27 NOTES ON ACCOUNTS (Contd.)

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

b) i) All tangible assets are depreciated under the straight line method.

The Company has adopted useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets / components for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or below acquired during the year considered not material and are depreciated in full retaining Rs.1 per asset. Consequent to company adopting component accounting for fixed assets and re-assessment of the useful life of components based on technical evaluation, depreciation charged is higher by Rs.3.66 Crores.

ii) The Useful life other than that described in Schedule II adopted are furnished below:

Category of Plant and Machinery	No. of years
Plant & Machinery other than Generator Sets	20
Moulds / Trolley / Weighing balances / Drums / PCI Stand / Storage stand / Motors / Pumps	6
Electronics	6

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

c) Included under Rates & Taxes is a sum of Rs.10.88 Crores towards sales tax relating to prior years.

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

The value of main Raw materials used are as follows

		Rs. in Crores
	31.3.2016	31.3.2015
Materials consumed comprise of :		
Natural Rubber	**303.65**	275.76
Synthetic Rubber	**158.18**	180.83
Carbon	**139.02**	175.19
Chemicals	**69.41**	69.77
Oils	**18.74**	25.92
Beadwire	**23.22**	24.26
Fabric	**163.05**	164.32
Valves	**24.84**	24.87
Purchase of traded goods		
Tyre	**3.48**	2.46
Tube	**0.01**	0.02
Flap	**0.28**	0.35
e) CIF Value of Imports		
a) Raw Materials	**200.62**	308.00
b) Spares	**0.11**	0.04
c) Capital Goods	**35.58**	4.13

27 NOTES ON ACCOUNTS (Contd.)

Rs. in Crores

		31.3.2016		31.3.2015	
f)	Consumption of imported and indigenous raw materials and components	%		%	
	a) Imported	**21.99**	**221.63**	26.32	289.99
	b) Indigenous	**78.01**	**786.12**	73.68	811.75
g)	Consumption of imported and indigenous Stores and Spares				
	a) Imported	**-**	**-**	-	-
	b) Indigenous	**100.00**	**52.98**	100.00	47.31
h)	Earnings in foreign exchange				
	F.O.B. value of goods exported		**204.48**		206.57
i)	Expenditure incurred in Foreign Currency on				
	a) Consultancy		**3.26**		4.21
	b) Interest		**5.96**		6.19
	c) Other Matters		**6.25**		3.87
j)	a) Remuneration to Managing Director:				
	Salaries & Allowances		**1.73**		0.89
	Commission		**5.79**		2.96
	Contribution to Provident & Other Funds		**0.28**		0.15
	b) Remuneration to Executive Vice Chairman:				
	Salaries & Allowances		**0.96**		0.61
	Commission		**8.69**		4.13
k)	Interest Paid includes:				
	a) Interest on Fixed Loans		**1.33**		8.40
	b) Interest Capitalised		**-**		-
l)	Tax deducted at Source from Interest		**0.10**		0.05
m)	Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery		**15.69**		13.58
n)	Details of the Audit Fees				
	a) for audit fees		**0.15**		0.12
	b) for taxation matters,		**0.03**		0.03
	c) for Certification		**0.03**		0.03
	d) for reimbursement of expenses		**0.02**		0.02
o)	Contingent Liabilities not provided for:				
	a) Estimated amount of contracts remaining to be executed on capital account		**30.97**		53.96
	b) On Letters of Credit opened by Company's Bankers		**40.09**		27.77
	c) Excise Duty & Service tax under Dispute		**2.56**		2.06
	d) Sales Tax under Dispute		**13.84**		0.64
	e) Income tax under Dispute		**9.84**		5.37
	f) Customs duty on goods lying at Bonded Warehouse		**0.88**		2.24

27 NOTES ON ACCOUNTS (Contd.)

		Rs in Crores	
		31.3.2016	31.3.2015
p)	Details of Research and Development Expenditure:		
	(i) Capital Expenditure:		
	a) Plant & Machinery	**1.87**	1.82
	b) Electrical Installations	**0.18**	-
	c) Vehicles	**0.13**	0.07
	d) Computers	**0.06**	-
	e) Furniture	**0.18**	0.06
	f) Buildings	**0.33**	0.03
	g) Intangible Assets	**-**	-
	h) Capital work in progress (P & M)	**2.81**	0.49
	Total	**5.56**	2.47
	(ii) Revenue Expenditure:		
	a) Raw Materials consumed	**1.12**	1.17
	b) Stores & Spares consumed	**0.30**	0.31
	c) Salaries, Wages, Bonus and Allowances	**4.44**	3.55
	d) Freight	**-**	0.25
	e) Rent including lease rentals	**0.12**	0.13
	f) Rates & Taxes	**0.22**	0.28
	g) Insurance	**0.01**	0.03
	h) Travelling expenses	**1.80**	1.60
	i) Repairs & Maintenance	**1.54**	1.17
	j) Consultancy-Foreign	**5.01**	3.34
	k) Consultancy-Domestic	**0.02**	0.13
	l) Others	**3.45**	2.72
	Total	**18.03**	14.68
	Total Research and Development expenditure	**23.59**	17.15
q)	Trade Payables and Short Term Provisions include:		
	a) Acceptances	**-**	3.39
	b) Due to Managing Director	**5.79**	2.96
	c) Due to Executive Vice Chairman	**8.69**	4.13
	d) Due to Non-whole time Directors	**0.80**	0.85

r) No amount is due as on 31st March, 2016 for credit to Investor Education and Protection Fund.

s) Details of Earnings Per Share

Profit after tax	Rs. in Crores	197.21	103.79
No. of equity shares	Nos	7,657,050	7,657,050
Face value of share	Rs	10.00	10.00
Basic Earnings per share	Rs	257.55	135.55

t) Terms of repayment of Term Loan

1.Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2018 (with a moratorium of 24 months).

2.ECB Loan from DBS Bank Limited is repayable in 20 Quarterly Instalment commencing January 2014.

u) During the year under review, the company has paid Interim Dividend of Rs.60 per share (600%) which together with dividend tax absorbed is Rs.55.29 Crores. No further dividend has been recommended by the Board of Directors.

