REF:TSL:SEC:2019/ 300

September 5, 2019

BSE Ltd.,
P J Towers
Dalal Street, Fort
Mumbai 400 001

SCRIP CODE : 509243

National Stock Exchange of India Ltd.,
5th Floor
Exchange Plaza
Bandra (E)
Mumbai - 400 051

SCRIP CODE : TVSSRICHAK

Dear Sirs

Sub : Annual General Meeting Notice and Annual Report 2018-19

Ref : Regulation 30 and 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Our letter dated 16.8.2019

We, vide our letter dated 16.8.2019 uploaded the Notice convening 36th Annual General Meeting and the Annual Report for the year ended 31st March, 2019 and also in Company's website.

Certain typographical errors in page nos. 27 and 34 of the Annual Report, have crept in, while printing of Annual Report.

We are enclosing the revised annual report for the year 2018-19

We have also uploaded the same in Company's website.

Kindly take the above on record.

Thanking you

Yours faithfully
For TVS SRICHAKRA LIMITED

P.Sm

P SRINIVASAN
SECRETARY

TVS SRICHAKRA LIMITED
CIN : L25111TN1982PLC009414
Regd.Office : TVS Building, 7-B, West Veli Street, Madurai 625 001.
Factory : Perumalpatti Road, Vellaripatti Village, Melur Taluk, Madurai - 625 122.
Tel: +91 452 2443300 Fax: +91 452 2443466 website: www.tvstyres.com

RIDING THROUGH EVERY CHALLENGE

TVS SRICHAKRA LIMITED

2018-2019 | ANNUAL REPORT

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
V Anantha Nageswaran (From 13.11.2018)
A Arumugam (Till 23.12.2018)

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 625 001, Tamil Nadu

Plant Location
Madurai
Vellaripatti Village, Melur Taluk, Madurai 625 122 Tamil Nadu

Narasingampatti Village
Therkutheru, Melur Taluk Madurai 625 122 Tamil Nadu

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

Administrative Office
No. 10 Jawahar Road
Madurai 625 002, Tamil Nadu
Tel : 0452 2443300
Fax : 0452 2443466
Email : secretarial@tvstyres.com
sec.investorgrievances@tvstyres.com
Website : www.tvstyres.com

Subsidiary Company
TVS Srichakra Investments Limited
TVS Sensing Solutions Private Limited

Statutory Auditors
PKF Sridhar & Santhanam LLP
Chartered Accountants
KRD Gee Gee Crystal
No. 91-92, 7th Floor
Dr Radhakrishnan Salai
Mylapore, Chennai 600 004

Listing of Shares with
BSE Limited

National Stock Exchange of India Limited

Bankers
State Bank of India

HDFC 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

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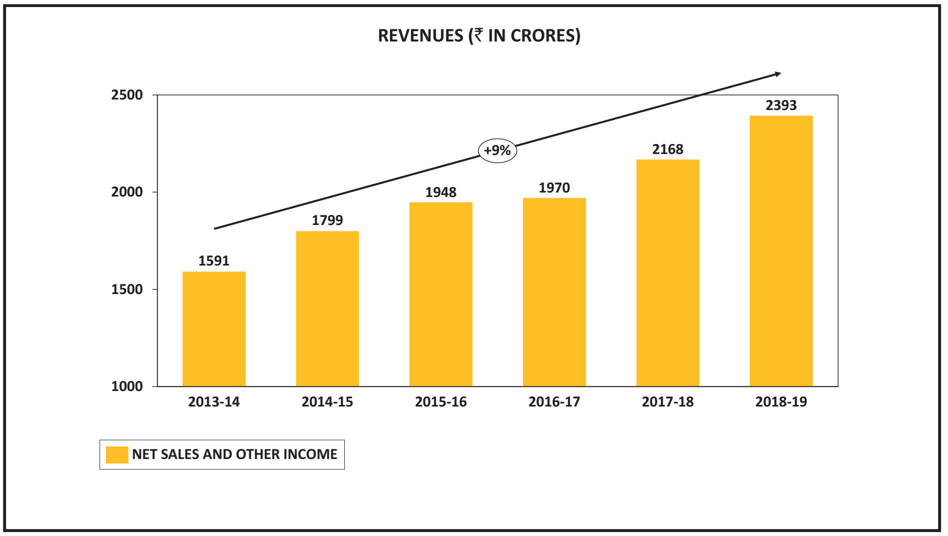
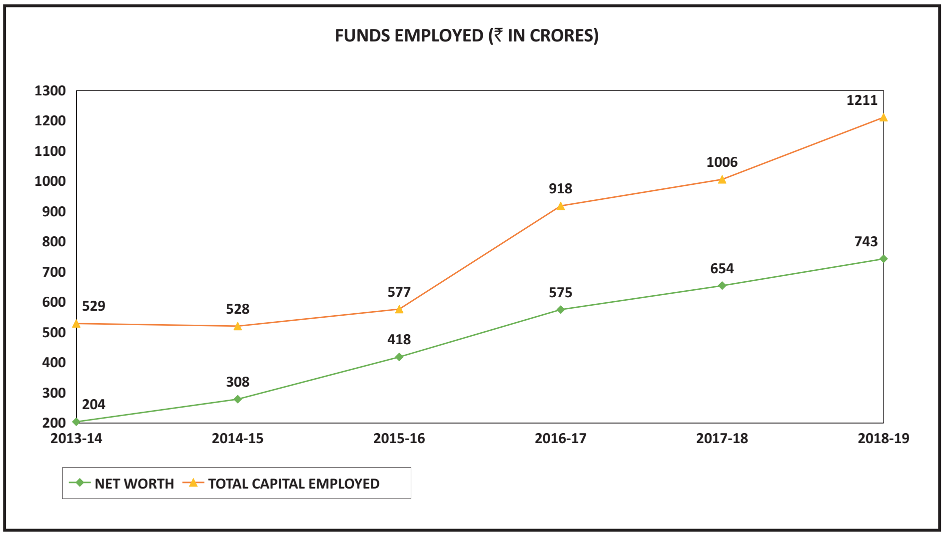
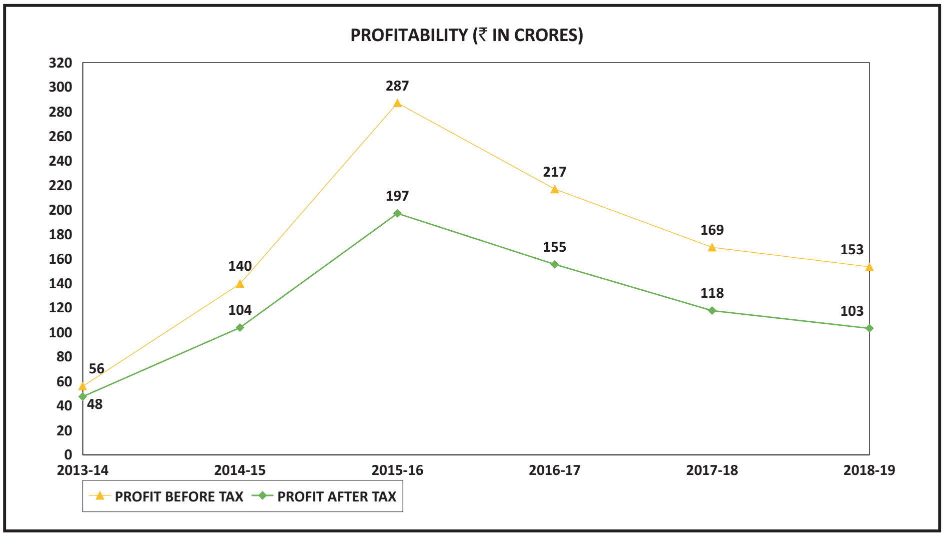
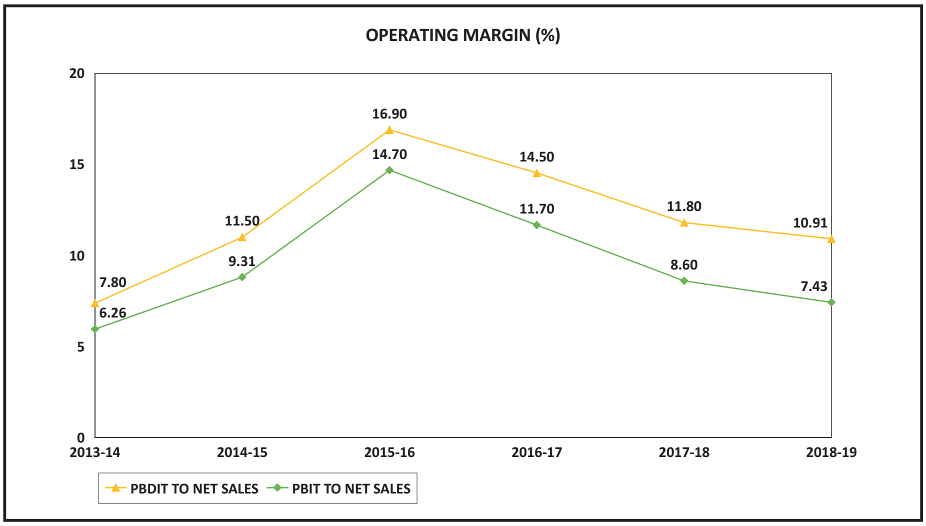
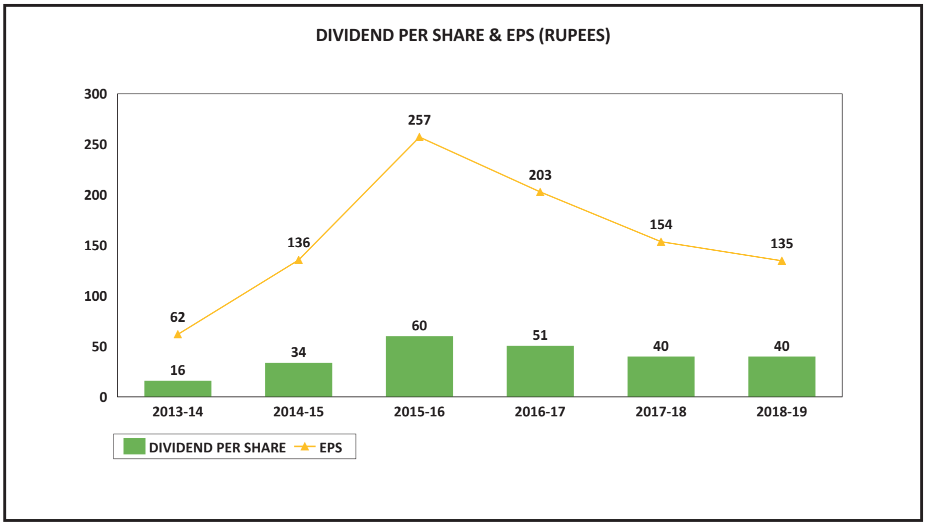


