



**PUSHING
THE LIMITS
AND RISING
BEYOND**

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

Stakeholders Relationship Committee

P. Vijayaraghavan
Chairman

Shobhana Ramachandhran

V. Ramakrishnan

Nomination and Remuneration Committee

M. S. Viraraghavan
Chairman

P. Vijayaraghavan

H. Janardana Iyer

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 625 002.
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

Listing of Shares with

BSE Limited
National Stock Exchange of India Limited

Plant Location**Madurai**

Vellaripatti Village, MelurTaluk,
Madurai – 625 122 Tamil Nadu.

Narasingampatti Village
Therkutheru, MelurTaluk,
Madurai – 625 122.
Tamil Nadu

Uttarakhand

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

Statutory 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

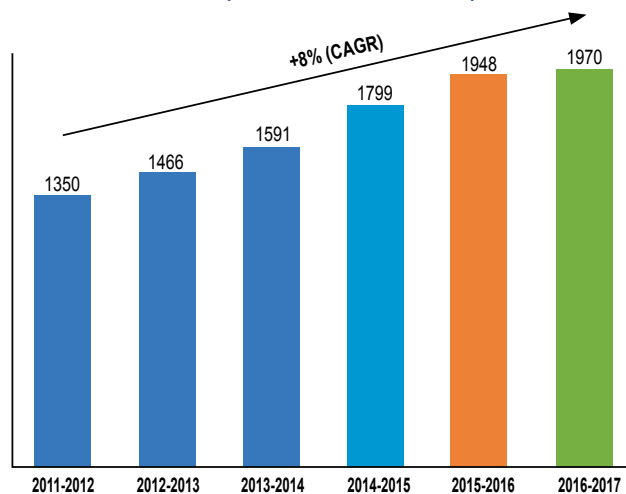
Integrated Registry Management Services Private Limited,
“Kences Towers”, II Floor, No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai 600 017 Tamil Nadu
Tel : 044 28140801
e-mail : corpserv@integratedindia.in

Contents

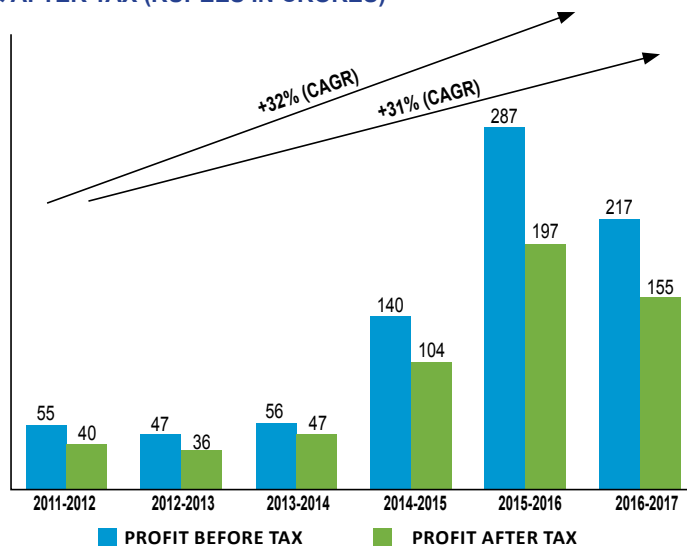
	Page No.
Corporate Information	1
Financial Highlights	4
Directors' Report to the Shareholders	6
Annexures to Directors' Report	15
Management Discussion and Analysis Report	29
Report on Corporate Governance	33
Business Responsibility Report	51
Auditor's Report to the Shareholders	58
Balance Sheet	64
Statement of Profit and Loss	65
Cash Flow Statement	66
Notes on Financial Statements	67
Auditor's Report on Consolidated Accounts	105
Consolidated Accounts	110