27 NOTES ON ACCOUNTS (Contd.)

v) 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., (Ceased to be a subsidiary w.e.f 24.3.2016)
2	Associates	T V Sundram Iyengar & Sons Private Limited Van Leeuwen Tyres & Wheels B.V. Holland
3	Joint venture	ZF Electronics TVS (India) P Ltd
4	Key Management Personnel	Sri R Naresh, Executive Vice Chairman Ms Shobhana Ramachandhran, Managing Director
5	Enterprise with Common Key Management Personnel	Sundaram Industries Private Limited

Rs in Crores

Sl. No	Particulars	TVS Srichakra Investments Ltd.,	TVS Europe Distribution Ltd.,	T V Sundram Iyengar & Sons Private Limited	ZF Electronics TVS (India) P Ltd	Ms Shobhana Ramachandhran	Sri R Naresh	Sundaram Industries Private Limited
A	**Transactions for the year ended 31.3.2016**							
1	Purchases			0.42				2.93
				(0.84)				(3.45)
2	Sales			-				0.72
				(38.10)				(1.15)
3	Interest Received	0.67						
4	Services rendered	0.02		0.02				
				(5.06)				-
5	Services received			6.83	0.01	7.84	9.65	0.96
				(5.54)	(0.01)	(4.03)	(4.74)	(0.92)
6	Investments	* 44.59	-					
		-	(12.22)					
7	Sale of Investments		45.80					
8	Advance given	1.66						
		-						
9	Advance received	1.66						
		(0.01)						
B	**Outstanding as on 31.3.2016**							
1	Receivable							
		(34.59)		(0.64)				
2	Payable	0.02		6.67		5.79	8.69	0.60
				(4.26)		(2.96)	(4.13)	(1.35)

Figures in brackets are that of previous year.

* Includes Conversion of loan to optionally convertible debentures of Rs.34.59 Crores during the year

w) Figures of the previous year have been regrouped /reclassified wherever necessary to conform to current year's classification

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

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

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

K S NARAYANASWAMY
Partner
M.No. 8593

Place : Madurai
Date : 11.5.2016

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.3.2016

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TVS Srichakra Limited (hereinafter referred to as "the Holding Company"), its wholly owned Indian subsidiary and its foreign subsidiary which ceased to be a subsidiary on 24.3.2016 (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint venture company incorporated in India, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a. We did not audit the financial statements / financial information of its wholly owned Indian subsidiary and its foreign subsidiary which ceased to be a subsidiary on 24.3.2016 whose financial statements / financial information reflect total assets of Rs.248.27 Crores as at 31st March, 2016, total revenues of Rs.259.47 Crores and net cash flows amounting to Rs.7.85 Crores for the year ended on that date, as considered in the consolidated financial statements whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. We did not audit the financial statements / financial information of its jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.34.54 Crores as at 31st March, 2016, total revenues of Rs.40.79 Crores and net cash flows amounting to Rs.0.07 Crore for the year ended on that date, as considered in the consolidated financial statements whose financial statement / financial information have not been audited by us. This financial statement / financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statement / financial information furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act is not applicable to the consolidated financial statement and hence statement on the matters specified in paragraphs 3 and 4 of the Order is not furnished.
2. As required by Section143(3) of the Act, we report, to the extent applicable, that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TVS SRICHAKRA LIMITED

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its wholly owned subsidiary company incorporated in India, none of the directors of the holding company and its wholly owned subsidiary company incorporated in India, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the holding company, its subsidiary company and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity–Refer Notes on accounts (Note27 (p)) to the financial statements;

   ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and jointly controlled company incorporated in India.

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm registration No. 004207S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 11.5.2016

ANNEXURE A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TVS SRICHAKRA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in para 2(f) of 'Report on Other Legal and Regulatory Requirements' of our report of even date

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of TVS Srichakra Limited (hereinafter referred to as "the Holding Company"), its wholly owned Indian subsidiary and its Joint venture company incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects**.**

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk,whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to

permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company incorporated in India is based on the corresponding report of the auditors of such company and in respect of a jointly controlled entity incorporated in India, is based solely on the information furnished to us by the management.

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm registration No. 004207S

K S NARAYANASWAMY
Partner
Membership No. 8593

Place : Madurai
Date : 11.5.2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note No.	31.3.2016	Rs. in Crores 31.3.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	**7.66**	7.66
(b) Reserves and surplus	2	**404.48**	274.62
(c) Money received against share warrants			
2 Minority interest		**-**	30.80
3 Non-current liabilities			
(a) Long-term borrowings	3	**31.48**	129.68
(b) Deferred tax liabilities (Net)	4	**27.79**	22.98
(c) Other Long term liabilities	5	**88.05**	19.05
(d) Long-term provisions	6	**3.94**	7.79
4 Current liabilities			
(a) Short-term borrowings	7	**89.54**	112.94
(b) Trade payables	8	**126.63**	188.21
(c) Other current liabilities	9	**179.51**	140.16
(d) Short-term provisions	10	**2.65**	35.66
TOTAL		**961.73**	969.55
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	11	**392.07**	296.48
(ii) Intangible assets	11	**2.82**	85.16
(iii) Capital work-in-progress	11	**43.09**	14.18
(iv) Intangible assets under development	11	**0.85**	4.23
(b) Non-current investments	12	**40.61**	0.53
(c) Long-term loans and advances	13	**35.56**	30.37
(d) Other non-current assets	14	**0.81**	7.49
(e) Goodwill in consolidation		**0.03**	0.03
2 Current assets			
(a) Inventories	15	**211.63**	264.19
(b) Trade receivables	16	**174.55**	224.78
(c) Cash and cash equivalents	17	**20.26**	11.35
(d) Short-term loans and advances	18	**39.21**	30.76
(e) Other current assets		**0.24**	-
TOTAL		**961.73**	969.55
Significant Accounting Policies	26		
Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN — *Managing Director* — *DIN : 00273837*

R NARESH — *Executive Vice Chairman* — *DIN: 00273609*

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ — *Chief Financial Officer*

P SRINIVASAN — *Secretary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Rs. in Crores

	Particulars	Note No.	31.3.2016	31.3.2015
I.	Revenue from operations	19	**2339.16**	2176.43
II.	Other income	20	**21.44**	4.08
III.	**Total Revenue (I + II)**		**2360.60**	2180.51
IV.	Expenses:			
	Cost of materials consumed	21	**1062.44**	1148.76
	Purchases of Traded goods		**169.67**	183.73
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	**(12.70)**	(22.40)
	Employee benefit expenses	23	**238.10**	195.92
	Finance costs	24	**16.18**	31.09
	Depreciation and amortization expense	11	**44.48**	41.83
	Other expenses	25	**559.13**	453.32
	Total expenses		**2077.30**	2032.25
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**283.30**	148.26
VI.	Exceptional items		**-**	11.26
VII.	**Profit before extraordinary items and tax (V - VI)**		**283.30**	137.00
VIII.	Extraordinary Items		**-**	-
IX.	**Profit before tax (VII- VIII)**		**283.30**	137.00
X	Tax expense:			
	(1) Current tax		**87.57**	38.20
	(2) Tax relating to earlier year		**0.27**	-
	(3) Deferred tax		**4.88**	0.99
XI	**Profit/(Loss) for the period from continuing operations (IX-X)**		**190.58**	97.81
	Minority Interest		**(4.36)**	1.82
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)**		**186.22**	99.63
XVI	Earnings per equity share: (In Rs)			
	Basic & Diluted		**243.20**	130.11
	Significant Accounting Policies	26		
	Notes on Accounts	27		