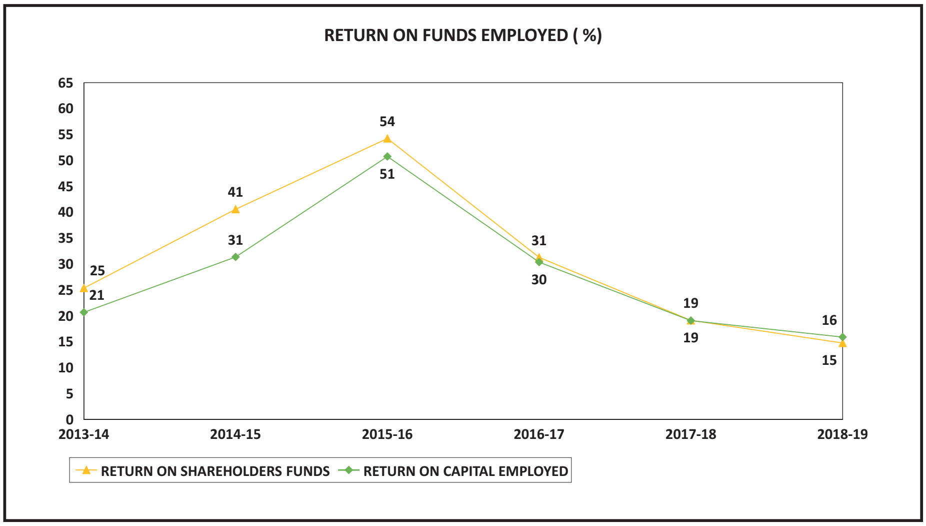




FINANCIAL HIGHLIGHTS - STANDALONE







FINANCIAL HIGHLIGHTS - STANDALONE

SIX YEAR PERFORMANCE AT A GLANCE

Rs. In Crs

PARTICULARS	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
A. OPERATING RESULTS						
NET INCOME (Excluding ED and Discounts) &&	1,590.96	1,799.17	1,947.75	1,970.23	2,167.62	2,393.18
PROFIT BEFORE DEPN. INT. & TAX	123.83	209.34	345.06	292.51	267.16	270.63
PROFIT BEFORE INT. & TAX	100.16	169.46	302.74	236.84	198.95	187.80
PROFIT BEFORE TAX (PBT)	55.92	139.57	286.99	216.71	169.25	153.30
PROFIT AFTER TAX (PAT)	47.45	103.79	196.95	155.33	117.61	103.17
DIVIDENDS $	12.25	25.88	45.94	38.82	30.63	30.63
DIVIDEND TAX $	2.08	5.27	9.35	7.90	6.30	6.30
PROFIT AFTER DIVIDEND	33.12	72.64	141.66	108.61	80.68	66.24
B. FINANCIAL STATUS						
GROSS FIXED ASSETS	370.01	443.59	580.59	782.60	939.66	1,046.73
NET FIXED ASSETS	249.77	282.84	403.10	568.66	621.24	656.07
INVESTMENTS	19.26	32.01	87.28	89.42	110.57	150.33
NET CURRENT ASSETS	260.00	212.92	86.23	260.28	274.26	404.99
SHARE CAPITAL	7.66	7.66	7.66	7.66	7.66	7.66
RESERVES AND SURPLUS	195.99	300.32	410.64	567.32	646.60	735.49
NET WORTH	203.65	307.98	418.30	574.98	654.26	743.15
LOAN FUNDS	303.52	204.33	130.71	306.60	308.47	412.69
DEFERRED TAX LIABILITY (NET)	21.86	15.46	27.60	36.78	43.35	55.54
TOTAL CAPITAL EMPLOYED	529.03	527.77	576.61	918.36	1,006.08	1,211.39
C. KEY RATIOS						
PBDIT TO NET SALES (%) *	7.76	11.55	16.90	14.53	11.81	10.91
PBIT TO NET SALES (%) *	6.26	9.31	14.68	11.67	8.61	7.43
PBT TO NET SALES (%) *	3.46	7.63	13.86	10.63	7.21	5.97
PBIT TO AV. CAPITAL EMPLOYED (%) *	20.68	31.37	50.75	30.37	19.08	15.91
RETURN ON AVERAGE NET WORTH (%)	25.36	40.57	54.24	31.28	19.13	14.77
EARNINGS PER SHARE (Rs.)	61.97	135.55	257.21	202.86	153.60	134.74
DIVIDEND PER SHARE (Rs.) #$	18.72	40.68	72.21	61.02	48.22	48.22
DIVIDEND PAY OUT (%) #$	30.21	30.01	28.07	30.08	31.40	35.79
BOOK VALUE PER SHARE (Rs.)	265.96	402.22	546.29	750.92	854.46	970.55
DEBT EQUITY RATIO (NO. OF TIMES)	1.49	0.66	0.31	0.53	0.47	0.56

* Excluding other income

Including dividend tax

$ to be Approved by Shareholders in AGM

&& Figures from 2013-14 have been regrouped/reclassified in accordance with IND AS Disclosures

Previous years figures have been regrouped to conform to the Current classification.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors take pleasure in presenting the 36th Annual Report of the Company together with the audited financial statements (standalone and consolidated) for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS (Standalone)

(Rupees in Crores)

Details	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Sales & Other Income	**2393.18**	2218.03*
Profit before finance cost and depreciation	**270.63**	267.16
Less : Finance Cost	**34.50**	29.70
Depreciation	**82.83**	68.21
Profit after finance cost and depreciation	**153.30**	169.25
Less : Provision for		
Income tax	**46.00**	46.94
Deferred tax	**4.13**	4.70
Profit after tax	**103.17**	117.61
Surplus brought forward from Previous Year	**604.84**	533.41
Remeasurement of post employment benefit obligation (net of tax)	**-3.00**	0.55
Dividend paid	**-30.63**	-38.83
Dividend Tax paid	**-6.30**	-7.90
Balance carried to Balance Sheet	**668.08**	604.84

PERFORMANCE OVERVIEW

Your Company's focus is on improving plant operations, enhance margins through continuous improvements and strive for growth.

Your Company has witnessed a 8% growth in revenue during the financial year 2018-2019, despite various factors affecting the overall industry. The Company continued to enjoy cordial and peaceful industrial relations with the workers and employees at all levels.

CONSOLIDATED PERFORMANCE

Income comprising of revenue from operations and other income for the financial year ended 31st March, 2019 was ₹ 2442.98 crores as compared to ₹ 2218.13* crores for the year ended 31st March, 2018.

Total consolidated revenue from operations increased to ₹ 2430.98 crores from ₹ 2202.76* crores in 2017-18.

Profit before tax for 2018-19 was ₹ 153.29 crores as compared to ₹ 168.98 crores in the previous year.

Profit after tax for 2018-19 was ₹ 103.27 crores as against ₹ 117.34 crores for the previous year.

HIGHLIGHTS ON PERFORMANCE OF SUBSIDIARIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

Wholly owned subsidiary of the Company TVS Srichakra Investments Limited (TSIL) recorded a net loss of ₹ 141.48 lakhs (previous year net loss of ₹ 26.82 lakhs) and interest on Optionally Convertible Debentures (OCDs) was waived during the year ended 31st March, 2019.

TVS Sensing Solutions Private Limited (TSSPL) (formerly known as ZF Electronics TVS India Pvt. Limited (ZFTVS)) became a wholly owned subsidiary of TSIL from 4th June, 2018 and subsequently its name was changed to TSSPL. The total revenue from operations during the year under review of TSSPL increased to ₹ 58.12 crores compared to ₹ 49.07 crores in the previous year. TSSPL made an EBITDA of ₹ 4.06 crores as against ₹ 1.12 crores for the year ended 31st March, 2018.

DIVIDEND

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. The Board of Directors is now pleased to recommend a dividend of ₹ 40/- per equity share (400%) which will result in a total payout of ₹36.90 crores, (inclusive of dividend distribution tax of ₹6.30 crores). The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

The Dividend Distribution Policy of the Company is available on the Company's website: http://www.tvstyres.com/policy/DIVIDEND%20DISTRIBUTION%20POLICY.pdf

* including excise duty

FINANCE

Cash and cash equivalent as at 31st March, 2019 was ₹ 7.50 crores.