FINANCIAL HIGHLIGHTS - STANDALONE

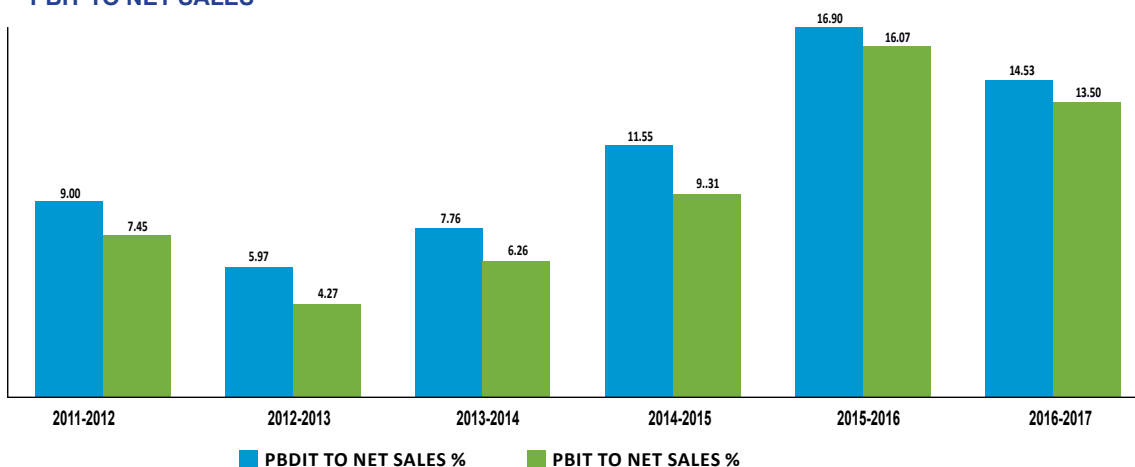
NET SALES AND OTHER INCOME (RUPEES IN CRORES)



PROFIT BEFORE & AFTER TAX (RUPEES IN CRORES)



PBDIT TO NET SALES PBIT TO NET SALES



FINANCIAL HIGHLIGHTS - STANDALONE

SIX YEAR PERFORMANCE AT A GLANCE

(Rupees in Crores)

PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
A. OPERATING RESULTS						
Net Income (Excluding Ed And Discounts) &&	1349.74	1465.75	1590.96	1799.17	1947.75	1970.23
Profit Before Depn. Int. & Tax	126.89	128.67	123.83	209.34	345.06	292.51
Profit Before Int. & Tax (Without depreciation)	106.10	104.45	100.16	169.46	329.31	272.38
Profit Before Tax (PBT)	54.75	47.27	55.92	139.57	286.99	216.71
Profit After Tax (PAT)	39.75	35.68	47.45	103.79	196.95	155.33
Dividend ^s	10.34	5.74	12.25	25.88	45.94	38.82
Dividend Tax ^s	1.68	0.98	2.08	5.27	9.35	7.90
Retained Profits	27.73	28.96	33.12	72.64	141.66	155.33
B. FINANCIAL STATUS						
Gross Fixed Assets	293	303	370	444	581	783
Net Fixed Assets	199	216	250	283	403	569
Investments	20	19	19	32	45	47
Net Current Assets	276.30	190.60	260.00	186.80	128.60	302.90
Share Capital	7.66	7.66	7.66	7.66	7.66	7.66
Reserves And Surplus	134	163	196	300	411	567
Net Worth	142	171	204	308	418	575
Loan Funds	340	233	304	204	131	307
Deferred Tax Liability (Net)	13	23	22	15	28	37
Total Capital Employed	495	426	529	528	577	918
C. KEY RATIOS						
PBDIT to Net Sales (%) [*]	9.0%	6.0%	7.8%	11.5%	16.9%	14.5%
PBIT to Net Sales (%) [*]	7.5%	4.3%	6.3%	9.3%	16.1%	13.5%
PBT to Net Sales (%) [*]	3.6%	0.2%	3.5%	7.6%	13.9%	10.6%
PBIT to AV. Capital Employed (%) [*]	22.9%	13.2%	20.7%	31.4%	55.6%	35.1%
Return on Average Net Worth (%)	31.13	22.86	25.36	40.57	54.24	31.28
Earnings Per Share (Rs.)	51.92	46.59	61.97	135.55	257.21	202.86
Dividend Per Share (Rs.) [#]	15.70	8.77	18.72	40.68	72.21	61.02
Dividend Pay Out (%) [#]	30.22	18.83	30.21	30.01	28.07	30.08
Book Value Per Share (Rs.)	184.90	222.72	265.96	402.22	546.29	750.92
Debt Equity Ratio (No. of Times)	2.40	1.37	1.49	0.66	0.31	0.53

* Excluding other income

Including dividend tax

\$ to be Approved by Shareholders in AGM Meeting

&& Figures from 2011-12 have been regrouped/reclassified in accordance with IND AS Disclosures

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors take pleasure in presenting the 34th Annual Report and the Company's audited financial statement for the year ended 31st March, 2017.