SHOBHANA RAMACHANDHRAN — *Managing Director* — *DIN : 00273837*

R NARESH — *Executive Vice Chairman* — *DIN: 00273609*

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ — *Chief Financial Officer*

P SRINIVASAN — *Secretary*

CONSOLIDATED CASHFLOW STATEMENT AS AT 31ST MARCH 2016

Rs. in Crores

		31.3.2016		31.3.2015	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before tax		**283.30**		148.26
	Adjustments for :				
	Depreciation	**44.48**		41.83	
	Finance costs	**16.18**		31.09	
	Security premium credited on shares issued by subsidiary	**(0.33)**		0.33	
	Increase in shareholding of subsidiary			0.53	
	Interest received			(1.12)	
	Minority shares of profit and loss	**(4.36)**		1.82	
	Profit on Sale of Investments	**(18.17)**		(0.47)	
	Adjustment for Foreign Transalation reserve	**(1.04)**		(0.25)	
	loss on sale of assets			0.01	
	Capital Reserve Credited	**0.30**			
	Provision for Doubtful debts withdrawn			(1.93)	
	Assets Condemned	**0.05**		0.33	
	Non operating income			(1.01)	
			37.11		71.16
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**320.41**		219.42
	Adjustments for :				
	Trade Receivables	**50.23**		106.01	
	Other Receivables	**(4.68)**		6.63	
	Inventories	**52.56**		(7.05)	
	Trade and other payables	**52.12**		(29.35)	
			150.23		76.24
	Cash Generated From Operations		**470.64**		295.66
	Direct taxes paid		**91.78**		40.01
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**378.86**		255.65
	Extraordinary and Exceptional items		-		(11.26)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		378.86		244.39
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets	**(81.15)**		(85.92)	
	Proceeds from disposal of assets			0.02	
	Investments Purchased	**(40.08)**		(0.52)	
	Proceeds from disposal of investment in Subsidiary	**45.80**		-	
	Disposal of net assets in Subsidiary	**(27.63)**		0.25	
	Non operating income	-		1.01	
	Interest received	-		1.12	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(103.06)**		(84.04)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Finance costs			(34.28)	
	Increase in Minority Equity	**(30.80)**		0.11	
	Interest paid	**(15.56)**			
	Proceeds/ (Repayment) from short term borrowings	**(23.40)**		(52.79)	
	Proceeds/(Repayment) of long term borrowings	**(113.76)**		(57.12)	
	Dividend & Dividend tax paid	**(83.37)**		(14.30)	
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**(266.89)**		(158.38)
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**8.91**		1.97
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		**11.35**		9.38
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**20.26**		11.35

SHOBHANA RAMACHANDHRAN — *Managing Director* — *DIN : 00273837*

R NARESH — *Executive Vice Chairman* — *DIN: 00273609*

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ — *Chief Financial Officer*

P SRINIVASAN — *Secretary*

Rs. in Crores

NOTE 1 - SHARE CAPITAL

	31.3.2016	31.3.2015
Authorised		
1 00 00 000 Equity Shares of Rs. 10 each	**10.00**	10.00
Issued, Subscribed & Fully Paid up		
76 57 050 Equity Shares of Rs.10 each fully paid	**7.66**	7.66
Subscribed but not fully Paid up		
Equity Shares of Rs. 10 each, not fully paid up.	**-**	-
Total	**7.66**	7.66

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

Other Information :

Equity Share holders holding more than 5% of the total Share capital of the company		
T.V. Sundram Iyengar & Sons Private Limited	27.73%	27.73%
Sundaram Industries Private Limited	9.79%	9.79%

Rights, preferences and restrictions attached to shares-

Equity shares - The company has one class of equity shares having a par value of Rs. 10/- each. Each 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.

Rs. in Crores

NOTE 2 - RESERVES AND SURPLUS	31.3.2016	31.3.2015
a. Capital Reserves		
Opening Balance	**0.01**	0.01
(+) Addition during the Year	**0.30**	-
(+) Current Year Transfer	**-**	-
(-) Written Back in Current Year	**-**	-
Closing Balance	**0.31**	0.01
b. Securities Premium Account		
Opening Balance	**1.27**	0.94
Adjustments / Transfers during the year	**(0.33)**	0.33
Closing Balance	**0.94**	1.27
c. Other Reserves - Surplus on Amalgamation		
Opening Balance	**0.46**	0.46
(+) Current Year Transfer	**-**	-
(-) Written Back in Current Year	**-**	-
Closing Balance	**0.46**	0.46

		Rs. in Crores
	31.3.2016	31.3.2015
d. Other Reserves - General Reserve		
Opening Balance	**32.24**	32.24
(+) Current Year Transfer	**-**	-
(-) Written Back in Current Year	**-**	-
Closing Balance	**32.24**	32.24
e. Surplus		
Opening Balance	**239.60**	170.59
(+) Net Profit/(Net Loss) For the current year	**186.22**	99.63
(+) Acquisition of additional shareholding during the year	**-**	0.53
(-) Interim Dividend paid	**45.94**	-
(-) Dividend Tax on Interim Dividend paid	**9.35**	-
(-) Proposed Dividend	**-**	25.88
(-) Dividend Tax on Proposed Dividend	**-**	5.27
Closing Balance	**370.53**	239.60
f. Foreign Currency Translation Reserve	**-**	1.04
Total	**404.48**	274.62

NOTE 3 - LONG TERM BORROWINGS

Secured		
Term loans		
from banks	**31.48**	129.68
from other parties	**-**	-
Total	**31.48**	129.68

Additional Information :

Details of Security for Secured Loans

a) Term Loan Availed from State Bank of India is secured by (a) 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) second charge on the entire current assets of the company.

b) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village, Madurai.

c) Term Loan of Joint venture company is secured by a first charge on specific fixed assets acquired out of the Term loan including mortgage of land and building and second charge on the current assets of the company

NOTE 4 - DEFERRED TAX LIABILITY / ASSETS

i) Deferred Tax Liability			
a)	On Account of Depreciation on Fixed Assets	**30.60**	25.40
b)	On account of timing Differences in Recognition of Expenditure	**(2.81)**	(2.42)
	Total	**27.79**	22.98

NOTE 5 - OTHER LONG TERM LIABILITIES

(a)	Trade Payables	**-**	-
(b)	Others	**88.05**	19.05
	Total	**88.05**	19.05

Rs. in Crores

NOTE 6 - Long Term Provisions	31.3.2016	31.3.2015
(a) Provision for employee benefits		
Leave Encashment (unfunded)	**3.47**	2.93
Gratuity	**0.47**	4.86
Total	**3.94**	7.79

NOTE 7 - SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand		
from banks	**89.54**	112.94
Total	**89.54**	112.94

Additional Information :

a. Details of Security for Secured Loans

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

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

1. EM of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E, Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the company and
2. EM over Land [1.90 acres] and Buildings at S No. 519 / 1B 2 Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District belonging to the company.
3. Working capital loans represents cash credit and packing credit facilities from banks which are secured by a hypothecation of inventories and receivables both present and future and by way of equitable mortgage by deposit of title deeds of the company's immovable properties situated at Madurai.