The Company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables and other parameters.

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.

Details of investments made by your Company are 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 Authority (IEPF Account). Accordingly, the unclaimed dividend amount for the financial year 2010-11 became due for transfer to IEPF Authority. 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.20,67,175/- remained unclaimed and the same was transferred to IEPF Account on 1.10.2018.

TRANSFER OF UNCLAIMED DIVIDEND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHOIRTY (IEPF Authority)

As per Section 124 and other applicable provisions of the Companies Act, 2013, pursuant to the provisions of IEPF Rules / Securities and Exchange Board of India (SEBI) notification, shareholders who have not encashed dividend for seven consecutive years, such shares have to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority). Accordingly, 10,646 equity shares had been transferred by the Company to the IEPF Authority on 6.10.2018. Details of shares transferred to IEPF Authority had been uploaded on the website of IEPF as well as on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) has been an integral part of the Company and the Company is committed to its social responsibilities and takes initiatives to serve the society as a good corporate citizen.

Your Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013 and has developed and implemented the policy on Corporate Social Responsibility. The CSR Committee comprises of Ms. Shobhana Ramachandhran, Mr. P Vijayaraghavan and Mr. Rasesh R Doshi. The Committee, inter alia, monitors the CSR activities.

The Company was required to spend an amount of Rs.443.70 lakhs (including Rs.5.70 lakhs unspent amount of last year carried forward) and ensured that the same is fully spent during the year.

The CSR policy of the Company is hosted on the Company's website at http://www.tvstyres.com/policy/CSR%20POLICY.pdf and the "Annual Report on CSR Activities" is annexed to the Board's Report as Annexure 1.

The Company also undertakes other need based initiatives in compliance with Schedule VII to the Act.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are re-enforced on an ongoing basis. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

BUSINESS RISK MANAGEMENT

The Business risks identified by the Company are 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

Your Company has over the years established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. "Whistle Blower Policy" (WBP) is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and provides adequate safeguard against victimization of persons who use such mechanism. The whistle-blower policy is put on the Company's website and can be accessed at : http://www.tvstyres.com/policy/WHISTLE%20BLOWER%20POLICY.pdf.

No instances were reported under this mechanism and detail about this policy is available in the Corporate Governance Report.

SUBSIDIARY COMPANY(S)

The audited accounts of the following subsidiary Company(s)

a) TVS Srichakra Investments Limited (TSIL)

b) TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS India Private Limited) – subsidiary of TSIL has been consolidated with the Company as on 31st March, 2019.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the year ended 31st March 2019 are prepared in compliance with the applicable provisions of the Act, Indian Accounting Standards and SEBI LODR. The audited consolidated financial statements along with all relevant documents and the Auditor's Report thereon form part of Annual Report and may be accessed on the Company's website www.tvstyres.com.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries in the prescribed Form AOC1 is attached as Annexure 2.

The Financial Statements of the subsidiary companies are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the financial statement of its subsidiary Company(s) to the Members upon their request. The financial statement of the subsidiary companies are also available on the website of the Company at www.tvstyres.com.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, your Directors 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, if any;

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 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;

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, and

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.

DIRECTORS

Retirement by rotation

Mr. P Vijayaraghavan (DIN: 00633205), will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

The brief resume of the aforesaid Director and other information have been detailed in the notice convening the 36th Annual General Meeting of the Company. Appropriate resolution for his re-appointment is being placed for approval of the members at the ensuing Annual General Meeting. Your Directors recommend his re-appointment as Director of the Company.

Independent Directors

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, in its meeting held on 13.11.2018 subject to the approval by members of the Company, appointed Dr. V Anantha Nageswaran (DIN: 00760377), as an Additional Director in the category of Independent Director with effect from 13.11.2018 for a term of 5 consecutive years upto 12.11.2023.

Brief resume of the Independent Director seeking appointment along with other details required are provided in the Notice of 36th AGM of the Company. Appropriate resolution for his appointment is being placed for approval of the members at the ensuing AGM. The Board recommends his appointment as an Independent Director.

The Company has received declaration from all the Independent Directors that they continue to fulfill the criteria of independence as prescribed under the provisions of the Act as well as SEBI LODR (including statutory re-enactment(s) thereof for the time being in force). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the SEBI LODR and are independent of the management.

Familiarization Programme for Independent Directors

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company and business strategy. The Company has done various programmes to familiarize Independent Directors with the Company, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

Details of the familiarization programme for Independent Directors are explained in the Corporate Governance Report.

Board Evaluation

The evaluation process inter alia considers attendance of Directors at Board, Committee Meetings and Annual General Meeting, effective participation, domain knowledge etc.

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the Regulations, the evaluation process for the performance of the Board, its committees and individual Directors was carried out internally. The performance evaluation of the Chairman and Non-Independent Directors was carried out by Independent Directors. More details are available in the Corporate Governance Report.

Directors / Key Managerial Personnel appointed or resigned during the year

The shareholders of the Company at its Annual General Meeting held on 27th September, 2018 have approved re-appointment of Mr. M S Viraraghavan, Mr. H Janardana Iyer and Mr. Rasesh R Doshi for a second term of 5 (five) consecutive years on the Board of the Company by passing special resolution and appointed Mr. V Ramakrishnan as an Independent Director of the Company, for a term of 5 (five) consecutive years.

Mr A Arumugam resigned as an Independent Director of the Company with effect from 24th December, 2018 due to his personal priorities and other interest. The Board of Directors has placed on record its sincere appreciation for the rich contribution made by Mr. A Arumugam during his tenure of association as an Independent Director.

Appointment and Remuneration Policy

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted and framed a policy on Director's appointment and remuneration including remuneration for Senior Management and other employees pursuant to the provisions of the Act and SEBI LODR. The remuneration determined for Executive/Independent Directors is subject to the recommendation of the NRC and approval of the Board of Directors. The Non-Executive Directors are compensated by way of profit-sharing commission and sitting fees for attending the Board/Committee Meetings.

The policy mentioned above is also uploaded on the website of the Company: http://tvstyres.com/policy/REMUNERATION%20POLICY.pdf and is reproduced in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company upto the date of the 36th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure – 3 and forms part of this Report.

BOARD MEETING

An annual calendar of Board and Committee Meetings planned during the year were circulated in advance to the Directors.

The Board of Directors met 7 (seven) times during the year ended 31st March, 2019. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of this Report.

AUDIT COMMITTEE

The Audit Committee comprises of 4 (four) members. The Chairman of the Committee is an Independent Director. The Committee met 7 (seven) times during the year. The Committee comprises of Mr. M S Viraraghavan as Chairman and Mr. P Vijayaraghavan, Mr. H Janardana Iyer and Mr. Rasesh R Doshi as members.

There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

RELATED PARTY TRANSACTIONS

In line with the requirements of the applicable laws, the Company has formulated a Policy on Related Party Transactions which is also available on the website of the Company at : http://tvstyres.com/policy/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf

All the related party transactions are entered on an arm's length basis, in the ordinary course of business and adhere to the applicable provisions of the Act and SEBI LODR. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interests of the Company at large or which warrants the approval of the shareholders. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions.

In accordance to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is attached as Annexure 4 of this Report.

AUDITORS

Statutory Auditor

The Members at the 34th AGM of the Company had appointed M/s. PKF Sridhar & Santhanam LLP, (ICAI Registration No. 003990S / S200018) Chartered Accountants, Chennai as the Statutory Auditor of the Company to hold office for a term of 5 (five) years i.e., from the conclusion of the said AGM until the conclusion of 39th AGM of the Company, subject to ratification of their appointment by the members, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the members, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing AGM.

The Auditors' Report for the financial year ended 31st March 2019 does not contain any qualification.

Cost Auditor

In terms of Section 148 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed Dr I Ashok (Membership No. 11929), Cost Accountant, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2019-20, on remuneration as mentioned at Item No. 4 in the Notice of 36th Annual General Meeting (AGM).

A Certificate from Dr. I Ashok, Cost Accountant, has been received to the effect that his appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 36th AGM and the same is recommended for your consideration and ratification.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. N Balachandran (Membership No 5113), Practicing Company Secretary, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2019. The Secretarial Audit Report is appended to this report as Annexure 5.

The Secretarial Audit Report does not contain any qualification.

Reporting of frauds by Auditors

During the year under review, the Statutory Auditor, Cost Auditor and Secretarial Auditor have not reported any instances of fraud committed in the Company to the Audit Committee or Board.

SECRETARIAL STANDARDS

During the year under review, the Company was in compliance with the Secretarial Standards. i.e. SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings" respectively.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under SEBI (LODR) forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of financial condition and results of operations of the Company is provided in the Management Discussion and Analysis Report which forms part of this Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on the conservation of energy, technology absorption, foreign exchange earnings and out go is required to be given pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, which is marked Annexure 6 and forms part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the annual return in Form MGT-9 is provided as Annexure 7 to this Report, and is available on the website www.tvstyres.com

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the year ended 31st March, 2019, forms part of this Report.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the year, there was no complaint of sexual harassment received by the Committee.

OTHER DISCLOSURES

No material changes and commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year. There has been no change in the nature of business of the Company.

No disclosure or reporting is required with respect to the following items, as there were no transactions during the year under review:

- Details relating to deposits that are covered under Chapter V of the Act.
- The issue of equity shares with differential rights as to dividend, voting or otherwise.
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options). There is no change in the Share Capital Structure during the year under review.
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees.
- Neither the Managing Director nor the Managing Director designated as Executive Vice Chairman of the Company receive any remuneration or commission from any of its subsidiary.
- No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Company's Customers, Investors, Vendors, Government authorities and to the Bankers for their continued support during the year.