Pursuant to the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. Financial statements for the year ended and as at 31st March, 2016 have been restated to conform to IND AS.

FINANCIAL HIGHLIGHTS

(Rupees in Crores)

Details	Year ended 31.3.2017	Year ended 31.3.2016
Sales & Other Income (including excise duty)	2140.65	2125.57
Profit before finance cost and depreciation	292.51	345.06
Less : Finance Cost	20.13	15.75
Depreciation	55.67	42.32
Profit after finance cost and depreciation	216.71	286.99
Less : Provision for		
Income tax	52.50	85.27
Deferred tax	8.88	4.77
Profit after tax	155.33	196.95
Surplus brought forward from Previous Year	378.42	236.76
Dividend paid ^{\$}	-	45.94
Dividend Tax paid ^{\$}	-	9.35
Balance carried to Balance Sheet	533.75	378.42

\$ As per IND AS dividend is to be accounted only on payment basis from the financial year 2016-17.

OPERATIONS

TVS Srichakra Ltd. witnessed a growth in revenue during the financial year 2016-2017, despite various factors affecting the overall industry.

STANDALONE FINANCIAL PERFORMANCE

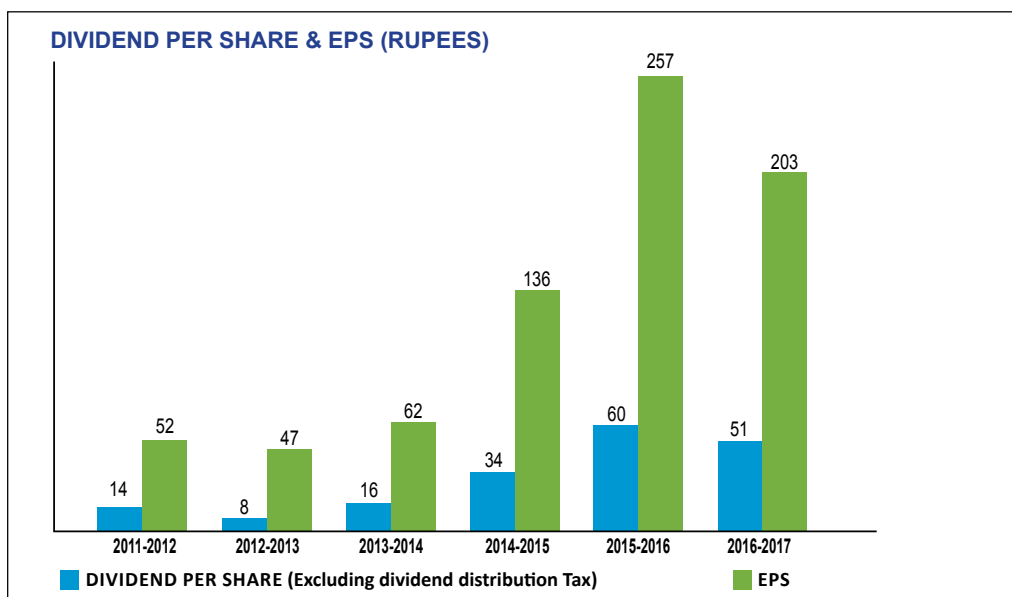
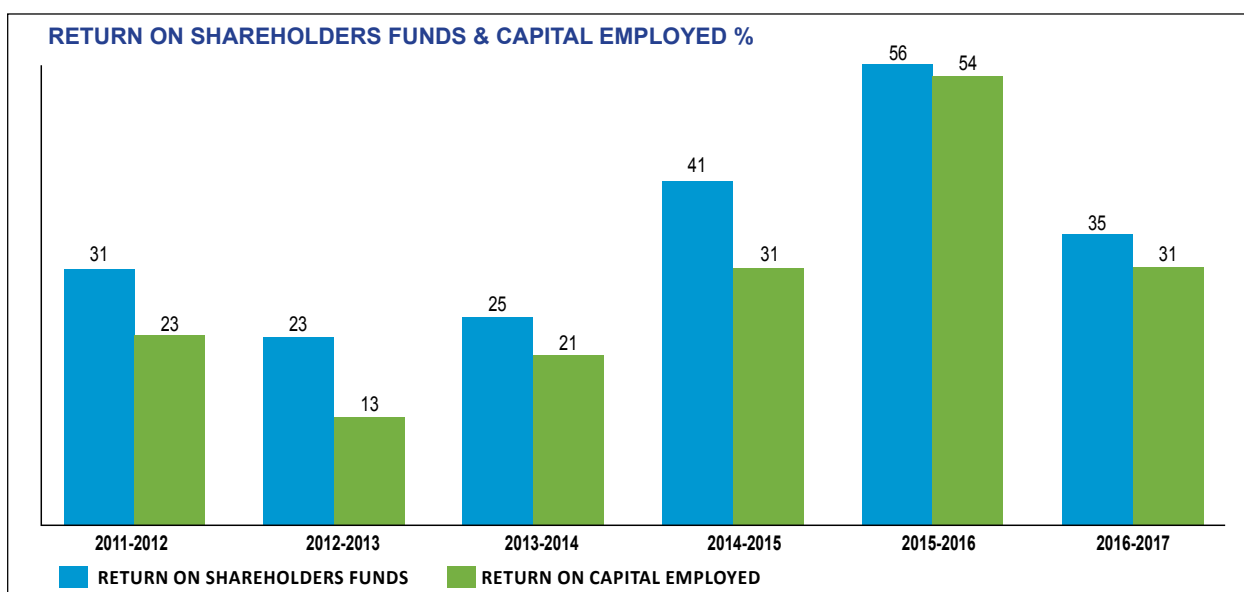
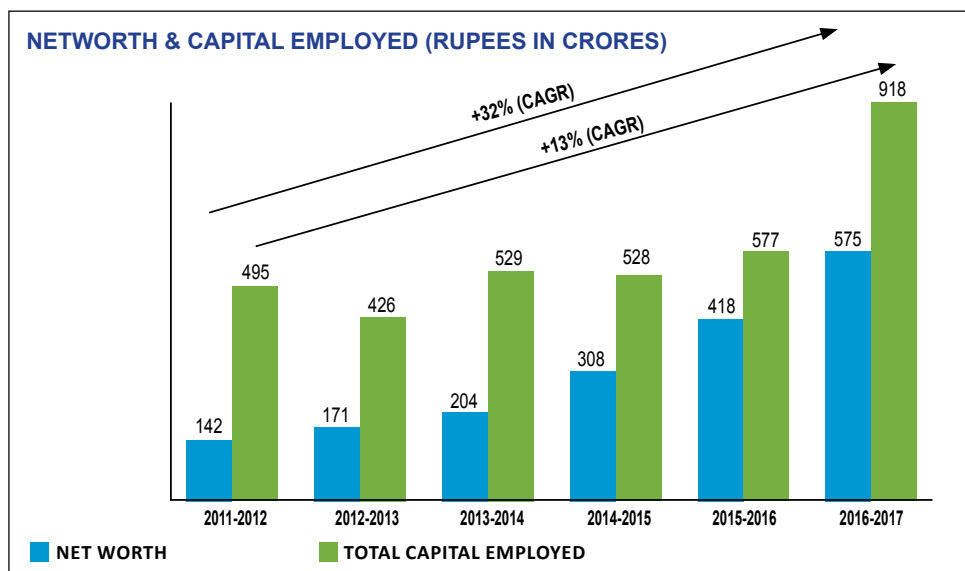
Your company recorded net sales of Rs.2140.65 crore (including other income) as against Rs.2125.57 crores during the previous financial year. Your Company's Profit before Finance Cost and Depreciation stood at Rs.292.51 crores as against Rs.345.06 crores during the previous financial year. Profit after Tax was at Rs.155.33 crores compared to Rs.196.95 crores during the previous financial year.

CONSOLIDATED PERFORMANCE

Income for the year ended 31st March, 2017 was at Rs.2135.53 crores (including excise duty) as compared to Rs.2385.83 crores for the previous year ended 31st March, 2016.

Profit Before Tax was at Rs.211.07 crores for the year ended 31st March, 2017 as against Rs.283.78 crores for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS - STANDALONE



DIRECTORS' REPORT (Contd.)

Profit after Tax was at Rs.149.69 crores for the year ended 31st March, 2017 as against Rs.191.17 crores for the year ended 31st March, 2016.