NOTE 8 - TRADE PAYABLES		
i) To Micro Small and Medium Enterprises	**0.94**	-
ii) Others	**125.69**	188.21
Total	**126.63**	188.21

NOTE 9 - OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	**15.36**	30.92
(b) Current maturities of finance lease obligations	**-**	-
(c) Interest accrued but not due on borrowings	**1.54**	0.92
(d) Unpaid dividends	**4.62**	1.55
(e) Statutory dues	**0.21**	-
(f) Other -Creditors	**157.78**	106.77
Total	**179.51**	140.16

NOTE 10 - SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Leave encashment	**0.66**	0.52
Gratuity	**1.94**	-
Salaries & Reimbursements	**-**	0.04
(b) other Provisions	**0.05**	-
(c) Provisions		
Taxation Less Advance Tax	**-**	3.95
Dividend	**-**	25.88
Dividend tax	**-**	5.27
Total	**2.65**	35.66

NOTES TO FINANCIAL STATEMENTS (contd.)

NOTE 11 - FIXED ASSETS

Rs in Crores

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
	As at 1.4.2015	Additions	Deletions	Adjustments	**As at 31.3.2016**	As at 1.4.2015	Charge for the year	On disposals	Adjustments	**As at 31.3.2016**	**31.3.2016**	31.3.2015
a **Tangible Assets**												
Land - Freehold	16.37	2.45	-	-	**18.82**	-	-	-	-	**-**	**18.82**	16.37
Land - Leasehold	2.85	-	-	-	**2.85**	0.19	0.03	-	-	**0.22**	**2.63**	2.67
Buildings	100.52	28.33	-	(1.02)	**127.83**	17.55	4.35	-	-	**21.90**	**105.93**	82.97
Plant and Machinery *	272.98	79.58	0.44	(0.67)	**351.45**	136.32	24.59	-	(0.50)	**160.41**	**191.04**	136.66
Furniture and Fixtures	8.31	1.68	-	(3.13)	**6.86**	5.71	0.79	-	(2.61)	**3.89**	**2.97**	2.59
Vehicles	2.06	0.58	0.32	(0.56)	**1.76**	0.88	0.22	0.06	(0.28)	**0.76**	**1.00**	1.18
Office equipment	10.16	1.97	0.27	(3.24)	**8.62**	6.54	1.87	-	(2.73)	**5.68**	**2.94**	3.63
Electrical & Electronics *	66.36	27.56	-	-	**93.92**	16.25	10.93	-	-	**27.18**	**66.74**	50.11
Translation Adjustments	0.30	-	0.04	(0.26)	**-**	-	-	-	-	**-**	**-**	0.30
Total	479.91	142.15	1.07	(8.88)	**612.11**	183.44	42.78	0.06	(6.12)	**220.04**	**392.07**	296.48
b **Intangible Assets**												
Goodwill	68.81	-	-	(68.81)	**-**	-	-	-	-	**-**	**-**	68.81
Computer software	7.59	1.49	-	-	**9.08**	4.56	1.70	-	-	**6.26**	**2.82**	3.03
Licenses and franchise	1.81	-	-	-	**1.81**	1.81	-	-	-	**1.81**	**-**	-
Translation Adjustments	13.32	2.38	-	(15.70)	**-**	-	-	-	-	**-**	**-**	13.32
Total	91.53	3.87	-	(84.51)	**10.89**	6.37	1.70	-	-	**8.07**	**2.82**	85.16
c **Capital Work In Progress**											**43.09**	14.18
d **Intangible assets under Development**											**0.85**	4.23
GRAND TOTAL	**571.44**	**146.02**	**1.07**	**(93.39)**	**623.00**	**189.81**	**44.48**	**0.06**	**(6.12)**	**228.11**	**438.83**	**400.05**
PREVIOUS YEAR	**492.94**	**82.95**	**4.44**	**-**	**571.45**	**149.37**	**41.83**	**1.39**	**-**	**189.81**	**400.05**	

Note : Refer Note 4 of significant accounting policies and Note 27(b) of Notes on accounts

*Assets as on 1.4.2015 have been regrouped to fall in line with component accounting

NOTES TO FINANCIAL STATEMENTS (contd.)

NOTE 12 - NON CURRENT INVESTMENTS

	Rs. In Crores	
Non Trade Investment	**31.3.2016**	31.3.2015
Investment in Equity Shares	**0.69**	0.62
Investment in Preference Shares	**40.01**	-
Less : Provision for diminution in the value of Investments	**0.09**	0.09
Total	**40.61**	0.53

Details of Non Trade Investments

Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Debentures / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs. In Crores)		Whether stated at Cost Yes / No
		31.3.2016	31.3.2015			**31.3.2016**	31.3.2015	**31.3.2016**	31.3.2015	
Investement in Equity Instruments										
I)Equity										
Van Leeuwen Tyres & Wheels BV	Others	**15000 / 1 Euro**	15000 / 1 Euro	Unquoted	Fully paid	**30**	30	**0.09**	0.09	yes
Sai Regency Power Corporation Private Limited	Others	**150000/ Rs 10/-**	150000/ Rs 10/-	Unquoted	Fully paid	**0.9**	0.9	**0.15**	0.15	yes
Mytrah Vayu (Manjira) Private Limited	Others	**449840/ Rs 10/-**	381840/ Rs 10/-	Unquoted	Fully paid	**2.57**	9.02	**0.45**	0.38	yes
II)Preference Shares										
TVS Automobile Solutions Ltd (Compulsory Convertible Preference Shares)	Others	**1589699 / Rs.10/-**	-	Unquoted	Fully paid			**40.01**		yes
Total								**40.70**	0.62	
Less : Provision for diminution in the value of Investments								**0.09**	0.09	
Total								**40.61**	0.53	

Additions during the year	**No. of Shares / Debentures**	**Value in Crores**
Mytrah Vayu (Manjira) Private Limited	68,000 Shares	0.07
TVS Automobile Solutions LTD	15,89,699 Preference Shares	40.01

