

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

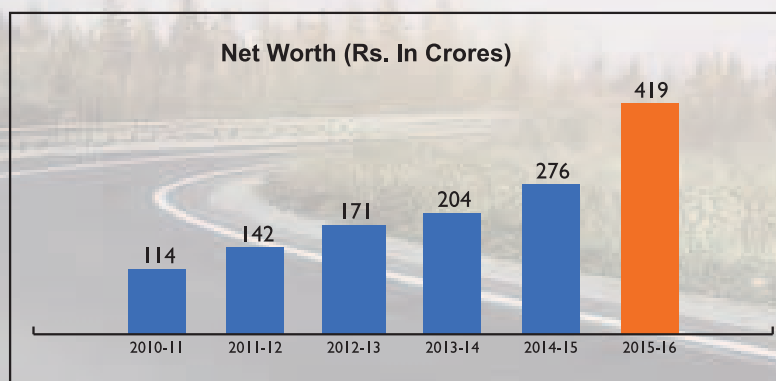
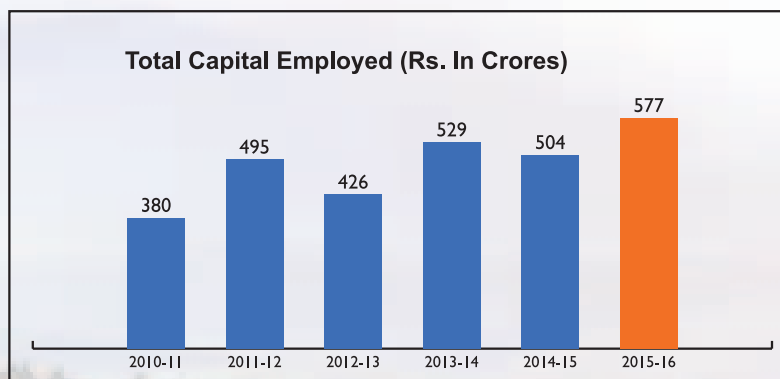
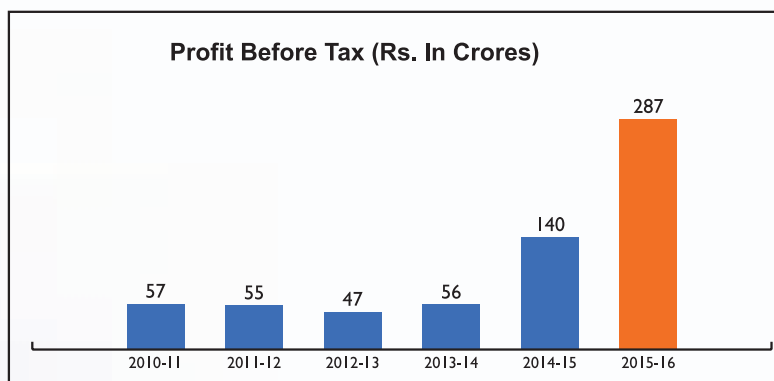
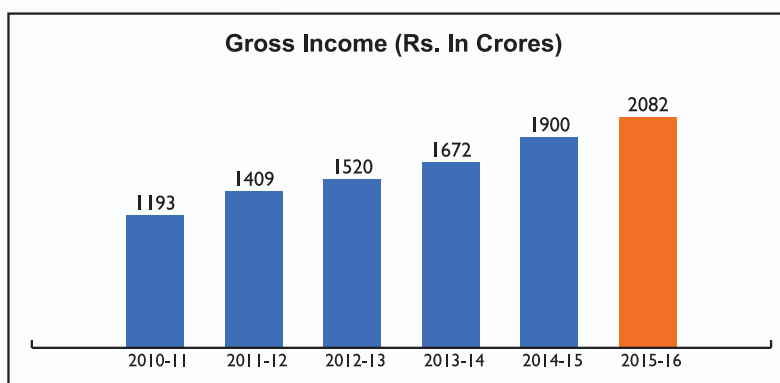
Integrated Enterprises (India) Limited,
"Kences Towers", II Floor,
No.1, Ramakrishna Street,
T. Nagar,
Chennai 600 017
Tamil Nadu
Tel : 044 28140801
e-mail : corpserv@integratedindia.in

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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.

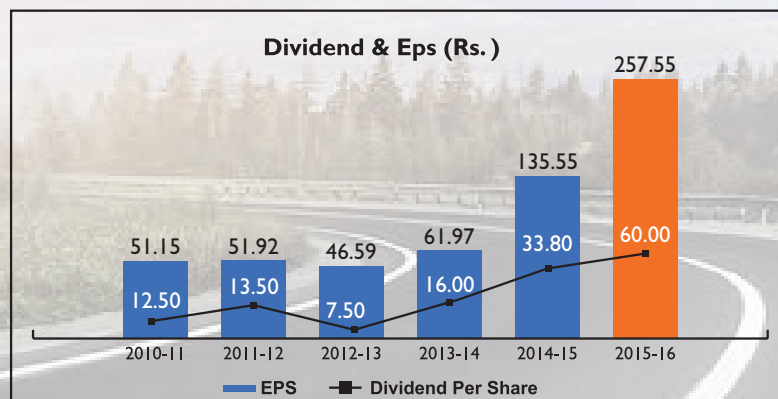
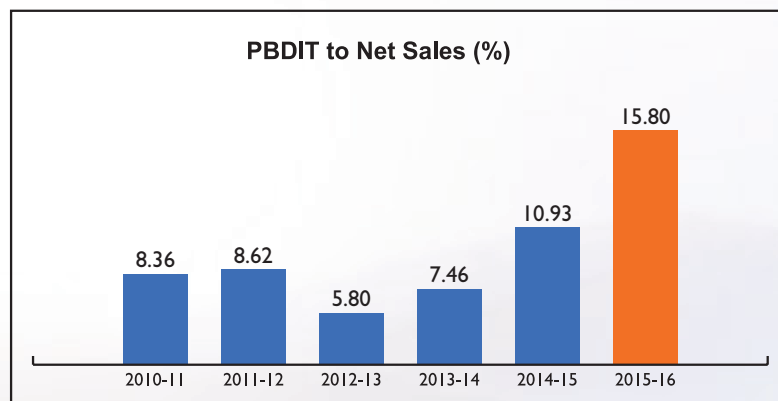
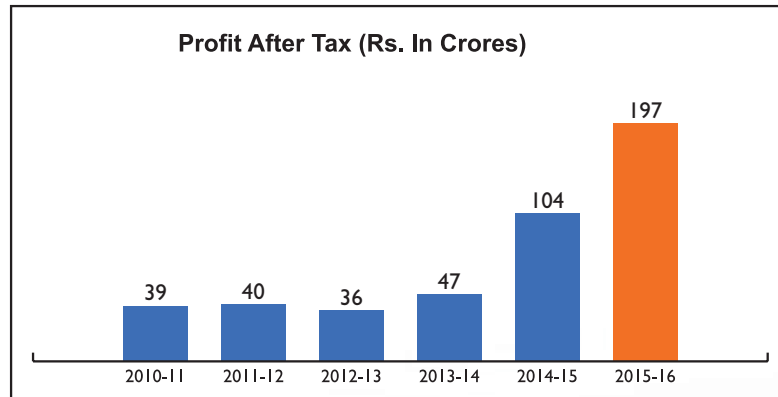
HIGHLIGHTS OF CONSOLIDATED ACCOUNTS

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.



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.

DIRECTORS' REPORT (contd.)

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.