

# 29<sup>TH</sup> ANNUAL REPORT 2011-2012



**TVS SRICHAKRA LIMITED**

## **BOARD OF DIRECTORS**

**S NARAYANAN**

Chairman

**R NARESH**

Executive Vice Chairman

**SHOBHANA RAMACHANDHRAN**

Managing Director

**M S VIRARAGHAVAN**

**N H ATTHREYA**

**SITARAM RAO VALLURI**

**P VIJAYARAGHAVAN**

**H JANARDANA IYER**



## **AUDIT COMMITTEE**

M S VIRARAGHAVAN  
*Chairman*

N H ATTHREYA  
SITARAM RAO VALLURI (upto 27.5.2011)  
P VIJAYARAGHAVAN  
H JANARDANA IYER

## **SHAREHOLDERS / INVESTORS GRIEVANCE 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

DBS BANK LIMITED  
806, ANNA SALAI,  
CHENNAI - 600 002

THE KARUR VYSYA BANK LIMITED  
NO.159, SOUTH MASI 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](mailto:investorgrievances@tvstyres.com)  
[demat@tvstyres.com](mailto:demat@tvstyres.com)  
website : [www.tvstyres.com](http://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 : [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

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## **NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of TVS Srichakra Limited will be held at 10.30 AM on Thursday, the 27th September, 2012, 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 Statement of Profit and Loss of the Company for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To declare dividend for the year ended March 31, 2012.
3. To appoint a Director in place of Mr Sitaram Rao Valluri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr P Vijayaraghavan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
“RESOLVED THAT M/s Sundaram & Srinivasan, Chartered Accountants, Madurai, Firm Registration No. 004207S, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.”  
“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the Auditors”.

### **SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:  
RESOLVED THAT in supersession of the resolution passed by the Members in the Annual General Meeting of the Company held on 3rd August, 2011, and in pursuance of the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow (excluding temporary loans obtained from the Banks in the ordinary course of business) from time to time, any sum or sums of money for the purpose of the business of the Company, notwithstanding that the money to be borrowed by the Company (apart from temporary loans obtained from the Banks in the ordinary course of business) may exceed the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board of Directors shall not exceed at any time the aggregate of the paid-up capital and free reserves of the Company by more than Rs. 500 Crores (Rupees Five hundred Crores).
7. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.  
RESOLVED THAT in supersession of the resolution passed by the Members in the Annual General Meeting of the Company held on 3rd August, 2011, and in pursuance of the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its consent to mortgaging and/or charging by the Board of Directors of the Company, all or any of the movable or immovable properties, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company for securing.
  - a) any loan as may be obtained from Banks / Other Financial Institutions.
  - b) any issue of debentures made by the Company from time to time provided that the total amount so borrowed and outstanding (excluding temporary loans obtained from the banks in the ordinary course of business) does



**NOTICE TO SHAREHOLDERS (Contd.)**

not exceed at any time the aggregate of the paid-up capital and free reserves of the Company by more than Rs. 500 Crores (Rupees Five hundred Crores).

By Order of the Board

Place : Chennai

**SHOBHANA RAMACHANDHRAN**

Date : 26.5.2012

*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. A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE & ADMINISTRATIVE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under items 6 and 7 above is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 21.9.2012 (Friday) to 27.9.2012 (Thursday), both days Inclusive, for the purpose of payment of dividend.
4. Members / Proxy(s) are requested to bring their copies of the Admission Slip duly filled in along with Annual Report to the meeting. Annual Reports will not be distributed at the meeting.
5. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least seven (7) days in advance of the AGM.
6. 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 it has 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.
  - e) E-mail ID : In the prescribed format already despatched.\*
7. Unclaimed Dividends – Transfer to Investor Education and Protection Fund

The Company has already transferred all unclaimed dividends declared up to the financial year 2003-04 to Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956. Members who have still not encashed their dividend for subsequent years are requested to encash the same at the earliest.

**NOTICE TO SHAREHOLDERS (Contd.)**

For the benefit of shareholders, we give below the details of unclaimed dividends pertaining to subsequent years with probable dates of transfer to IEPF.