		Rs. in Crores
NOTE 13 - LONG TERM LOANS AND ADVANCES	**31.3.2016**	31.3.2015
a. Capital Advances		
Secured, considered good	**-**	-
Unsecured, considered good	**16.89**	14.36
Doubtful	**-**	-
Less: Provision for doubtful advances	**-**	-
	16.89	14.36
b. Security Deposits		
Secured, considered good	**-**	-
Unsecured, considered good	**15.28**	12.80
	15.28	12.80
c. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	**-**	-
	-	-
d. Other loans and advances		
Secured, considered good	**-**	-
Unsecured, considered good	**3.39**	3.21
	3.39	3.21
Total	**35.56**	30.37
NOTE 14 - OTHER NON-CURRENT ASSETS		
Deposit with banks with maturity period more than 12 months	**0.04**	-
MAT Credit Entitlement	**0.13**	7.49
Advance Tax less provisions	**0.64**	-
Total	**0.81**	7.49
NOTE 15 - INVENTORIES (As certified by Managing Director)		
a. Raw Materials and components at cost	**110.69**	126.00
b. Work-in-progress at cost	**14.53**	12.49
c. Finished goods at lower of cost and realisable value	**79.50**	65.48
d. Stock-in-trade at cost	**0.77**	52.48
e. Stores and spares at cost	**6.14**	7.74
Total	**211.63**	264.19
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	**174.23**	221.70
	174.23	221.70
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	**-**	-
Unsecured, considered good	**0.32**	3.08
Unsecured, considered Doubtful	**0.33**	0.11
Less:Provision for Doubtful	**(0.33)**	(0.11)
	0.32	3.08
Total	**174.55**	224.78

Rs. in Crores

NOTE 17 - CASH AND CASH EQUIVALENTS	31.3.2016	31.3.2015
a. Balances with banks		
- In Unpaid Dividend Accounts	**4.62**	1.55
- In Margin money (Rs.43852)	**0.01**	-
- In Fixed Deposit	**1.77**	-
- As security deposit for a vendor	**4.42**	2.67
- In Current Accounts	**9.02**	6.32
b. Cash on hand	**0.42**	0.81
Total	**20.26**	11.35

NOTE 18 - SHORT TERM LOANS AND ADVANCES		
Prepaid Expenses	**2.37**	3.63
Accrued Income	**0.64**	-
Others	**36.20**	27.13
Total	**39.21**	30.76

NOTE 19 - REVENUE FROM OPERATIONS		
Sale of products	**2239.14**	2063.58
Sale of Traded goods	**261.48**	263.34
Sale of Services	**-**	-
Other operating revenues	**18.13**	15.10
Less: Excise duty	**179.59**	165.59
Total	**2339.16**	2176.43

NOTE 20 - OTHER INCOME		
Interest Income - Current Investments	**1.02**	1.11
Interest Income	**0.01**	0.01
Exchange Rate gain &loss	**-**	0.02
Provision for doubtful debt withdrawn	**-**	1.93
Provision no longer required withdrawn	**0.08**	-
Dividend Income	**-**	0.25
Income from subsidiaries	**0.59**	-
Profit on sale of investments	**18.17**	-
Other non-operating income (net of expenses directly attirbutable to such income)	**1.57**	0.76
Total	**21.44**	4.08

NOTE 21 - COST OF MATERIALS CONSUMED		
Opening Stock	**126.00**	141.59
Add : Purchase (includes processing Rs.45.11 Cr previous year Rs.36.25 Cr)	**1046.74**	1133.17
Total	**1172.74**	1274.76
Less: Closing Stock	**110.30**	126.00
Cost of Materials consumed	**1062.44**	1148.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Rs. in Crores

	31.3.2016	31.3.2015
NOTE 22 - (INCREASE) / DECREASE IN STOCK		
Opening Stock of Finished goods & Traded goods	**117.96**	95.77
Opening Stock of Work in progress	**12.49**	12.28
Closing Stock of Finished goods and Traded Goods	**128.62**	117.96
Closing Stock of Work in progress	**14.53**	12.49
(Increase) / Decrease in Finished goods & Traded Goods	**(10.66)**	(22.19)
(Increase) / Decrease in Work in progress	**(2.04)**	(0.21)
Total (Increase) / Decrease in Stock	**(12.70)**	(22.40)
NOTE 23 - EMPLOYEE BENEFIT EXPENSES		
(a) Salaries and wages	**188.95**	155.37
(b) Contributions to -		
(i) Superannuation Fund	**0.82**	0.76
(ii) Gratuity fund contributions	**2.34**	4.86
(iii) Provident Fund	**9.62**	8.15
(c) Remuneration to Whole time directors	**17.17**	8.59
(d) Staff welfare expenses	**19.20**	18.19
Total	**238.10**	195.92
NOTE 24 - FINANCE COSTS		
Interest expense	**14.84**	30.48
Other borrowing costs	**1.34**	0.61
Total	**16.18**	31.09
NOTE 25 - OTHER EXPENSES		
Consumption of Stores & Spares	**53.10**	47.39
Power & Fuel	**75.10**	70.47
Repairs to building	**2.06**	2.35
Repairs to machinery	**5.34**	5.58
Repairs Others	**0.56**	0.78
Insurance	**3.42**	3.60
Rates & taxes	**17.70**	17.30
Telephone & Internet Charges	**1.47**	1.27
Travelling Expense	**13.21**	8.70
Exchange Rate gain &loss	**12.04**	4.91
Bank charges	**5.85**	1.82
Advertisement and sales Promotion	**50.43**	30.22
CSR Activities	**1.56**	0.88
Freight Out	**67.01**	60.54
Bad Debts written off	**1.06**	6.12
Provision for doubtful debts	**0.22**	0.01
Loss on Sale of Fixed Assets	**-**	0.01
Assets condemned	**0.05**	0.33
Commission to non Whole time directors	**0.80**	0.85
Director's sitting fees	**0.07**	0.05
Commission & Discount	**135.00**	100.63
Rent & Lease rentals	**24.12**	21.20
Audit Fees	**0.80**	0.63
Donation	**1.03**	0.03
Consultancy	**23.54**	13.58
Warranty Claims	**19.56**	8.62
Advance written off	**0.06**	0.91
Other expenses	**43.97**	44.54
Total	**559.13**	453.32

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), its Subsidiaries and Joint venture company. The Financial Statements of all the companies are prepared according to uniform accounting polices, 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	Relationship	Shareholding %
TVS Srichakra Investments Limited	Subsidiary	100.00
TVS Europe Distribution Limited *	Subsidiary	52.51
Universal Components UK Limited +	Subsidiary	-
Wrea Hurst Parts Distribution Limited $	Subsidiary	-
ZF Electronics TVS (India) Private Limited #	Joint Venture	50.00

* Ceased to be a Subsidiary with effect from 24.03.2016

+ Subsidiary of TVS Europe Distribution Limited which holds 95% in the company

$ Subsidiary of Universal Components UK Limited, which holds 100% in the company

Joint Venture of TVS Srichakra Investments Limited which holds 50% in the company.

The figures of ZF Electronics India Private limited are unaudited and based on the information furnished by the management.

