



## TWENTIETH ANNUAL REPORT 2002 - 03

***TVS SRICHAKRA LIMITED***


**TVS SRIHAKRA LIMITED**
**FIVE YEAR PERFORMANCE AT A GLANCE**

Rs. in lakhs

PARTICULARS	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
<b>A. OPERATING RESULTS</b>					
GROSS INCOME	15491	16218	16576	18695	24153
PROFIT BEFORE DEPN. INT. & TAX	2031	2151	1575	1650	1912
PROFIT BEFORE INT. & TAX	1708	1796	1141	1177	1395
PROFIT BEFORE TAX (PBT)	1316	1478	842	928	1199
PROFIT AFTER TAX (PAT)	951	977	648	617	784
DIVIDENDS	268	268	268	268	268
DIVIDEND TAX	29	29	27	-	34
RETAINED PROFITS	653	680	353	349	482
<b>B. FINANCIAL STATUS</b>					
GROSS FIXED ASSETS	4184	4892	5626	5962	6435
NET FIXED ASSETS	2904	3228	3555	3428	3412
INVESTMENTS	126	126	126	126	116
NET CURRENT ASSETS	2007	2375	1987	2684	3196
SHARE CAPITAL	766	766	766	766	766
RESERVES AND SURPLUS	1962	2645	2999	2706	3222
NET WORTH	2728	3411	3764	3472	3988
LOAN FUNDS	2309	2334	1937	2263	2252
DEFERRED TAX LIABILITY	-	-	-	621	571
TOTAL CAPITAL EMPLOYED	5037	5745	5702	6356	6811
<b>C. KEY RATIOS</b>					
PBDIT TO NET SALES (%) *	12.80	14.14	9.88	9.47	8.15
PBIT TO NET SALES (%) *	10.42	11.62	6.88	6.56	5.67
PBT TO NET SALES (%) *	7.52	9.36	4.81	5.02	4.72
PBIT TO AV. CAPITAL EMPLOYED (%) *	29.48	30.32	17.35	17.65	17.92
RETURN ON AVERAGE NET WORTH (%)	40.21	31.84	18.07	17.05	21.02
EARNINGS PER SHARE (Rs.)	12.41	12.76	8.47	8.06	10.24
DIVIDEND PER SHARE (Rs.) #	3.88	3.88	3.86	3.50	3.95
DIVIDEND PAY OUT (%) #	31.30	30.44	45.55	43.44	38.56
BOOK VALUE PER SHARE (Rs.)	35.62	44.55	49.16	45.35	52.08
DEBT EQUITY RATIO (NO. OF TIMES)	0.85	0.68	0.51	0.65	0.49

\* Excluding other income

# Including dividend tax



## **BOARD OF DIRECTORS**

S NARAYANAN  
Chairman

R NARESH  
Executive Vice Chairman

SHOBHANA RAMACHANDHRAN  
Managing Director

K R RAGAVAN

M S VIRARAGHAVAN

W P A R NAGARAJAN

N H ATTHREYA

J V RAGHAVAN

SITARAM RAO VALLURI

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**TVS SRICHAKRA LIMITED**

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**AUDIT COMMITTEE**

M S VIRARAGHAVAN  
Chairman

W P A R NAGARAJAN  
N H ATTREYA  
SITARAM RAO VALLURI

**SHAREHOLDERS / INVESTORS  
COMMITTEE**

S NARAYANAN  
Chairman

SHOBHANA RAMACHANDHRAN  
J V RAGHAVAN

**AUDITORS**

SUNDARAM & SRINIVASAN  
PLOT NO.8A, VISALAKSHIPURAM  
MADURAI 625 014

**BANKERS**

STATE BANK OF INDIA  
WEST VELI STREET  
MADURAI 625 001

**REGISTERED OFFICE**

TVS BUILDING  
7-B, WEST VELI STREET  
MADURAI 625 001

**ADMINISTRATIVE OFFICE**

10, JAWAHAR ROAD  
MADURAI 625 002  
e-mail : [secretarial@tvstyres.com](mailto:secretarial@tvstyres.com)  
website : [www.tvstyres.com](http://www.tvstyres.com)

