



TVS SRICHAKRA LIMITED



27th Annual Report 2009-2010

BOARD OF DIRECTORS

S NARAYANAN
Chairman

R NARESH
Executive Vice Chairman

SHOBHANA RAMACHANDHRAN
Managing Director

M S VIRARAGHAVAN

N H ATTHREYA

J V RAGHAVAN (Till 25.9.2009)

SITARAM RAO VALLURI

P VIJAYARAGHAVAN

S RAVICHANDRAN (Till 25.9.2009)

T CHINNADURAI (Till 25.9.2009)

H JANARDANA IYER



AUDIT COMMITTEE

M S VIRARAGHAVAN
Chairman

N H ATTIREYA
SITARAM RAO VALLURI

SHAREHOLDERS / INVESTORS COMMITTEE

S NARAYANAN
Chairman

SHOBHANA RAMACHANDHRAN
P VIJAYARAGHAVAN

AUDITORS

SUNDARAM & SRINIVASAN
NEW NO. 250
P T RAJAN ROAD
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 : investorgrievances@tvstyres.com
demat@tvstyres.com
website : www.tvstyres.com

PLANT LOCATION

VELLARIPATTI VILLAGE
MELUR TALUK
MADURAI DISTRICT
PIN 625 122

NARASINGAMPATTI VILLAGE
THERKUTHERU, MELUR TALUK
MADURAI DISTRICT
PIN 625 122

PLOT NO.7, SECTOR - 1,
INTEGRATED INDUSTRIAL ESTATE,
SIDCUL, PANTNAGAR 263153,
RUDRAPUR, TEHSIL - KICHHA,
DISTRICT UDHAM SINGH NAGAR,
UTTRAKHAND

REGISTRAR AND SHARE TRANSFER AGENT

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

CONTENTS	Page No.
NOTICE	4
DIRECTORS' REPORT	9
ANNEXURES TO THE DIRECTORS' REPORT	13
MANAGEMENT DISCUSSION & ANALYSIS REPORT	15
CORPORATE GOVERNANCE	18
AUDITORS' REPORT	26
BALANCE SHEET	30
PROFIT AND LOSS ACCOUNT	31
SCHEDULES	32
CASH FLOW STATEMENT	49
STATEMENT UNDER SECTION 212	50



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of TVS Srichakra Limited will be held at 10.00 AM on Monday, the 20th September, 2010, 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, 2010 and Profit and Loss Account for the year ending 31st March, 2010 and Reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To appoint a Director in place of Mr. P Vijayaraghavan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S Narayanan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Sundaram & Srinivasan, Chartered Accountants, the retiring Auditors, to hold office as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

6. To appoint Mr H Janardana Iyer as a Director, and for that purpose to consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution, a notice of intention to move the same having been received from a member as required under Section 257 of the Companies Act, 1956.

RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Mr H Janardana Iyer be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board

Place : Chennai

Date : 28.5.2010

SHOBHANA RAMACHANDHRAN

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 proxy form duly stamped and executed, should be deposited at the Registered Office or Administrative Office of the Company at least forty-eight (48) hours before the time fixed for the commencement of the meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 16.9.2010 to 20.9.2010, both days inclusive.
4. The Board of Directors have declared and paid an interim dividend of Rs.10/- per share (100%) for the financial year 2009 – 2010. No further dividend is recommended for the financial year 2009 – 2010.

NOTICE TO SHAREHOLDERS (Contd.)

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 intending to require information about accounts to be explained at the meeting are requested to write to the Company atleast seven (7) days in advance of the Annual General Meeting.
7. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent of the Company.
 - a) any change in their address / mandate / bank details.
 - b) particulars of their bank account, in case they have not been sent earlier.
 - c) Nomination in form 2B, in duplicate, as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier.
 - d) Share certificates held in multiple folios in identical names or joint accounts, in the same order of names, for consolidation of such shareholdings into single folio.
8. Unclaimed Dividends – Transfer to Investor Education and Protection Fund.

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed dividend will be transferred to the *Investor Education and Protection Fund* on expiry of 7 years from the date of transfer to unpaid dividend account are as under :

Financial Year	Month of dividend transferred to unpaid account	Tentative date for transfer
31.3.2003	September 2003	October 2010
31.3.2004	September 2004	September 2011
31.3.2005	September 2005	October 2012
31.3.2006	August 2006	September 2013
31.3.2007	September 2007	October 2014
31.3.2008	September 2008	October 2015
31.3.2009	October 2009	October 2016

It may be noted that after the expiry of the said due date(s) for transfer of unclaimed dividend to the said Fund, no claim shall lie in respect of unclaimed dividend.

Members who have not encashed their Dividend Warrants for the said financial years and subsequent years are requested to send the same for revalidation to the Share Transfer Agent of the Company at Chennai.