HIGHLIGHTS ON PERFORMANCE OF SUBSIDIARY AND ASSOCIATES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

Your Company's wholly owned subsidiary TVS Srichakra Investments Limited recorded a net loss of Rs.576 lakhs owing to finance cost on borrowings from the holding company. Your company is reviewing the interest rates and proposes to align these rates in line with its borrowing cost.

ZF Electronics TVS India Pvt. Limited, an associate Company, recorded a total revenue of INR 46 crores (PY INR 44 crores). The Company incurred a net loss INR 4 crores (PY INR 1.1 crores), mainly due to increase in cost of raw materials. The Company, along with its Joint Venture partner, is identifying business development opportunities and aggressive cost reduction actions for turning around the Company and continuing its past track record of profitability.

DIVIDEND

In line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), your Company has formulated the Dividend Distribution Policy and the same is available on the Company's website at the link: <http://www.tvstyres.com/policy/DIVIDEND%20DISTRIBUTION%20POLICY.pdf>

Based on Company's performance, the Directors are pleased to recommend for approval of the members, a dividend of Rs.50.70 per share (507%) on 76,57,050 equity shares for the financial year ended 31st March, 2017. The dividend on equity shares, if approved by the members would result in a total cash outflow of Rs.46.72 crores including dividend distribution tax of Rs.7.90 crores as against Rs.55.30 crores including dividend distribution tax of Rs.9.35 crores in the previous year.

FINANCE

Cash and cash equivalent as at 31st March, 2017 was at Rs.9.37 crores.

The Company was able to continue its sustained efforts in judicious management of working capital, receivables, inventories and other working capital parameter through regular monitoring.

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.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As per Section 125 of the Companies Act, 2013, after completion of seven years from the date of transfer to unpaid dividend account, the unclaimed dividend amount has to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the unclaimed dividend amount for the financial year 2008-09 becomes due for transfer to IEPF. The Company sent letters to those shareholders, who have not encashed their dividend amount. Despite the reminder letters sent to such shareholders, an amount of Rs.6,60,818/- remains unclaimed and the same was transferred to IEPF Account on 18.11.2016.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company's Corporate Social Responsibility (CSR) activities / projects are focused towards education, health, sanitation, environment, safe drinking water and protection of national heritage, art and culture in line with the CSR policy of your Company. The CSR policy may be accessed at the Company's website at the link: <http://www.tvstyres.com/policy/CSR%20POLICY.pdf>

DIRECTORS' REPORT (Contd.)

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

The CSR Committee comprises of Ms. Shobhana Ramachandhran, Mr. Rasesh R Doshi and Mr. P Vijayaraghavan. The Committee had met 3 times during the year on 11.5.2016, 19.8.2016 and 10.2.2017. Details of role and functioning of the Committee are given in the Corporate Governance Report.

The "Annual Report on CSR Activities" is annexed to the Board's Report as Annexure 1.

INTERNAL FINANCIAL CONTROLS

The Board and the Audit Committee have been reviewing the Internal Financial controls and strengthening the same. Further Audit Committee periodically reviews the Internal Audit Reports and suggestions and corrective actions are implemented.

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 has a vigil mechanism in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Regulations to report any serious actual or suspected frauds, concerns relating to financial matters / reporting, unethical or illegal conduct or actual or possible violation of Code of Conduct / Ethical Standards and provides adequate safeguard against victimisation. Protected disclosure can be made by the whistle blower and the policy may be accessed on the Company's website at <http://www.tvstyres.com/policy/WHISTLE%20BLOWER%20POLICY.pdf>

During the year, no instances were reported under this mechanism and details pertaining to Whistle Blower Policy are explained in the Corporate Governance Report.

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

The Statutory Auditor of the Company has not reported any fraud as specified under Section 143(12) of the Act.

SUBSIDIARY COMPANY(S)

The audited accounts of the subsidiary company TVS Srichakra Investments Limited have been consolidated with the Company as on 31st March, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in compliance with the applicable provisions of the Act, relevant rules and Accounting Standards and as stipulated in the Regulations.

Pursuant to Section 129 of the Companies Act, 2013 a statement containing salient features of the financial statement of Company's subsidiary(s)/ associates are given in Form AOC 1 as Annexure 2 to the DIRECTORS' REPORT.

The audited financial statement including the consolidated financial statement of the Company together with all other documents required to be attached thereto and Auditor's Report forms part of this Annual Report and may be accessed