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:

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.

f) Depreciation:

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

In respect of holding company, all tangible assets are depreciated under the straight line method. The Company has adopted useful life specified in Schedule II of the Companies Act, 2013, except

on certain category of assets / components for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or below acquired during the year is depreciated in full retaining Rs.1 per asset.

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

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

In respect of wholly owned subsidiary company, depreciation / amortization is provided using the straight line method at the useful lives of the assets as estimated by the management.

g) Investments:

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

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:

The company has attached consolidated cash flow statement to the consolidated Balance Sheet and the consolidated Statement of Profit and Loss prepared under indirect method.

j) Revenue Recognition:

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

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

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

Revenue from lease rentals is recognized on time proportionate basis. In case of uncertainty of realization of the lease rentals, recognition of such income is deferred.

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

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

k) Accounting for effects in foreign exchange rates:

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

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

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

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

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

Where the foreign Subsidiary is disposed-off in the mid of the year, the assets and liabilities have been translated at the closing rate on the date of sale for arriving at the Profit / loss on sale of investment.

l) AS 12 : Government Grants

Capital Subsidy received from Government is credited to Capital Reserves

m) Accounting for retirement benefits:

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

Leave encashment is provided for based on actuarial valuation.

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

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

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

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

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

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

Leave Encashment **(Rs. In Crores)**

Particulars	**31.3.2016**	31.3.2015
Obligations at period beginning	**3.45**	2.55
Service Cost	**0.47**	0.46
Interest cost	**0.27**	0.16
Actuarial (gain)/loss	**(0.06)**	1.14
Benefits paid	**-**	(0.86)
Obligations at the period end	**4.13**	3.45

Gratuity

Particulars	**31.3.2016**	31.3.2015
Obligations at period beginning	**19.02**	12.86
Service Cost	**1.85**	1.62
Interest cost	**1.47**	0.98
Actuarial (gain)/loss	**(0.14)**	4.17
Benefits paid	**(0.60)**	(0.61)
Obligations at the period end	**21.60**	19.02

Gratuity

Change in plan assets	**31.3.2016**	31.3.2015
Plan assets at the beginning of the year	**14.13**	12.27
Expected return on the plan assets	**1.30**	0.97
Actuarial gain/(loss)	**(0.44)**	0.97
Contributions	**4.80**	0.54
Benefits paid	**(0.60)**	(0.62)
Plan assets at the year end, fair value	**19.19**	14.13

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

Fair value of the plan assets	19.19
Defined plan obligations	21.60
Amount recognized in the Balance Sheet	2.41

Assumptions:

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

Investment details of plan assets:

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

n) 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.

o) Segment reporting:

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

(Rs. In Crores)

Sl. No	Particulars	**Consolidated Results 31.3.16**	Consolidated Results 31.3.15
1	Revenue		
	a) Manufacturing	**2079.81**	1914.93
	b) Trading	**259.35**	261.50
	Total	**2339.16**	2176.43
2	Results		
	Profit before Tax and Interest		
	a) Manufacturing	**266.12**	165.40
	b) Trading	**11.92**	10.47
	Total	**278.04**	175.87
	Less:		
	Unallocated Corporate Expenditure	**-**	0.60
	Finance Costs	**16.18**	31.09
	Total Costs	**16.18**	31.69
	Profit before Other Income	**261.86**	144.18
	Other Income	**21.44**	4.08
	Exceptional Items	**-**	(11.26)
	Profit/(Loss) before Tax	**283.30**	137.00
3	Capital Employed		
	a) Manufacturing	**558.24**	358.60
	b) Trading	**-**	129.30
	c) Others	**44.44**	35.60

p) Leases:

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

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

Rs in Crores

- Not later than one year	17.80
- Later than one year and not later than five years	28.68
- Later than five years	1.01

b. Total of minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date Not Applicable

c. Lease payments recognised in the Statement of Profit and Loss for the period under the head rent Paid Rs. 7.31 Crores

q) 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.

r) Accounting for taxes on income:

The company provides for current taxes at current rates under applicable tax laws. 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.

s) 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.

t) Intangible Assets:

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

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.

u) 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.

v) 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.

Contingent liabilities: **Rs. In Crores**

	31.3.2016	31.3.2015
Balance at the beginning of the year	**84.09**	80.67
Additions /(Deletions) during the year	**(12.11)**	3.42
Balance at the end of the year	**71.98**	84.09

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

Rs. In Crores

	31.3.2016	31.3.2015
Balance at the beginning of the year	**8.13**	22.76
Additions /(Deletions) during the year	**18.14**	(14.63)
Balance at the end of the year	**26.27**	8.13

27 NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS

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

b) i) All tangible assets are depreciated under the straight line method. The Company has adopted useful life specified in Schedule II of the Companies Act, 2013, except on certain category of assets / components for which the company has re-assessed the same, based on Chartered Engineer's technical evaluation in accordance with Part A of Schedule II to the Companies Act, 2013. Assets costing Rs.5000 or below acquired during the year considered not material and are depreciated in full retaining Rs.1 per asset. Consequent to company adopting component accounting for fixed assets and re-assessment of the useful life of components based on technical evaluation, depreciation charged is higher by Rs.3.66 Crores in respect of holding company.

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

Category of Assets	Useful Life
Press / Extruder / Calendar / Mill / TBM / Cap & Base	20
Moulds / Trolley / Weighing balances / Drums / PCI Stand / Storage stand / Motors / Pumps	6
Electronics	6
Plant & Machinery of Joint Venture Company	5 - 15
Furniture & Fixtures of Joint Venture Company	5 - 10

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

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

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

c) Included under Rates & Taxes is a sum of Rs.10.88 Crores towards sales tax relating to prior years.

d) The holding company manufactures and sells Two wheeler, Three wheeler, Industrial, Agricultural and Farm Tyres as well as Knobs for direct application. One of the Subsidiary company is an investment wing of TVS Srichakra Limited and the foreign subsidiary is engaged in distribution of commercial vehicle parts. The Joint venturer is engaged in manufacturing and trading of electrical switches, sensors and computer peripheral devices.