The Directors also wish to place on record their appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

For and on behalf of the Board

Madurai	**R NARESH**	**SHOBHANA RAMACHANDHRAN**
23.5.2019	EXECUTIVE VICE CHAIRMAN	MANAGING DIRECTOR

ANNEXURE 1 TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

   Promoting General Health Care, Providing Safe drinking water, Empowering women by providing education and employment enhancing vocation skills and by setting up day care centers.

   Ensuring environmental sustainability and conservation and maintenance of natural resources. Protection of natural heritage, sports, arts and cultures.

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is uploaded in the Company's website: http://tvstyres.com/policy/CSR%20POLICY.pdf
2. Composition of CSR Committee

   Ms Shobhana Ramachandhran (MD), Mr. P Vijayaraghavan, Mr. Rasesh R Doshi (Independent Director)
3. Average net profit of the Company for last three financial years (Rs. in. Cr) - 218.99
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Rs. in. Cr) - 4.38
5. Details of CSR spent during the financial year
   a) Total amount to be spent for the financial year (Rs. in. Cr) - 4.38
   b) Amount unspent, if any - Nil
   c) Manner in which the amount spent during the financial year

(Rs. in Crore)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1) Direct expenditure on projects or programs 2) Over heads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through imple-menting agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Strengthening Village Level Organisation	Children and Women Development	Tamil Nadu	0.25	0.25	0.25	Arogya Welfare Trust
2	Intellectual Development	Education Enhancement for School and Balwadi Children	Tamil Nadu	2.10	2.11	2.11	Arogya Welfare Trust
3	Health	Anaemia Management and Preventive Health Care	Tamil Nadu	0.45	0.45	0.45	Arogya Welfare Trust
4	Livelihood Enhancement	Entrepreneurship Development for women and Youth	Tamil Nadu	0.50	0.49	0.49	Arogya Welfare Trust
5.	Environmental Development	Water and Sanitation and Rural Development	Tamil Nadu	0.47	0.46	0.46	Arogya Welfare Trust
6.	Livelihood Enhancement	Health and Nutrition	Tamil Nadu	0.21	0.22	0.22	Rotary Foundation of India/ Arogya Welfare Trust

ANNEXURE 1 TO DIRECTORS' REPORT

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1) Direct expenditure on projects or programs 2) Over heads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through imple-menting agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7	Intellectual Development	Education and Employment	Tamil Nadu	0.35	0.32	0.32	Sastra University, Tanjore
8	Protection of National Heritage	Art, Culture, Sports	Tamil Nadu	0.05	0.04	0.04	Through Various Institutions
9	Livelihood Enhancement	Women empowerment and employment	Tamil Nadu	-	0.04	0.04	Dr. Soundram Trust
10	Total			4.38	4.38	4.38	

In addition to Rs.4.38 cr., Rs.0.06 cr. (including 0.01 cr. by Arogya Welfare Trust) was contributed to "Bharat Ke Veer" towards the welfare of the families of brave martyrs of Pulwama Attack which is related to the short spend of the Financial Year 2017-18.

6. Reasons for not spending the amount: Not applicable
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

SHOBHANA RAMACHANDHRAN

CHAIRMAN OF CSR COMMITTEE / MANAGING DIRECTOR

ANNEXURE 2 TO DIRECTORS' REPORT

FORM AOC 1

(Pursuant to first proviso to Sub - Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in Crs)

1	**Sl.No**	**1**	**2**
2	**Name of the Subsidiary**	**TVS Srichakra Investments Limited**	**TVS Sensing Solutions Private Limited (Formerly known as "ZF Electronics TVS (India) Pvt Ltd")**
3	The date since when subsidiary was acquired	05.02.2010	04.06.2018
4	Reporting period for the subsidiary concerned, if different from Holding Company's reporting period	NA	NA
5	Reporting currency and exchange rate as on the last date of relevant financial year in case of Foreign subsidiaries	NA	NA
6	Share Capital	2.46	1.58
7	Reserves and Surplus	(1.71)	16.45
8	Total Assets	49.74	43.88
9	Total Liabilities	49.74	43.88
10	Investments	23.35	-
11	Turnover	0.29	56.75
12	Profit before Taxation	(1.41)	0.68
13	Provision for Taxation	-	(1.48)
14	Profit after taxation	(1.41)	2.16
15	Proposed Dividend	-	-
16	Extent of shareholding (in percentage)	100%	100%

Notes: The following information shall be furnished at the end of the statement

1. Names of subsidiaries which are yet to commence operations – NA
2. Names of subsidiaries which have been liquidated or sold during the year – NA
3. Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on 31st March, 2019
4. TVS Sensing Solutions Private Limited is subsidiary of TVS Srichakra Investments Limited

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

K V GANESH
Chief Financial Officer

Place : Madurai
Date : 23.5.2019

R NARESH
Executive Vice Chairman
DIN : 00273609

P SRINIVASAN
Secretary

As per our report attached
For **PKF SRIDHAR & SANTHANAM LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

T V BALASUBRAMANIAN
Partner, M.No. 027251

ANNEXURE 3 TO DIRECTORS' REPORT

Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No	Name of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Percentage Increase / Decrease in Remuneration
1	Mr. R Naresh Executive Vice Chairman	122.72	(4.08)
2	Ms. Shobhana Ramachandhran Managing Director	126.55	2.96
3	Mr. M S Viraraghavan	3.12	2.45
4	Mr. P Vijayaraghavan	3.28	1.73
5	Mr. H Janardana Iyer	3.12	5.70
6	Mr. V Ramakrishnan	2.05	1.85
7	Mr. Rasesh R Doshi	3.13	1.82
8	Mr. A Arumugam (resigned w.e.f 24.12.2018)	1.46	(26.01)
9	Dr. V Anantha Nageswaran (appointed w.e.f 13.11.2018)	0.74	Not Applicable
10	Mr. P Srinivasan Company Secretary	Not Applicable	3.26
11	Mr. K V Ganesh Chief Financial Officer	Not Applicable	11.61

iii) The percentage increase in the median remuneration of employees in the financial year: 43.31%

iv) The number of permanent employees on the rolls of Company: More than 2700

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2018-19 was 31.06%. Percentage increase in the managerial remuneration for the year was -0.62% and

vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the remuneration is as per the remuneration policy of the Company.

ANNEXURE 4 TO DIRECTORS' REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.
   All transactions entered into by the Company during the year with related parties were on an arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis.
   The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

N.BALACHANDRAN B.COM., A.C.S.,
COMPANY SECRETARY IN PRACTICE

C/2 YAMUNA FLATS
16TH STREET
NANGANALLUR
CHENNAI -600061
PH.NO.22670412
CELL: 9444376560

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
TVS SRICHAKRA LIMITED
CIN: L25111TN1982PLC009414
TVS Building, No 7B, West Veli Street,
Madurai- 625001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TVS SRICHAKRA LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the year under audit covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

(I) The Companies Act.2013 (the Act) and the rules made there under;

(II) The Securities Contracts (Regulation) Act,1956 ('SCRA') and the rules made there under;

(III) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

(IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;

(V) The Following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;

  c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(VI) Other laws specifically applicable to the Company

  a. Public Liability Insurance Act, 1991,

  b. Hazardous Wastes (Management and Handling) Rules, 1989 and amendment Rules 2003,

  c. Energy Conservation Act, 2001,

  d. Consumer Protection Act, 1986,

  e. Legal Metrology Act, 2009,

  f. Trade Marks Act, 1999,

  g. Patents Act, 1970,

  h. Designs Act, 2000,

  i. Indian Boilers Act, 1923

  j. Special Economic Zones Regulations

I have also examined compliance with the applicable clauses of the following:

(I) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India as notified by the Ministry of Corporate Affairs, effective form 1st day of July 2015, in respect of the Board Meetings and the previous Annual General Meeting for which notices have been issued after the said date;

(II) The Listing Agreements entered into by the Company with National Stock Exchange Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

I further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under audit, there were no instances of :

a. Public/Rights/Preferential issue of shares/Debentures/sweat equity.
b. Redemption/Buy Back of securities.
c. Merger/Amalgamations/ reconstruction .
d. Foreign Technical collaborations.

Place : Chennai
Date : 23.05.2019

Signature : Sd/-
Name of Company Secretary in Practice : **N Balachandran**
M. No. : A 5113
C P No.: 3200

Note : This Report is to be read with the letter of even date by the secretarial auditor, which is enclosed with this Report.

Annexure A to Secretarial Audit Report of even date

To
The Members
TVS SRICHAKRA LIMITED
CIN: L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai- 625001.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to be the future viability of the Company not the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 23.05.2019

Signature : Sd/-
Name : **N Balachandran**
Designation : Practising Company Secretary
M. No. : A 5113
C P No.: 3200

ANNEXURE 6 TO DIRECTORS' REPORT

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on conservation of energy

1) Electrical:

i) 8.16 lakh KWh (Units) saved by doing Energy saving projects in LED Lighting, Energy Efficient Cooling Towers and Energy Efficient Pumps & Motors,

2) Thermal:

i) 5% saving in Specific Steam consumption by various steam saving projects.. 10% Steam/Fuel Ration improvement by installing coal crusher unit at 25TPH Boiler.

ii) Steam to Fuel ratio improved by 10% by installing raw coal crusher in 25TPH boiler.

b) Steps taken by the Company for utilizing alternate sources of energy

Company has generated 61,36,667 units through Wind Energy during the year 2018-19

c) Capital Investment on energy conservation equipments.