Financial Year	Dividend paid	Tentative date for transfer to the said Fund
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
31.3.2010	February 2010	January 2017
31.3.2011	August 2011	July 2018

8. The Company provides the facility of National Electronic Clearing Services (NECS) to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders.
9. All the members holding share in Electronic form are requested to furnish the new bank account number allotted to you by your bank after implementation of Core Banking Solutions (CBS) along with a photocopy of a cheque pertaining to the concerned account to your Depository Participant (DP) at your earliest convenience.

If you do not provide your new account number allotted after implementation of CBS by your bank, to your DP, please note that ECS to your old account may either be rejected or returned.

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

**Mr Sitaram Rao Valluri**

Mr S R Valluri, a Doctorate in Aeronautics, and a Fellow Member in many of the prestigious research institutes in India.

Mr S R Valluri has held several senior positions, in various Government organizations. Was awarded “Padmasri” by the Government of India, in 1974.

Mr S R Valluri is on the Board of your Company from 23.2.1991 and has a special expertise in technology development and general management.

Mr S R Valluri is not holding Directorship / Committee positions in any other Company.

Mr S R Valluri does not hold any equity shares in your Company

**Mr P Vijayaraghavan**

Mr P Vijayaraghavan is a Post Graduate in Chemistry and Post Graduate in Rubber Technology from IIT, Korakpur.

Mr P Vijayaraghavan has more than four decades of experience in Rubber Industry

Mr P Vijayaraghavan is on the Board of your Company from 14.9.2007.

Mr P Vijayaraghavan headed Manufacturing, R&D, Quality, and Marketing Functions.

Mr P Vijayaraghavan has travelled extensively to more than 60 Countries in building the Exports of the Company.

Mr P Vijayaraghavan is holding Directorship in TVS Srichakra Investments Limited

Mr P Vijayaraghavan is holding 150 equity shares in your Company.

**NOTICE TO SHAREHOLDERS (Contd.)****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 6**

At the Annual General Meeting of the Company held on 3rd August, 2011, Company has accorded its consent under Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors to borrow any sum or sums of money provided the amount so borrowed and outstanding shall not exceed at any point of time the aggregate of the paid up capital and free reserves of the Company by more than Rs.300 Crores. Since it is anticipated that the fund requirements of the Company may substantially grow in view of the expansion activities, it is considered necessary to increase the present borrowing powers. The Board seeks the approval of the Members to borrow sums not exceeding Rs.500 Crores (Rupees Five Hundred Crores only) over and above the aggregate of the paid-up capital and free reserves.

The approval of the shareholders in General Meeting is required as per Section 293(1)(d) of the Companies Act, 1956. In the circumstances, the Board recommends this resolution for acceptance of the shareholders

None of the Directors is concerned or interested in the above resolution.

**Item No. 7**

At the Annual General Meeting of the Company held on 3rd August, 2011, the Board was authorised by the Ordinary Resolution of the shareholders for creation of mortgage / charges / hypothecation or otherwise in terms of Section 293(1)(a) of the Companies Act, 1956, provided the amount so borrowed and outstanding shall not exceed at any point of time the aggregate of the paid-up capital and free reserves of the Company by more than Rs.300 Crores. In view of the increasing operations of the Company, it is felt necessary and desirable to enhance the borrowing powers of the Board of Directors to Rs.500 Crores (Rupees Five Hundred Crores) over and above the aggregate of the paid up capital and free reserves. The proposed borrowing may require creation of mortgage / charges / hypothecation or otherwise which may attract the provisions of the Section 293(1)(a) and require the consent of the shareholders for the same. It is therefore proposed to get the consent of the shareholders for creation of mortgage / charges / hypothecation or otherwise of the assets of the Company provided the amount so borrowed and outstanding shall not exceed at any point of time the aggregate of the paid-up capital and free reserves of the Company by more than Rs.500 Crores.

The approval of the shareholders in General Meeting is required as per Section 293(1)(a) of the Companies Act, 1956. In the circumstances, the Board recommends this resolution for acceptance of the shareholders.

None of the Directors is concerned or interested in the above resolution.