**DIVISIONS**

**TYRE DIVISION**

VELLARIPATTI VILLAGE  
MELUR TALUK  
MADURAI DISTRICT  
PIN 625 122

**MOULDED PRODUCTS DIVISION**

NARASINGAMPATTI VILLAGE  
THERKUTHERU, MELUR TALUK  
MADURAI DISTRICT  
PIN 625 122

**REGISTRAR AND SHARE TRANSFER AGENT**

INTEGRATED ENTERPRISES (INDIA) LIMITED  
"KENCES TOWERS"  
NO.1, RAMAKRISHNA STREET  
NORTH USMAN ROAD, T. NAGAR  
CHENNAI - 600 017  
e-mail : [yesbalu@iepindia.com](mailto:yesbalu@iepindia.com)  
[sureshbabu@iepindia.com](mailto:sureshbabu@iepindia.com)

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**TVS SRIHAKRA LIMITED**

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held at 10.00 AM on Monday, the 25th August, 2003, at Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2003 and Profit and Loss Account for the year ending 31st March, 2003 and Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. Sitaram Rao Valluri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. M S Viraraghavan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, retire and are eligible for re-appointment.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution :

RESOLVED THAT subject to compliance with the applicable statutes and regulations, including the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the consent of the Company be and is hereby accorded, for delisting of its shares from the Bangalore Stock Exchange Limited, Bangalore and the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, and things which may be necessary, usual, expedient or proper to give effect to this resolution.

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution :

RESOLVED THAT the Articles of Association of the Company be and is hereby altered in the manner following :

- a) After Article 15 of the Articles of Association of the Company, the following shall be inserted :

#### Article 15A – BUY BACK

Subject to the provisions of Section 77A and other applicable provisions of the Companies Act, 1956, Regulations of Central Government, Securities and

**NOTICE TO SHAREHOLDERS** (Contd.)

Exchange Board of India and any other authority, as may be applicable, the Company or the Board shall have the power to purchase the Shares / Securities of the Company.

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

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, and subject to such approvals and consents as may be necessary, the approval of the Company is hereby accorded to the re-appointment of Mr R Naresh as the Whole-Time Director designated as "Executive Vice Chairman" of the Company for a period of five years, with effect from 16th June, 2004, on such salary, commission and perquisites as set out hereunder, which the Company is entitled to pay in terms of Section I of Part II of Schedule XIII to the Companies Act, 1956.

- a) Salary : Rs.1,00,000/- (Rupees One lakh only) per month.
- b) Commission : Two percent of net profits for each financial year or part thereof computed in the manner laid down under the applicable provisions contained in the Companies Act, 1956.
- c) Perquisites : The value and details of which are set out in the explanatory statement to the notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter or vary the composition / elements of the remuneration payable to Mr R Naresh in such manner as agreed to between the Board of Directors and Mr R Naresh within the overall limits as setout above.

9. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution :

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, and subject to such approvals and consents as may be necessary, the approval of the Company is hereby accorded to the payment of remuneration by way of commission to such of the Directors of the Company, who are neither in the whole-time employment nor a Managing Director, at a rate not exceeding 1% (one percentage) of the net profits of the Company in aggregate, for a period of five years with effect from 1st April, 2003.

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


**TVS SRIHAKRA LIMITED**
**NOTICE TO SHAREHOLDERS (Contd.)**

10. To consider and take on record the results of the Postal Ballot in respect of the following resolution relating to alteration of Memorandum of Association as referred to in the Postal Ballot Notice dated 28th May, 2003 proposed to be passed as a special resolution through Postal Ballot :

RESOLVED THAT subject to consents and approvals as may be necessary, pursuant to Section 17 and other applicable provisions of the Companies Act, 1956, the existing Object Clause III (B) (20) of the Memorandum of Association of the Company be deleted and the following Clause be inserted in its place :

"To invest any moneys of the Company in such investments as may be thought proper and to hold, sell, vary or otherwise deal with such investments."

By Order of the Board

Place : Chennai

**SHOBHANA RAMACHANDHRAN**

Date : 28.5.2003

*Managing Director*

**NOTES**

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**

2. **THE PROXIES TO BE VALID SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

3. The Register of Members and the Share Transfer books of the Company will remain closed from 19th August, 2003 to 25th August, 2003, both days inclusive, for payment of dividend on equity shares.