1) The Company has invested Rs. 71.40 Lakhs for Electrical Energy saving projects.

2) The Company has invested Rs. 42.60 Lakhs for Thermal Energy saving projects.

B. TECHNOLOGY ABSORPTION:

1. Efforts made towards technology absorption

   Development of products for all ranges of motorcycle and scooter segment, introduction of new simulation technique to predict performances of tyres and capability improvement activities for consistent product quality.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

   R&D activity initiated by our Company supported in increased top line growth with Original Equipment and Replacement market. It has also resulted in improved product quality and human resource capability improvements.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – N.A.

4. Expenditure on Research & Development ₹ in Crores

a)	Capital	10.97
b)	Recurring	19.16
c)	Total	30.13
d)	Total R&D expenditure as a percentage of Total Turnover	1.27%

C. Foreign Exchange Earnings & Outgo

₹ in crores

Earnings Exports	242.38
Outgo	355.04

ANNEXURE 7 TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L25111TN1982PLC009414
ii)	Registration Date	2nd June, 1982
iii)	Name of the Company	TVS SRICHAKRA LIMITED
iv)	Category / Sub-Category of the Company	Company limited by Shares / Non-Government Company
v)	Address of the Registered Office and contact details	TVS Building, 7-B West Veli Street, Madurai 625 001 Tel : 0452 – 2443300
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Integrated Registry Management Services Private Limited Kences Towers, II Floor, No. 1 Ramakrishna Street North Usman Road, T Nagar Chennai 600 017 Tel : 044 – 28140801

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service		% to total turnover of the Company
		Code	Description	
1.	Tyres and Tubes including road use tyres / tubes; this includes, two wheeler tyres and tubes, off the road tyres used in implements / forklifts / industrial tractors, and other machinery(s), non-highway service tyres such as sand tyres, grader tyres, compactor tyres and vintage tyres, Multi-Purpose Tyres (MPT), flotation tyres, Radial tyres, tubeless tyres, farm tyres and tubes used therein and Solid resilient tyres	Section C	Manufacturing	100%
		Division 22	Manufacture of Rubber & Plastic Products	
		Group 221	Manufacture of Rubber Products	
		Class 2211	Manufacture of Rubber Tyres & Tubes, Retreading and Rebuilding of Rubber Tyres	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	TVS Srichakra Investments Limited	U65100TN2010PLC074498	Subsidiary	100%	2 (87)
2.	TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited)	U30007TN1993PTC026291	Subsidiary	100%	2 (87)

ANNEXURE 7 TO DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (EQUITY Share Capital break up as percentage of Total Equity)

i) Category-wise Share holding

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**									
(1)	**Indian**									
a	Individual / Hindu Undivided Family	479017	0	479017	6.26	479017	0	479017	6.26	-
b	Central Government / State Governments	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	2994544	0	2994544	39.11	2994544	0	2994544	39.11	-
d	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total A(1)	**3473561**	**0**	**3473561**	**45.36**	**3473561**	**0**	**3473561**	**45.36**	**-**
(2)	**Foreign**	-	-	-	-	-	-	-	-	-
a	Individual (Non resident Individuals / Foreign individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total A(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**-**
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	**3473561**	**0**	**3473561**	**45.36**	**3473561**	**0**	**3473561**	**45.36**	**-**
B	**Public Shareholding**									
(1)	**Institutions**									
a	Mutual Funds / UTI	353389	650	354039	4.62	390736	500	391236	5.11	
b	Financial Institutions / Banks	11911	700	12611	0.16	8600	700	9300	0.12	(0.04)
c	Central Government / State Governments	94	0	94	0.00	94	0	94	0.00	-
d	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e	Insurance Companies	-	-	-	-	-	-	-	-	-
f	Foreign Institutional Investors	150	0	150	0.00	150	0	150	0.00	
g	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i	Any other	-	-	-	-	-	-	-	-	-
	Sub Total B(1)	**365544**	**1350**	**366894**	**4.79**	**399580**	**1200**	**400780**	**5.23**	**0.44**
(2)	**Non-Institutions**									
a	Bodies Corporate	540831	3174	544005	7.10	533278	2033	535311	6.99	(0.11)
b	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	1877449	605095	2482544	32.42	2018733	460871	2479604	32.38	(0.04)
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	398294	24775	423069	5.53	426312	24775	451087	5.89	0.37
c	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

ANNEXURE 7 TO DIRECTORS' REPORT

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d	**Any other**									
d(i)	ALTERNATIVE INVESTMENT FUND	6270	0	6270	0.08	22969	0	22969	0.30	0.22
d(ii)	ASSOCIATION OF PERSONS	1	0	1	0.00	0	0	0	0.00	-
d(iii)	CLEARING MEMBER	5468	0	5468	0.07	4293	0	4293	0.06	(0.02)
d(Iv)	FOREIGN PORT FOLIO INVESTOR-CORPORATE	224279	0	224279	2.93	155800	0	155800	2.03	(0.89)
d(v)	IEPF	90195	0	90195	1.18	100841	0	100841	1.32	0.14
d(vi)	LIMITED LIABLITY PARTNERSHIP	19651	0	19651	0.26	20124	0	20124	0.26	0.01
d(vii)	MARGIN TRADING ACCOUNT-CORPORATE	19413	0	19413	0.25	10980	0	10980	0.14	(0.11)
d(viii)	TRUST	1300	400	1700	0.02	1300	400	1700	0.02	-
	Sub Total B(2)	**3183151**	**633444**	**3816595**	**49.84**	**3294630**	**488079**	**3782709**	**49.40**	**(0.44)**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**3548695**	**634794**	**4183489**	**54.64**	**3694210**	**489279**	**4183489**	**54.64**	**-**
	TOTAL (A) + (B)	**7022256**	**634794**	**7657050**	**100.00**	**7167771**	**489279**	**7657050**	**100.00**	**-**
C	**Shares held by Custodians and against which Depository Receipts have been issued**									
1	Promoter and Promoter Group									
2	Public									
	Grand Total (A) + (B) + (C)	**7022256**	**634794**	**7657050**	**100.00**	**7167771**	**489279**	**7657050**	**100.00**	**-**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	T V Sundram Iyengar & Sons Pvt. Ltd	2123115	27.73	N.A.	2123115	27.73	N.A.	NIL
2	Sundaram Industries Pvt. Ltd	750000	9.79	N.A.	750000	9.79	N.A.	NIL
3	Ms. Shobhana Ramachandhran (Promoter cum Director)	274051	3.58	N.A.	287051	3.75	13000	0.17
4	Sri R Haresh	76320	1.00	N.A.	46320	0.61	30000	(0.39)
5	Nitya Kalyanee Investment Ltd	121429	1.59	N.A.	121429	1.59	N.A.	NIL
6	Sri R Naresh (Promoter cum Director)	127656	1.67	N.A.	144656	1.89	17000	0.22
7	Sri R Haresh	945	0.01	N.A.	945	0.01	N.A.	NIL
8	Sri R Dinesh	45	0.00	N.A.	45	0.00	N.A.	NIL
	TOTAL	3473561	45.36		3473561	45.36		Nil

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri R Naresh (Promoter cum Director)	127656	1.67	144656	1.89
2	Ms. Shobhana Ramachandhran (Promoter cum Director)	274051	3.58	287051	3.75
3	Sri R Haresh	76320	1.00	46320	0.61

iv) Shareholding Pattern of top ten shareholders (other than Directors / Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	L AND T Mutual Fund Truestee Ltd	250630	3.27		
	Purchase				
	6.4.2018	10435		261065	3.41
	13.4.2018	16540		277605	3.63
	20.4.2018	591		278196	3.63
	27.4.2018	354		278550	3.64
	4.5.2018	719		279269	3.65
	8.6.2018	81289		360558	4.71
	22.6.2018	2732		363290	4.74
	20.7.2018	1868		365158	4.77
	28.9.2018	3047		368205	4.81
	5.10.2018	2756		370961	4.84
	28.12.2018	5000		375961	4.91
	1.3.2019	5000		380961	4.98
2	Gagandeep Credit Capital Pvt.Ltd	336770	4.40	336770	4.40
3	Nilesh Kishor Shah	121250	1.58		
	Sales				
	6.4.2018	11731		109519	1.43
	13.4.2018	3269		106250	1.39
	11.5.2018	3000		103250	1.35
	Purchase				
	11.5.2018	3000		106250	1.39
	25.5.2018	40000		146250	1.91
	Sales				
	25.5.2018	40000		106250	1.39
	20.7.2018	20000		86250	1.13
	Purchase				
	20.7.2018	20000		106250	1.39
	31.8.2018	8500		114750	1.50
	7.9.2018	57550		172300	2.25
	Sales				
	7.9.2018	57550		114750	1.50
	28.9.2018	16450		98300	1.28
	Purchase				
	28.9.2018	16450		114750	1.50
	12.10.2018	3590		118340	1.55
	Sales				
	12.10.2018	3590		114750	1.50
	7.12.2018	2625		112125	1.46
	15.2.2019	13590		98535	1.29
	Purchase				
	15.2.2019	13590		112125	1.46