By Order of the Board

Place : Chennai  
Date : 26.5.2012

**SHOBHANA RAMACHANDHRAN**  
*Managing Director*





## FIVE YEAR PERFORMANCE AT A GLANCE

Rs. in lakhs

PARTICULARS	2007-08	2008-09	2009-10	2010-11	2011-12
<b>A. OPERATING RESULTS</b>					
GROSS INCOME	52428	64432	75916	119318	151659
PROFIT BEFORE DEPN. INT. & TAX	3388	4162	7077	10264	13088
PROFIT BEFORE INT. & TAX	2480	3175	5899	8682	11008
PROFIT BEFORE TAX (PBT)	1371	1316	4337	5717	5475
PROFIT AFTER TAX (PAT)	932	901	2982	3917	3975
DIVIDENDS	268	268	766	957	1034
DIVIDEND TAX	46	46	130	159	167
RETAINED PROFITS	614	583	2086	2801	2774
<b>B. FINANCIAL STATUS</b>					
GROSS FIXED ASSETS	12729	14583	19232	24991	29312
NET FIXED ASSETS	6383	7229	11538	16495	19873
INVESTMENTS	125	125	261	261	1982
NET CURRENT ASSETS	15998	15607	14977	21206	27629
SHARE CAPITAL	766	766	766	766	766
RESERVES AND SURPLUS	5148	5731	7817	10618	13392
NET WORTH	5914	6497	8583	11384	14157
LOAN FUNDS	15855	15722	17446	25581	34029
DEFERRED TAX LIABILITY (NET)	737	742	747	997	1297
TOTAL CAPITAL EMPLOYED	22506	22961	26776	37962	49484
<b>C. KEY RATIOS</b>					
PBDIT TO NET SALES (%)*	6.45	6.97	9.29	8.36	8.43
PBIT TO NET SALES (%)*	4.46	5.26	7.61	6.90	6.94
PBT TO NET SALES (%)*	2.04	2.03	5.38	4.17	2.97
PBIT TO AV. CAPITAL EMPLOYED (%)*	10.07	13.34	21.43	23.13	22.15
RETURN ON AVERAGE NET WORTH (%)	16.63	14.52	39.55	39.23	31.13
EARNINGS PER SHARE (Rs.)	12.17	11.76	38.94	51.15	51.92
DIVIDEND PER SHARE (Rs.) #	4.10	4.10	11.70	14.57	15.69
DIVIDEND PAY OUT (%) #	33.64	34.81	30.04	28.49	30.21
BOOK VALUE PER SHARE (Rs.)	77.23	84.85	112.09	148.67	184.90
DEBT EQUITY RATIO (NO. OF TIMES)	2.68	2.42	2.03	2.25	2.40

\* Excluding other income

# including dividend tax

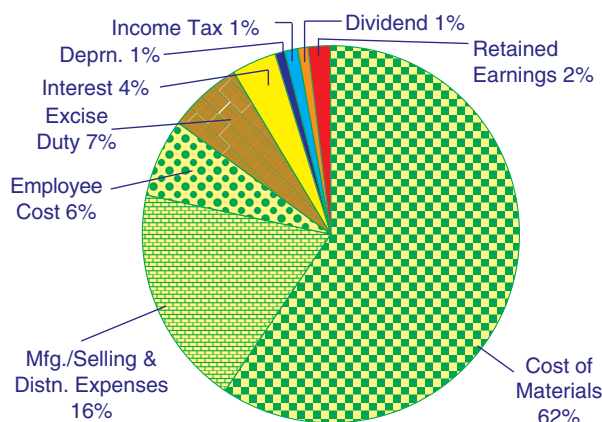
## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present their Twenty Ninth Report and audited statement of accounts for the year ended 31st March, 2012.

### FINANCIAL HIGHLIGHTS

	31.3.2012	(Rs. in crore) 31.3.2011
Net Sales & Other Income	1409.30	1097.26
Profit before Depreciation & Tax	75.55	72.99
Less : Depreciation	20.79	15.82
Provision for Tax – Current	12.00	15.50
– Deferred	3.00	2.50
Net Profit	39.75	39.17
Add : Surplus brought forward from Previous Year	86.63	62.62
Profit available for appropriation	126.38	101.79
Appropriations		
– Dividend to Equity Shareholders	10.34	9.57
– Dividend Tax	1.67	1.59
– Transfer to General Reserve	4.00	4.00
Balance Carried Forward	110.37	86.63

### SPLIT OF GROSS REVENUES



### GROSS REVENUES



### DIVIDEND

The Directors are pleased to recommend a dividend of Rs.13.50 per equity share of Rs.10/- each (i.e. 135%) for the financial year ended 31st March, 2012 absorbing a sum of Rs.1201.39 lakhs, including tax on dividend, for the approval of the shareholders, at the ensuing Annual General Meeting.