4. Dividend, as recommended by the Board of Directors, if declared at the meeting shall be paid, to those members whose name(s) appear in the Register of Members of the Company as on 25th August, 2003. In respect of shares held in Electronic form, the dividend will be paid, subject to tax at source, on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.

5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the meeting.

6. Members, who are desirous of seeking any further information or clarification relating to the annual accounts, are requested to write to the Company, at least 7 days before the meeting so as to enable the Company to keep such details ready.



**NOTICE TO SHAREHOLDERS** (Contd.)

**7. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESS TO M/s INTEGRATED ENTERPRISES (INDIA) LIMITED, CHENNAI, THE SHARE TRANSFER AGENT OF THE COMPANY.** (For further details /

address, please refer Page No. 24).

8. a) Members are requested to sign at the space provided in the attendance sheet appended to this Annual Report and hand over the same at the entrance of the meeting hall.

- b) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

9. Members who have not encashed their dividend warrants in respect of the dividend declared for the year ended 31.3.1996 and for any subsequent years, are requested to make their claim to the Share Transfer Agent of the Company.

are rarely traded at the Stock Exchange at Bangalore. Further, as the Company's shares are listed in BSE, trading can be conveniently done, from any part of the Country, through the nation wide network of BSE trading terminals. Hence, the Board of Directors is of the view that it would be desirable to delist the Company's shares from the said Stock Exchange in accordance with and subject to the compliance of applicable statutes and regulations, including the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003.

Your Directors recommend the resolution be passed as a Special Resolution.

No Director of the Company is concerned or interested in this item of business.

**Item No.7**

The amended Companies Act, 1956, allows a Company to buy back its own shares / securities, subject to certain conditions. One of the pre-requisites for a Company to buy back its own shares / securities is the authorisation in the Articles of Association for the same.

Your Directors recommend the resolution be passed as a Special Resolution.

No Director of the Company is concerned or interested in this item of business.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations are available for inspection at the Registered Office of the Company at TVS Building, 7-B, West Veli Street,

**EXPLANATORY STATEMENT**

As required under Section 173(2) of the Companies Act, 1956.

**Item No.6**

The shares of the Company are listed with the Stock Exchanges at Bangalore, Chennai and Mumbai. Our shares


**NOTICE TO SHAREHOLDERS (Contd.)**

Madurai 625 001 between 9.00 AM and 12.00 Noon, on any working day of the Company.

**Item No.8**

Mr R Naresh was appointed as Whole-Time Director of the Company designated as "Executive Vice Chairman" at the Sixteenth Annual General Meeting, for a period of Five (5) years, with effect from 16th June, 1999.

Further, the Board of Directors of your Company, at their meeting held on 28th May, 2003 have unanimously approved the re-appointment of Mr R Naresh as a Whole-Time Director, for a period of Five (5) years with effect from 16th June, 2004, at such salary, commission and perquisites as set out in the resolution No.8 of the notice convening this Annual General Meeting. The appointment, if approved, will be in conformity with the requirements of Part I and II of Schedule XIII to the Companies Act, 1956.

**Perquisites :**

The value and details of perquisites as referred to in the resolutions set out under item No.8 is given hereunder :

- a) House Rent Allowance at the rate of fifty percentage of the salary.
- b) Medical Expenses incurred for the Whole-Time Director and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of Three (3) years.

- c) Leave Travel Concession for the Whole-Time Director and his family once in a year incurred in accordance with the rules of the Company.
- d) Fees of clubs, subject to a maximum of two clubs. This will not include admission and the membership fees.
- e) Personal Accident Insurance for an amount, the annual premium of which does not exceed Rs.10,000/-.
- f) Contribution to Provident Fund, Superannuation and annuity fund in accordance with the rules specified by the Company. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- g) Encashment of leave at the end of the tenure.
- h) Provision of car for use on Company's business and telephone at residence.

In terms of the last paragraph of the resolution(s), the Board of Directors are authorised to alter or vary the composition/elements of the remuneration of the Whole-Time Director. Further, where in any financial year during the currency of tenure of the Whole-Time Director, the Company has no profits or if profits are inadequate, the minimum remuneration payable to the Whole-Time Director shall be the same substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956. Considering the valuable contribution made by Mr R Naresh, Executive Vice Chairman to the growth of the Company