ANNEXURE 7 TO DIRECTORS' REPORT

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Paramjit Mann	81630	1.07		
	Sales				
	6.4.2018	1250		80380	1.05
	13.4.2018	3500		76880	1.00
	11.5.2018	97		76783	1.00
	8.6.2018	137		76646	1.00
	13.7.2018	75		76571	1.00
	17.8.2018	82		76489	1.00
	21.9.2018	83		76406	1.00
	16.11.2018	115		76291	1.00
	14.12.2018	110		76181	0.99
	25.1.2019	67		76114	0.99
	22.2.2019	107		76007	0.99
	15.3.2019	125		75882	0.99
5	Valuequest India Moat Fund Limited	152994	1.99		
	Sales				
	15.2.2019	1242		151752	1.98
	22.2.2019	1446		150306	1.96
	1.3.2019	6523		143783	1.88
	8.3.2019	19865		123918	1.62
	15.3.2019	12186		111732	1.46
	22.3.2019	24619		87113	1.14
	29.3.2019	14371		72742	0.95
6	Anvil Fintrade Pvt.Ltd	67585	0.88	67585	0.88
7	Uday Nandlal Shah	56980	0.74		
	Sales				
	13.4.2018	100		56880	0.74
	Purchase				
	13.4.2018	100		56980	0.74
	Purchase				
	1.6.2018	250		57230	0.75
	29.6.2018	400		57630	0.75
	Sales				
	20.7.2018	12500		45130	0.59
	Purchase				
	20.7.2018	12500		57630	0.75
	Sales				
	14.9.2018	17400		40230	0.53
	Purchase				
	14.9.2018	18500		58730	0.77
	Sales				
	28.9.2018	5000		53730	0.70
	Purchase				
	28.9.2018	5000		58730	0.77
	Sales				
	7.12.2018	1750		56980	0.74
	Purchase				
	14.12.2018	2270		59250	0.77

ANNEXURE 7 TO DIRECTORS' REPORT

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Sharad Nandlal Shah	45500	0.59		
	Sales				
	13.4.2018	100		45400	0.59
	Purchase				
	13.4.2018	100		45500	0.59
	Sales				
	11.5.2018	2000		43500	0.57
	Purchase				
	11.5.2018	2000		45500	0.59
	Sales				
	20.7.2018	12500		33000	0.43
	Purchase				
	20.7.2018	12500		45500	0.59
	Sales				
	14.9.2018	17400		28100	0.37
	Purchase				
	14.9.2018	17400		45500	0.59
	Sales				
	28.9.2018	5000		40500	0.53
	Purchase				
	28.9.2018	5000		45500	0.59
	Sales				
	7.12.2018	1750		43750	0.57
9	Shantikumar Girdharlal Shah	30250	0.40		
	Sales				
	11.5.2018	1000		29250	0.38
	Purchase				
	11.5.2018	1000		30250	0.40
	Sales				
	20.7.2018	6000		24250	0.32
	Purchase				
	20.7.2018	6000		30250	0.40
	Sales				
	7.9.2018	9750		20500	0.27
	Purchase				
	7.9.2018	9750		30250	0.40
	Sales				
	28.9.2018	2500		27750	0.36
	Purchase				
	28.9.2018	2500		30250	0.40
	Sales				
	7.12.2018	875		29375	0.38
10	NILESH DHIRAJLAL SHAH	26231	0.34	26231	0.34

ANNEXURE 7 TO DIRECTORS' REPORT

V. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sri R Naresh	127656	1.67	144656	1.89
	At the end of the year			144656	1.89
2	Ms Shobhana Ramachandhran	274051	3.58	287051	3.75
	At the end of the year			287051	3.75
3	Sri M S Viraraghavan - Director	900	0.01	900	0.01
	At the end of the year			900	0.01
4	Sri P Vijayaraghavan - Director	150	-	150	-
	At the end of the year			150	-

The following Directors / Key Managerial Personnel (KMP) did not hold any shares

Directors - M/s H Janardana Iyer, V Ramakrishnan, Rasesh R Doshi, A Arumugam, V Anantha Nageswaran, KMPs - M/s K V Ganesh, P Srinivasan

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In crores)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	308.46	-	-	308.46
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	0.33	-	-	0.33
	Total (i+ii+iii)	308.79	-	-	308.79
	Change in Indebtedness during the financial year				
	Addition	119.48	-	-	119.48
	Reduction	(12.96)	-	-	(12.96)
	Net Change	106.52	-	-	106.52
	Indebtedness at the end of the financial year				
i)	Principal Amount	412.69	-	-	412.70
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2.61	-	-	2.61
	Total (i+ii+iii)	415.31	-	-	415.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director / Whole Time Director and / or Manager (Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Ms SR	Mr RN	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	295.75	155.08	450.83
b)	Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	335.13	502.69	837.82
	- as % of profit	-	-	-
	- others, specify	-	-	-

Sl. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Ms SR	Mr RN	
5	Others-Contribution to Provident & Superannuation Fund	47.44	-	47.44
	Total (A)	678.32	657.77	1336.09
	Ceiling as per the Act	-	-	1675.65

Ms SR - Ms Shobhana Ramachandhran - Managing Director, Mr R N - Mr R Naresh - Executive Vice Chairman

B. Remuneration to other Directors (Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors	**Mr MSV**	**Mr HJI**	**Mr RRD**	**Mr AA**	**Dr VAN**	**Mr VR**	
1	Fee for attending Board/Committee Meetings	1.70	1.70	1.80	0.50	0.20	1.00	6.90
2	Commission	15.00	15.00	15.00	7.34	3.78	10.00	66.12
3	Others, please specify	-	-	-	-	-	-	-
	Total (1)	16.70	16.70	16.80	7.84	3.98	11.00	73.02
	Other Non Executive Director	**Mr PV**						
1	Fee for attending Board/Committee Meetings	2.60	-	-	-	-	-	2.60
2	Commission	15.00	-	-	-	-		15.00
3	Others, please specify	-	-	-	-	-	-	-
	Total (2)	17.60	-	-	-	-	-	17.60
	Total (B)=(1+2)	-	-	-	-	-	-	90.62
	Total Managerial Remuneration (A) + (B)	-	-	-	-	-	-	1426.71
	Overall Ceiling as per the Act	-	-	-	-	-	-	1843.21

Mr MSV - Mr MS Viraraghavan, Mr HJI - Mr H Janardana Iyer, Mr RRD - Mr Rasesh R Doshi, Mr AA - Mr A Arumugam, Dr VAN - Dr V Anantha Nageswaran, Mr V R - Mr V Ramakrishnan, Mr P V - Mr P Vijayaraghavan

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
1	Gross Salary	84.72	34.84	119.56
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
b)	Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others-Contribution to Provident & Superannuation Fund	4.42	3.82	8.24
	Total	89.14	38.66	127.80

VII Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL TYRE INDUSTRY

The global tyre market reached a volume of 3.1 Billion units in 2018, growing at a CAGR of 4.3 per cent during the last seven years. This market can be broken into two sectors – the Original Equipment Manufacturers (OEM) and the replacement market.

The demand from the OEM tyre market is dependent upon the sales of new vehicles and is thus prone to a high degree of cyclicality and volatility. Demand in the replacement tyre market depends upon the available vehicle parc usage patterns and the replacement cycles of existing tyres. The replacement tyre market is comparatively less cyclical and represents a higher margin business.

INDIAN TYRE INDUSTRY

The Indian Tyre Industry is an integral part of the Auto Sector. It contributes to 3 per cent of the manufacturing GDP of India and 0.5 per cent of the total GDP directly. Hence let us understand the dynamics of the Tyre Industry in India.

Indian tyre industry has almost doubled from Rs 30,000 crores in FY11 to Rs 59,500 crores in FY18 of which 90-95 per cent came from the domestic markets. Indian tyre market is clearly skewed towards the replacement segment which contributes 70 per cent of total revenues. Whereas in volume (tonnage) terms the replacement segment contributes 60 per cent indicating realizations in the after-market are clearly higher than OEMs market.

T&B (Truck & Bus) tyres in India generates the major revenue i.e. 55 per cent of total revenue in India whereas globally it's the PCR (Passenger Car Radials) contributing the largest portion of the revenue. This is mainly because of very low penetration of passenger vehicles in India – below 20 per 1,000 people whereas in China the number is 69 per 1,000 people and 786 per 1,000 people in US. In terms of volume (tonnage) T&B contributes around 50 per cent of the total volume in India.

The demand from OEM's is widely spread across the segment where T&B contributed 35 per cent and PVs & 2/3 Wheeler's contributed 25 per cent & 22 per cent respectively. In term of the replacement segment the demand was more skewed towards the T&B tyres which contributed 61 per cent and PVs & 2/3 Wheeler's contributed 14 per cent & 9 per cent respectively. (Source: Alpha Invesco, research report)

AUTOMOBILE INDUSTRY

The overall Automobile industry grew by 6.26 per cent in FY19 over FY18. The vehicle industry growth this year was led by the commercial vehicle segment. Commercial vehicle segment grew by 24.20 per cent Y-o-Y; Three-wheeler segment grew by 24.12 per cent Y-o-Y; Two-wheeler segment grew by 5.82 per cent Y-o-Y and passenger vehicle segment grew by 0.14 per cent Y-o-Y (Source: SIAM).

Motorcycle segment continued to dominate over the scooter segment throughout the year. Motorcycle segment grew by 8.8 per cent, Scooter segment de-grew by 0.3 per cent and moped segment grew by 4.1 per cent in FY19 Y-o-Y. Entire motorcycle segment is being driven by the economy sub-segment. Premium segment is just sustaining the growth and executive segment has de-grown (Source: SIAM).

OEM's with better presence of economy sub-segment in their product portfolio experienced better growth rates. Export of Two-Wheelers also posted an impressive Y-o-Y growth of 20 per cent during the same period (Source: SIAM).