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

		Rs. in Crores
	31.3.2016	31.3.2015
Holding Company		
Natural Rubber	**303.65**	275.76
Synthetic Rubber	**158.18**	180.83
Carbon	**139.02**	175.19
Chemicals	**69.41**	69.77
Oils	**18.74**	25.92
Beadwire	**23.22**	24.26
Fabric	**163.05**	164.32
Valves	**24.84**	24.87
Joint Venture Company		
Pivot/Common Terminals	**1.65**	1.80
Contact Brackets	**0.80**	1.83
Case/Covers	**0.52**	1.28
Blade Assembly	**0.57**	1.42
Actuators	**0.23**	0.27
DC Sub Miniature Switches	**0.99**	0.59
Valox/Macromelt	**0.62**	0.28
Wiring Harness/Wire	**0.98**	0.56
Others	**3.61**	2.75
e) Purchase of traded goods		
Holding Company		
Tyre	**3.48**	2.46
Tube	**0.01**	0.02
Flap	**0.28**	0.35
Foreign Subsidiary		
Commercial Vehicle Parts	**164.43**	179.74
Joint Venturer		
Computer Peripheral Devices	**1.48**	1.16
f) CIF Value of Imports		
a) Raw Materials	**209.03**	324.21
b) Spares	**0.15**	0.04
c) Capital Goods	**36.08**	8.20

g) Consumption of imported and indigenous and components

	%	Rs. in Cr	%	Rs. in Cr
Imported	**22.35**	**227.36**	43.00	305.14
Indigenous	**77.65**	**789.97**	57.00	807.37

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

				Rs. in Crores
		31.3.2016		31.3.2015
h) Consumption of imported and indigenous stores and spares	**%**	**Rs. in Cr**	**%**	**Rs. in Cr**
Imported	**0.06**	**0.03**	0.02	0.01
Indigenous	**99.94**	**53.07**	99.98	47.38
i) Earnings in foreign exchange				
a) F.O.B. value of goods exported		**207.86**		218.50
b) Others		**0.54**		0.86
j) Expenditure incurred in Foreign Currency on				
a) Consultancy		**3.30**		4.21
b) Interest		**5.96**		6.19
c) Other Matters		**6.67**		4.21
k) a) Remuneration to Managing Director:				
Salaries & Allowances		**1.73**		0.89
Commission		**5.79**		2.96
Contribution to Provident & Other Funds		**0.28**		0.15
b) Remuneration to Executive Vice Chairman:				
Salaries & Allowances		**0.96**		0.61
Commission		**8.69**		4.13
l) Interest Paid includes:				
a) Interest on Fixed Loans		**1.33**		8.40
b) Interest Capitalised		-		-
m) Tax deducted at Source from Interest		**0.10**		0.05
n) Stores and Spares consumed includes consumption towards repairs and maintenance of Plant & Machinery		**15.69**		13.58
o) Details of the Audit Fees				
a) for audit fees		**0.33**		0.27
b) for taxation matters,		**0.04**		0.04
c) for Certification		**0.03**		0.03
d) for reimbursement of expenses		**0.02**		0.02
e) for Other services		**0.38**		0.27
p) Contingent Liabilities not provided for:				
a) Estimated amount of contracts remaining to be executed on capital account		**30.97**		54.03
b) On Letters of Credit opened by Company's Bankers		**40.09**		27.77
c) Excise Duty under Dispute		**2.56**		2.06
d) Sales Tax under Dispute		**13.87**		0.70
e) Customs duty on goods lying at Bonded Warehouse		**9.84**		2.24
f) Income tax under Dispute		**0.88**		5.37
g) Bills discounted		**0.04**		0.05

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

		Rs. in Crores	
		31.3.2016	31.3.2015
q) Details of Research and Development Expenditure:			
(i) Capital Expenditure:			
a) Plant & Machinery		**1.87**	1.82
b) Electrical Installations		**0.18**	
c) Vehicles		**0.13**	0.07
d) Computers		**0.06**	
e) Furniture		**0.18**	0.06
f) Buildings		**0.33**	0.03
g) Intangible Assets			
h)Capital work in progress (P & M)		**2.81**	0.49
	Total	**5.56**	2.47
(ii) Revenue Expenditure:			
a) Raw Materials consumed		**1.12**	1.17
b) Stores & Spares consumed		**0.30**	0.31
c) Salaries, Wages, Bonus and Allowances		**4.44**	3.55
d) Freight		-	0.25
e) Rent including lease rentals		**0.12**	0.13
f) Rates & Taxes		**0.22**	0.28
g) Insurance		**0.01**	0.03
h) Travelling expenses		**1.80**	1.60
i) Repairs & Maintenance		**1.54**	1.17
j) Consultancy-Foreign		**5.01**	3.34
k) Consultancy-Domestic		**0.02**	0.13
l) Others		**3.45**	2.72
	Total	**18.03**	14.68
Total Research and Development expenditure		**23.59**	17.15

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

A)DISCLOSURE ON RELATED PARTY TRANSACTIONS (AS 18)

Description of relationship and Names of related parties:

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

Rs. In Crores

Sl.	Particulars	T V Sundram Iyengar & Sons Private Limited	Ms Shobhana Ramachandhran	Sri R Naresh	Sundaram Industries Private Limited
A	Transactions for the year ended 31.3.2016				
1	Purchases	0.42			2.93
		(0.84)			(3.45)
2	Sales				0.72
		(38.10)			(1.15)
3	Interest Received				
4	Services rendered	0.02			
		(5.06)			-
5	Services received	6.83	7.84	9.65	0.96
		(5.54)	(4.03)	(4.74)	(0.92)
B	Outstanding as on 31.3.2016				
1	Receivable				
		(0.64)			
2	Payable	6.67	5.79	8.69	0.60
		(4.26)	(2.96)	(4.13)	(1.35)

Figures in brackets are that of previous year.

b) Wholly Owned Subsidiary Company

Relationship	Name of Related Parties
Associate Company	M/s. Sundaram Industries Private Limited
Key Management Personnel	Sri. R Naresh, Executive Vice Chairman Ms. Shobhana Ramachandhran, Managing Director

Transactions with Related Parties:

Particulars	Related Party	2015-16	2014-15
Adjustment / receipt of amount receivable	Sundaram Industries Private Limited	-	0.16

c) Joint Venture Company

a) List of related parties where control exists: Joint Venture Partners	ZF Electronics Systems Pleasant Prairie LLC, USA (upto December 24,2014)

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

b) Other related parties with whom transactions have taken place during the year:

(i) Holding company of ZF Electronics Systems Pleasant Prairie LLC, USA and ZF TVS (India) Private Limited, India	ZF Friedrichshafen AG, Germany
(ii) Key Management Personnel	Mr. R. Haresh
(iii) Relative of Key Management Personnel	Mr. R. Naresh

d) Particulars of transactions with related parties during the year:

Rs. In Crores

Description	ZF Electronics Systems Pleasant Prairie LLC, USA	ZF Friedrichshafen AG, Germany	Key Management Personnel	Relative of Key Management Personnel
Purchase of goods	- (0.28)	4.13 (4.03)	-	-
Sale of goods	- (4.52)	2.71 (0.68)	-	-
Agency commission	-	0.16 (0.19)	-	-
Tooling income	- (0.01)	0.20 (0.20)	-	-
Reimbursement of expenses	-	0.20 (0.01)	-	-
Charge for Line Equipments		0.17		
Royalty expense	- (0.05)	- -	- -	- -
Sitting fees (KMP : CY & PY - Rs.8000; Relative of KMP : CY - Rs.4000, PY - Rs.6000)	-	-	-	-
Insurance	-	0.01	-	-
Repairs and maintenance - Machinery	-	-	-	-
Miscellaneous expenses	-	0.01	-	-
	-	(0.01)	-	-
Outstanding balances:				
Trade payables	-	0.69	-	-
	-	(0.69)	-	-
Trade receivables	-	0.54	-	-
	-	(0.47)	-	-
Other Receivables	-	0.18	-	-

Figures in brackets are that of previous year.