The unpaid dividend in respect of the prior period have already been transferred to the General Revenue Account of the Central Government or the Investor Education and Protection Fund, as the case may be, as per the provisions of the Companies Act, 1956, read with relevant Rules framed thereunder.



NOTICE TO SHAREHOLDERS (Contd.)

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

Name	P Vijayaraghavan	S Narayanan
Age	61 years	84 years
Qualification	M.Sc.,	C.A. Inter
Expertise in Specific Functional Area	He has more than three decades of experience in Rubber Industry. Headed functions for Manufacturing, R&D, Quality, Sales and Marketing and Exports of your Company. He has travelled extensively to more than 40 countries in building the Exports of the Company.	He has got more than five decades of experience in automobile industry, particularly on sale of spare parts and service. He has expertise in marketing and procurement functions, apart from general management.
Date of appointment on the Board of the Company	14.9.2007	6.6.1983
Name(s) of the other public companies in which Directorships held	TVS Srichakra Investments Ltd	India Motor Parts & Accessories Ltd., Sundaram Finance Ltd Lucas Indian Service Ltd
Name(s) of companies in which Committee Membership(s) / Chairmanship(s) held (as per clause 49 of the Listing Agreement)	Nil	Chairman - Shareholders / Investors Grievance Committee - India Motor Parts & Accessories Ltd
No. of shares held	150	2195

NOTICE TO SHAREHOLDERS (Contd.)**EXPLANATORY STATEMENT**

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

Item No.6

Mr H Janardana Iyer was appointed as a Director by the Board on 25.9.2009, in the casual vacancy caused by the resignation of Mr J V Raghavan. He will hold office till the conclusion of the term of the original Director Mr J V Raghavan, which expires at the ensuing Annual General Meeting. As per Section 262 of the Companies Act, 1956, Mr H Janardana Iyer holds office upto the date of this Annual General Meeting. The Company has received notice from a Member signifying his intention to propose Mr H Janardana Iyer as a candidate for the office of Director at this Annual General Meeting along with a deposit of Rs.500/-. (Rupees five hundred)

Details of the Director seeking Appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name	H Janardana Iyer
Age	66 years
Qualification	B.E., (Mechanical Engineering)
Expertise in Specific Functional Area	He is having more than four decades of techno commercial experience in the field of Marketing Capital Equipments. His specializations have been in Technical Marketing of Earth Moving Equipments, Construction Equipments, Mining Equipments and Material Handling Equipments both in India as well as in International markets.
Date of appointment on the Board of the Company	25.9.2009 by the Board in the casual vacancy caused by the resignation of Mr. J V Raghavan
Name(s) of the other public companies in which Directorships held	Nil
Name(s) of companies in which Committee Membership(s) / Chairmanship(s) held (as per clause 49 of the Listing Agreement)	Nil
No. of shares held	Nil

By Order of the Board

SHOBHANA RAMACHANDHRAN

Managing Director

Place : Chennai

Date : 28.5.2010



FIVE YEAR PERFORMANCE AT A GLANCE

Rs. in lakhs

PARTICULARS	2005-06	2006-07	2007-08	2008-09	2009-10
A. OPERATING RESULTS					
GROSS INCOME	33340	47729	52428	64432	75916
PROFIT BEFORE DEPN. INT. & TAX	1535	2679	3388	4162	7077
PROFIT BEFORE INT. & TAX	875	1867	2480	3175	5899
PROFIT BEFORE TAX (PBT)	612	1057	1371	1316	4337
PROFIT AFTER TAX (PAT)	365	680	932	901	2982
DIVIDENDS	153	191	268	268	766
DIVIDEND TAX	21	33	46	46	130
RETAINED PROFITS	191	404	614	583	2086
B. FINANCIAL STATUS					
GROSS FIXED ASSETS	9851	11476	12729	14583	19232
NET FIXED ASSETS	5357	6149	6383	7229	11538
INVESTMENTS	125	125	125	125	261
NET CURRENT ASSETS	8003	11838	15998	15607	14977
SHARE CAPITAL	766	766	766	766	766
RESERVES AND SURPLUS	4129	4533	5148	5731	7817
NET WORTH	4895	5299	5914	6497	8583
LOAN FUNDS	7888	12054	15855	15722	17446
DEFERRED TAX LIABILITY (NET)	702	759	737	742	747
TOTAL CAPITAL EMPLOYED	13485	18112	22506	22961	26776
C. KEY RATIOS					
PBDIT TO NET SALES (%)*	4.62	5.89	6.45	6.97	9.29
PBIT TO NET SALES (%)*	2.36	3.94	4.46	5.26	7.61
PBT TO NET SALES (%)*	1.54	1.99	2.04	2.03	5.38
PBIT TO AV. CAPITAL EMPLOYED (%)*	6.59	10.38	10.07	13.34	21.43
RETURN ON AVERAGE NET WORTH (%)	7.60	13.35	16.63	14.52	39.55
EARNINGS PER SHARE (Rs.)	4.77	8.88	12.17	11.76	38.94
DIVIDEND PER SHARE (Rs.) #	2.28	2.92	4.10	4.10	11.70
DIVIDEND PAY OUT (%) #	47.85	32.92	33.64	34.81	30.04
BOOK VALUE PER SHARE (Rs.)	63.92	69.20	77.23	84.85	112.09
DEBT EQUITY RATIO (NO. OF TIMES)	1.61	2.27	2.68	2.42	2.03