OPPORTUNITIES AND THREATS

OPPORTUNITIES

The original equipment segment has been going through a lot of disruption both on the technology as well as on the regulatory front. The advent of Electric vehicles with the government and consumers showing keen interest towards it looks promising in the coming future and would provide growth and opportunity, but the biggest challenge it faces is the availability and creation of infrastructure for the battery charging facilities.

On the regulatory front the introduction of BS VI by next year might see a spike in sales as the vehicle manufacturers might try to push out volumes of their inventory with older engine types at a discount and might increase production as well as vehicle parc.

Two-wheeler vehicle industry has been showing continuous domestic sales growth which has been adding vehicles to the ever-increasing vehicle parc and India being a country where something is rarely scrapped the potential of the replacement market has been continuously growing.

Export market for Indian two-wheeler tyres has also been growing with all OEM's focusing on exports as well. There are a lot of countries where two-wheeler ownership is growing.

THREAT

Introduction of BS VI norms from the 1st of April, 2020 will increase the ownership cost of vehicles which can impact the demand of the dominant economy segment vehicles. In the replacement segment the new players, both domestic and foreign, entering the market, is creating intense competition adding onto pricing pressure. With new competition increasing supplies in the market channel partner profitability is also reducing which could become a challenge in future as the channel partners might look for better investment opportunities. Raw material prices have been an inherent threat due the immense volatility in prices and the current trade wars might aggravate this further.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

EXPANSION AND CAPACITY ADDITION

While in the near term your Company does not plan any greenfield capacity expansion, enough brown field projects have been taken up to take care of demand. In the long term your Company continuously is on the lookout for expansion and capacity addition to cater to demand from various segments.

COMPETITION

The recent years have seen a lot of new entrants penetrating the two-wheeler tyre segment. With each of these companies trying to vie for a portion of the market share, the intensity of competition is on the increase escalating competition. This increase in competition is putting a severe pressure on the profit margins which is detrimental for both your Company, tyre industry and trade.

SEGMENT WISE PERFORMANCE

PRODUCT PORTFOLIO

Your Company has sufficiently large product portfolio to service the needs of the domestic consumers. The Company is working closely with the Vehicle Manufacturers and the end-consumers in the AM to constantly roll-out new products proactively and as per market demand.

DOMESTIC OEM MARKET

FY19 began on a positive note with increasing demand for tyres from the OEM segment, demand levels reached an all-time high in anticipation of a robust festive season. However, both the festive season and the last quarter of the year were a major disappointment, with the growth fading away during the last two months of Q3 and entire of Q4. Inventory levels at both factory level and dealership levels for all OEM players increased significantly prompting OEMs to reduce production. Demand from OEM's dipped significantly during this period. While the OEM demand waned and with the pressure on tyre companies to utilize their capacities, tyre manufacturers diverted their supplies to the after-market segment creating intense competition amongst companies to retain market share and increase volumes.

AFTER MARKET

With the ever increasing challenges in the Replacement market the Company has taken a lot of initiatives which a focus on sustenance and growth, targeting the main protagonists of growth in the distribution value chain channel namely, the distributors, end customers, the brand influencer and market sales field force.

EXPORTS

Exports currently are not a significant contributor of revenue for the Company. Looking forward your Company wants to increase focus on this segment of business targeting growth in both the existing markets as well as new markets. While the existing markets would be supported with the introduction of new as well as differentiated products meeting the specific needs of the consumer. New Markets would entail entry into to New Geographies.

INDUSTRY AND BUSINESS OUTLOOK

Demand drivers for the two-wheeler industry are either positive or on the neutral side, indicating towards a growth in the demand for the two wheelers. Relaxation in Income Tax for people in lower slab will help the demand for vehicles in the economy segment. Monsoon is expected to be average to below average due to the El Nino condition being developed in the Indian Ocean, which could impact the demand from rural areas. (Source Skymet) On the whole your Company expects the two-wheeler industry to grow at 6-7 per cent in FY20 (Source: Crisil). The demand in the AM is estimated to grow in view of the continued addition to the Vehicle parc size.

BUSINESS STRATEGY

With the domestic market continuing to grow, our Company will target to maintain its leadership position in the Original equipment segment and will continue to invest significantly and increasing efforts with new initiatives in the Replacement market for a progressive growth.

Going forward your Company aims to grow faster than the tyre industry market growth rate in India and would try to drive this additional revenue growth from export business both from existing markets and new markets identified and explore new avenues for growth.

RISKS AND CONCERN

From the demand side there is likely to be pressure on the vehicle prices as introduction of BS VI norms might increase the vehicle prices affecting demand in short term. A deficient or below normal Monsoon might also impact the demand in the rural segment. Increasing competition and capacity additions by all players might create a situation of a supply-overhang. Increasing competition is also creating pricing pressure which might impact the trade reducing the channel profitability which can make them to look for better investment opportunities. Raw material price volatility is another area of concern as growing competition affords very little opportunity to pass on the price increase to the customer.

SUSTAINABLE DEVELOPMENT

While your Company has been growing in terms of both revenue and profits the focus has always been on the sustainability of this growth keeping all the stakeholders into consideration. The Company's focus has been on generating and developing sustainable businesses, keeping the long-term perspective as well as the eco-system in which it operates, into consideration.

INFORMATION TECHNOLOGY

Information technology has become an integral and generic part of any business and your Company also takes cognizance of this. Various IT projects in various functions are being taken up to ease up the processes, better monitoring and productivity and improved flow of knowledge.

QUALITY

Your Company is dedicated to customer satisfaction and customer delight through continuous improvements with total involvement of our employees. Towards achieving customer delight and satisfaction, your Company adopts automated screening system for final products and focused product evaluation prior to a product launch. Your Company involves employees' participation in forwarding suggestions, Quality circle and Quality month celebration activities for focusing towards creating awareness on Quality and customer satisfaction and customer delight. Your Company focusses on improvement on process consistency through the implementation of advanced technological equipments. Your Company has a structured selection, evaluation and qualification process of vendors and periodical monitoring of vendor performances and is working towards self-certification / Direct online basis. Your Company is continuously demonstrating effective implementation of Quality and Environmental Management Systems. These customer-oriented approaches has culminated in sustaining its Share of Business and to become the preferred supplier for all OEM and After Market segments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls systems in place, commensurate with size, scale and complexity of its operations commensurate with the nature of business. The internal control system ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. Information provided to management is reliable and timely.

The Company has established Internal Financial Control Framework including internal controls over Financial Reporting, Operating Controls. The framework is reviewed regularly by the management and tested by an Independent Team and presented to the Audit Committee.

Based on this periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls. The controls are assessed on a regular basis by Internal Audit.

Company through the various periodical Audits at various locations and functions, based on the plan approved by the Audit Committee, testifies the efficacy of the audit procedures. This is further strengthened by the Internal Audit done concurrently. Observations arising out of the Internal Audit are reviewed by the Audit Committee Meeting and follow up action taken.

RAW MATERIALS

The year under review witnessed overall raw material cost increase by 20 per cent while tyre prices increased marginally.

Crude oil (bench mark-Brent) prices kept climbing and surged to a high of US$ 85/barrel in early October'18 before it plunged to US$52/barrel in a span of two months and moved up again to close at US$68/barrel by end March'19. High volatility in crude oil impacted all the petrochemical based raw materials, particularly Nylon tyre cord fabric and carbon black where prices increased by as much as 25 per cent. Natural Rubber was largely stable and remained range bound throughout the year though there was availability constraint when Kerala witnessed unprecedented floods in August/September.

In a business where raw material costs account for more than half of the total revenue, there was an increasing need to adopt multiple sourcing strategies considering the volatility in input prices due to reasons beyond Company's control.

While the impact of demand supply gap continued in first quarter and narrowed considerably thereafter the constant rise in crude oil price till early third quarter and a steep 11 per cent currency depreciation ensured high costs of input all through the year. However, the only relief to the industry was the lesser volatility in natural rubber price during the year both in domestic and international market with Chinese economy slowing down as a result of US-China trade war and an increased global rubber output by about 6 per cent.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's revenue grew over previous year, with significant part of the growth coming in the first half of the year. There has been a diminishing demand during Q3 and Q4 of the current year, which resulted in buildup of finished goods at all levels on account of piling up of inventory at factory level and dealer level which resulted in muted demand and lower sales.

The Company increased its presence in Original Equipment Manufacturers with growth over previous year by increasing its share of business with select customers. The After Market also witnessed growth over previous years despite pricing pressures and your Company introduced new schemes and initiatives to maintain market share. Export also witnessed growth despite the global scenario being weak. Overall Volume growth for the last year was 8% as against 7% the previous year.

On the pricing front, the two-wheeler tyre segment did not get any relief till the second half of the year. Finally there was a price increase and some pressure of raw material price increase was passed on to the market. The price increase was not enough to completely cover raw material price increase; hence to that extent there was a commensurate impact on the bottom line.

During the last year, the Company's working capital utilization has increased significantly compared to previous year on account of build-up of inventory at all levels and increased credit terms for AM Customers. The Company used a slew of products like commercial paper, Short Term Loan and negotiated lower rates of interest to minimize the finance cost.

FINANCIAL RATIOS

Particulars	Units	31st March, 2019	31st March, 2018
Debtors Turnover	Ratio	**8.40**	9.62
Inventory Turnover	Ratio	**4.19**	4.08
Interest Coverage Ratio	Ratio	**5.44**	6.70
Current Ratio	Ratio	**1.06**	1.03
Debt Equity Ratio	Ratio	**0.56**	0.48
Operating Profit Margin	%	**11.36**	12.41
Net Profit margin	%	**4.33**	5.46
RONW (Lower Profitability has affected the RONW)	%	**13.88**	17.98

HUMAN RESOURCE / INDUSTRIAL RELATIONS

"A journey of a thousand miles begins with a single step "– Lao Tzu

Similarly, this year was kicked off with roll out of a new organization structure and introduction of new executive grades in 5 bands, which set the tempo for the ensuing continual improvements.