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

s) Derivative Instruments and Unhedged Foreign Currency Exposure

a) There are no derivative instruments outstanding as on March 31, 2016.

b) Particulars of unhedged foreign currency exposures in respect of Joint venture company as at the reporting date:

	As at March 31, 2016 In Foreign Currency	Rs in Crores	As at March 31, 2015 In Foreign Currency	Rs in Crores
Trade payables:				
- in USD	27,178	0.18	11,499	0.07
- in EURO	99,358	0.75	102,585	0.69
- in JPY	86,250	0.01	118,150	0.01
Trade receivables:				
- in USD	10,528	0.07	41,879	0.26
- in EURO	50,208	0.38	85,003	0.57
- in GBP	234	-	936	0.01
Other receivables:				
- in EURO	24,632	0.18	-	-

t) Disclosure relating to Micro and Small Enterprises

The Joint Venture Company has certain amounts due to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') . The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Principal amount due to a suppliers registered under the MSMED Act and remaining unpaid as at year-end	**0.93**	0.03
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**-**	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**0.56**	0.10
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**0.01**	-
Futher interest remaining due and payable for earlier years	**-**	-

Note: The above information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

U) ADDITIONAL DISCLOSURE IN RESPECT OF JOINT VENTURE

The following are the items pertaining to the indian joint venture company ZF Electronics TVS (India) Private Limited included in the consolidated financial statements

(Rs in crores)

		31.3.2016	31.03.2015
Percentage of Holding		**50%**	50%
A)	Assets		
	WDV of Fixed Assets	**8.49**	8.59
	Long-term loans and advances	**0.31**	0.14
	Other non-current assets	**0.21**	0.04
	Inventories	**3.70**	2.25
	Trade receivables	**3.45**	3.48
	Cash and cash equivalents	**0.05**	0.12
	Short-term loans and advances	**0.82**	2.12
	Other Current Assets	**0.24**	-
B)	Liabilities		
	Reserves and surplus	**7.32**	8.22
	Long-term borrowings	**1.65**	2.25
	Deferred tax liabilities (Net)	**0.22**	0.27
	Other Long term liabilities	**0.01**	0.01
	Long-term provisions	**0.09**	0.08
	Short-term borrowings	**2.97**	1.31
	Trade payables	**2.65**	1.81
	Other current liabilities	**1.78**	2.16
	Short-term provisions	**0.08**	0.13
C)	Income	**20.40**	19.04
D)	Expenses		
	Cost of materials consumed	**10.38**	10.76
	Purchases of Traded goods	**1.48**	1.17
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	**(0.51)**	(0.14)
	Employee benefit expenses	**4.36**	3.35
	Finance costs	**0.55**	0.32
	Depreciation and amortization expense	**0.95**	0.79
	Other expenses	**4.16**	3.97
	Tax Expenses	**(0.05)**	0.22
E)	Contingent Liabilities		
	Income tax	**0.01**	-
	Sales Tax	**0.03**	0.03
	Bills discounted	**0.04**	0.03
F)	Capital Commitment	**-**	0.04

		Rs. in Crores	
		31.03.2016	31.03.2015
v)	**Trade Payables and Short Term Provisions include:**		
	a) Acceptances	**-**	32.42
	b) Due to Managing Director	**5.79**	2.96
	c) Due to Executive Vice Chairman	**8.69**	4.13
	d) Due to Non-whole time Directors	**0.80**	0.85

w) **No amount is due as on 31st March, 2016 for credit to Investor Education and Protection Fund.**

x) Details of Earnings Per Share			
Profit after tax	Rs. in Crores	**186.22**	99.63
No. of equity shares	Nos	**7,657,050**	7,657,050
Face value of share	Rs	**10.00**	10.00
Basic Earnings per share	Rs	**243.20**	130.11

y) Terms of repayment of Term Loan

1. Term loan from State Bank of India is repayable in 72 monthly installments commencing from April 2018 (with a moratorium of 24 months)
2. ECB Loan from DBS Bank Limited is repayable in 20 Quarterly Instalment commencing from January 2014
3. Term Loan of Joint venturer is repayable in 20 equal quarterely instalments commencing from February 2015.

z) During the year under review, the holding company has paid Interim Dividend of Rs.60 per share (600%) which together with dividend tax absorbed is Rs.55.29 Crores. No further dividend has been recommended by the Board of Directors.

aa) The consolidated figures of both the years includes those that of TVS Srichakra Limited, TVS Srichakra Investments Limited, TVS Europe Distribution Limited (upto 24.03.16) and ZF Electronics TVS (India) Private Limited.

ab) Figures of the previous years have been regrouped /reclassified wherever necessary to conform to current year's classification

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SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN: 00273609

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

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

(Rs. in Crores)

Particulars	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss	
Name of the Entity	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
TVS Srichakra Limited	101.54%	418.50	105.90%	197.21
Subsidiaries:				
Indian :				
TVS Srichakra Investments Limited	-0.04%	(0.15)	-0.62%	(1.16)
Foreign :				
TVS Europe Distribution Limited *	-	-	4.23%	7.88
Universal Components UK Ltd	-	-	-	-
Wrea Hurst Parts Distribution Limited	-	-	-	-
Minority Interests in all Subsidiaries	-	-	-2.34%	(4.36)
Joint Ventures: (as per proportionate Consolidation)				
Indian :				
ZF Electronics TVS (India) Pvt Ltd	1.90%	7.83	-0.96%	(1.79)
Total	103.41%	426.18	106.21%	197.78
Less : Elimination/ Consolidation adjustments	3.41%	14.04	6.21%	11.56
Total	100.00%	412.14	100.00%	186.22

* TVS Europe Distribution Limited ceased to be a subsidiary with effect from 24.03.2016

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN: 00273609

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

Place : Madurai
Date : 11.5.2016

K P RANGARAJ
Chief Financial Officer

P SRINIVASAN
Secretary

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TVS Srichakra Limited
Regd. Office: TVS Building, 7-B West Veli Street, Madurai - 625 001. www.tvstyres.com
Manufacturing Units: Tamil Nadu: Vellaripatti, Melur Taluk, Madurai - 625 122.
Uttarakhand: Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur Tehsil, Kicha Dist - 263 153.

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