* Excluding other income

including dividend tax

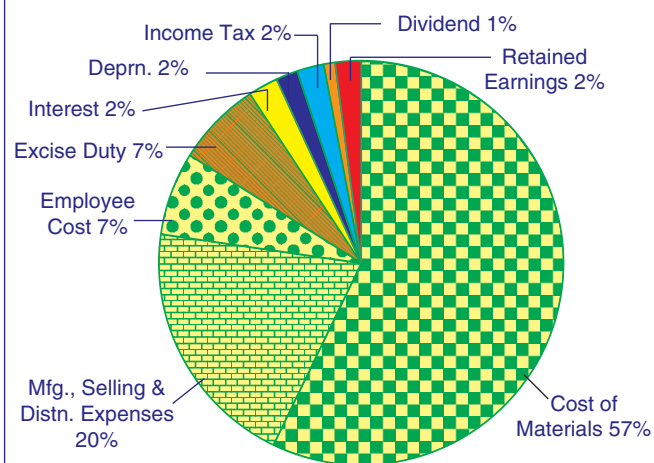
DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Twenty Seventh Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

	(Rs. in lakhs)	
	31.3.2010	31.3.2009
Net Sales	70070.54	57635.07
Profit before Depreciation & Tax	5516.08	2303.37
Less : Depreciation	1178.89	987.66
Provision for Tax – current	1350.00	375.00
– Deferred	5.39	5.00
– Fringe Benefit Tax	–	35.00
Net Profit	2981.80	900.71
Add : Surplus brought forward from Previous Year	4476.50	3988.28
Profit available for appropriation	7458.30	4885.05
Appropriations		
– Dividend to Equity Shareholders	765.70	268.00
– Dividend Tax	130.13	45.55
– General Reserve	300.00	95.00
– Balance Carried Forward	6262.47	4476.50

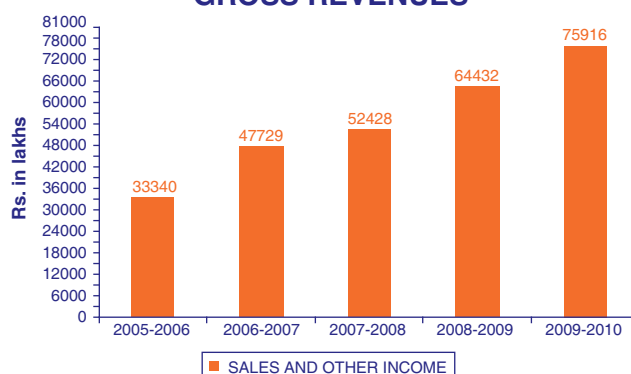
SPLIT OF GROSS REVENUES



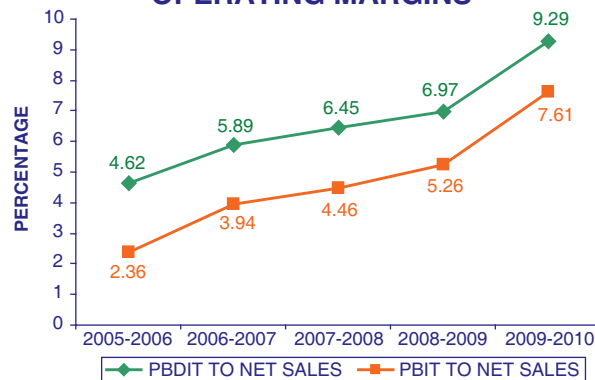
OPERATIONS

Your Company has recorded a Net Sales of Rs. 701 Crores for the year under review registering a growth of 22% over last year, which has resulted mainly from domestic market. Overseas sales, though it was affected due to recessionary trends, could maintain its sales at the last year's level. The impressive growth in profit has resulted due to cost cutting measures undertaken by your Company.

GROSS REVENUES



OPERATING MARGINS



DIVIDEND

The Board of Directors had declared an interim dividend of Rs.10/- per share (100%) on February 11, 2010, absorbing a sum of Rs.889 lakhs, including tax on dividend. No further dividend is recommended by the Board of Directors.

The Directors recommend that after making provision for taxation and dividend, the amount of Rs.300 lakhs be