This year Human Resource function also joined the bandwagon for 'Automation' & 'Technology Adoption' and introduced HRMS (Human Resource Management System) in August, 2018. Key Modules like Attendance Management & Travel are currently being utilized by our executives.

Organization which is committed to continuous learning is destined to carve a niche for itself in any market in which it operates. In line with the thought and to materialize the same, new Head of learning & development joined us in August, 2018.

Human capital is an intangible asset or quality not listed on a Company's Balance Sheet, is the key fuel which keeps the organization alive. Thus, in recognition of the same, 'Feel @ Home' program was introduced from this year, with the prime focus to give an all-around on-boarding experience for executives who join our organization. Regular feedbacks are being collected from new executives and the same is being translated into action plan to make the on-boarding experience better every single time.

A motivated workforce is more productive, helps a Company achieve its goals and is crucial to reducing absenteeism and attrition. 'STAR TREK' was introduced for all After Market executives in order to reward & recognize high achievers. 'Sales Force Effectiveness' program was also introduced for After Market executives.

Acquiring the right talent is the most important key to growth. Employer Branding activities were initiated to improve the pull factor with respect to Human Resources. Also, importance of nurturing available talent pool (internal) got a shot in its arm from this year, with the active promotion of IDEA (Internal Deployment of Executive Assets) scheme, which resulted in filling up of 42 vacancies through internal talent movement. In order to facilitate such internal movement existing transfer policy was revised with specific provision for 'location allowance' to employees who relocate to different parts of the Country.

Second Batch of 21 UDAAN Trainees joined our organization in July, 2018 as a part of our initiative tap talent straight from college to campus.

A gram of performance is worth a kilogram of promises. Thus, in order to instill performance culture across the organization, mid-year review (Feed Back & Feed Forward) was introduced from this year, which also endeavored to measure 'Behavioral Indicators' as a part of Potential Assessment. Annual Performance review for 2018-19 shall include Potential and Performance Assessment thereby recognizing executives with high potential as well. Number of Employees on the rolls of your Company as on 31^{st} March, 2019 is more than 2700.

Along with all the above-mentioned initiatives, we fortify our commitment to continuous improvement, thereby facilitating our executives achieve the organizational goals.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Your Company has ensured to achieve the target of "ZERO ACCIDENTS, ZERO HEALTH HAZARDS AND ZERO LIQUID DISCHARGE". As a safety culture, our employees take a Safety Oath and check the machine safety devices to start of the day.

For elimination of risk in working area and Sustainable Safety Performance, your Company has been conducting awareness programs namely Visual Control Displays, Capturing Near Miss Incidents, Stringent Work Permit System. For safety improvements, we are conducting third party audits with experts from India and Japan at regular intervals and implementing the same for better environment.

Your Company has been conducting competitions on various occasions for the employees and their family members to enrich safety culture and adherence. Your Company is conducting periodical medical examinations and also health related awareness programmes for all employees. Your Company has implemented various projects to maintain employee comfort in working environment.

Your Company has implemented a project for reduction in fresh water consumption by following a principle of "Reduce, Reuse and Recycle". for environmental protection. Your Company has achieved ISO 14001: 2015 (Environmental Management System) certification at all our manufacturing plants.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's views, projections and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include geo-political uncertainties, macro-economic conditions, global and domestic supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations, economic developments among others. This may influence the Company's operations or performance in the final analysis.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019.

1. Company's philosophy on Corporate Governance

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company. Company also believes in the philosophy of continuous improvement in all facets of its operations. Budgets, investment proposals, significant developments are placed before the Board. Audit, Share Transfer and Stakeholders Relationship Committee meets in sufficient intervals to consider aspects relevant to each committee.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business and Ethics and Code of Conduct for Prevention of Insider Trading for Board and Senior Management Personnel.

The Company believes that good corporate governance is essential to achieving long-term corporate goals and for meeting the needs and aspirations of its stakeholders, including shareholders.

There are comprehensive internal control management reporting systems on all functions and they are reviewed by the Senior Management and the Board.

The Company would constantly endeavour to improve on these aspects.

Your Company has complied with the requirements of Corporate Governance as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Governance structure

Governance structure of the Company comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This facilitates in bringing about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

Mr A Arumugam has resigned on 24.12.2018 due to his personal priorities and other interests

Committee of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.

Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities.

2. Board of Directors

The Board of Directors (the Board), consisting persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

Composition and category of Directors

As at 31st March, 2019, the Board consists of eight (8) Directors, all the Directors except Executive Vice Chairman and Managing Director are Non-Executive Directors.

As per Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is having fifty per cent of its Directors as Non-Executive Directors. Out of the six Non-Executive Directors, Five directors are Non-Executive Independent Directors viz., M/s M S Viraraghavan, H Janardana Iyer, Rasesh R Doshi, V Ramakrishnan and V Anantha Nageswaran.

The Company has a Woman Director, which satisfies the requirement laid under Section 149(1) of the Companies Act, 2013 and Regulation 17(1)(a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Thus the composition of the Company's Board is in conformity with the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Profile

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process

Familiarisation programme for Independent Directors

The Company has a familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company. During the year, strategic presentations were made to Directors to familiarize them with the industry and future business projections of the Company. Details of familiarization programs were available at Company's website www.tvstyres.com

The Board conforms that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Board Meetings

The Company, in consultation with the directors, prepares and circulates a tentative annual calendar for the meetings of the committees / board in order to facilitate and assist the directors in planning their schedules well in advance to participate in the meetings.

The Company regularly places, before the Board for its review, the information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as annual operating plans and updates, capital expenditure budget and its quarterly updates, quarterly results, minutes of meetings of Audit Committee and other committees of the board, information on recruitment and remuneration of senior executives including appointment or removal of Chief Financial Officer and the Company Secretary, show cause, demand, prosecution notices and penalty notices which are materially important, fatal accidents, dangerous occurrences, any material effluent or pollution problems, material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the Company, public or product liability claims of substantial nature, significant labour problems, significant development in Human Resources, sale of investments, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company is prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any etc.

Comprehensively drafted notes for each agenda item along with background materials, wherever necessary, are circulated well in advance to the Committee / Board, to facilitate the directors in making value addition as well as exercising their business judgment in the committee / board meetings.

During the year 2018-19, the Board met 7 times on 21.4.2018, 22.5.2018, 17.7.2018, 11.8.2018, 27.9.2018, 13.11.2018 and 9.2.2019 and the gap between two meetings did not exceed 120 days.

Attendance and other directorships

Details of director's attendance at the board meetings during the year and at the last Annual General Meeting (AGM) held on 27th September, 2018 and also the number of other Directorships and committee memberships / chairmanships as on 31st March, 2019, is as follows:

Name of the Director	Category	Attendance Particulars		Directorships in other Companies*		Committees in which Chairman / Member of other Companies	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Mr. R Naresh DIN 00273609	EVC	7	Yes	3	5	-	-
Ms. Shobhana Ramachandhran DIN 00273837	MD	7	Yes	-	9	-	2
Mr. M S Viraraghavan DIN 00249874	NE-I	7	Yes	-	-	-	-
Mr. P Vijayaraghavan DIN 00633205	NE	7	Yes	-	2	-	-
Mr. H Janardana Iyer DIN 02688787	NE-I	7	Yes	-	3	.	5
Mr. V Ramakrishnan DIN 00002931	NE-I	7	Yes	-	1	-	-
Mr. Rasesh R Doshi DIN 00538059	NE-I	7	Yes	-	3	-	1

Name of the Director	Category	Attendance Particulars		Directorships in other Companies*		Committees in which Chairman / Member of other Companies	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Mr. A Arumugam # DIN 00899041	NE-I	5	Yes	-	3	-	-
Dr V Anantha Nageswaran $ DIN 00760377	NE-I	1	-	-	5	-	-

* Includes Private Limited companies, # Ceased to be a Director with effect from 24.12.2018, $ Appointed as an additional Director in the category of Independent Director with effect from 13.11.2018

EVC – Executive Vice Chairman, MD – Managing Director, NE – Non Executive, NE-I – Non Executive – Independent

None of the director is a director in more than ten Public Limited Company(s) or serve as an Independent Director in more than seven listed Companies. Further, none of the directors on the board is a member of more than ten committees or Chairman of more than five committees across all companies in which they are Directors. Chairmanship / Membership of Committees include only Audit and Stakeholders Relationship Committee as covered under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the disclosures made by the Directors.

Sl. No.	Name of the Director	Name of the listed entities in which the concerned Director is a Director	Category of Directorship
1.	Sri R Naresh	-	-
2.	Ms Shobhana Ramachandhran	M/s Sundaram Finance Limited	Non Executive Independent Director
		M/s Sundaram Finance Holdings Limited	Non Executive Independent Director
3.	Sri M S Viraraghavan	-	-
4.	Sri P Vijayaraghavan	-	-
5.	Sri H Janardana Iyer	-	-
6.	Sri V Ramakrishnan	-	-
7.	Sri Rasesh R Doshi	M/s India Motor Parts & Accessories Limited	Non Executive Independent Director
8.	Sri V Anatha Nageswaran	-	-

Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members

i) Knowledge on Company's businesses, Policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates

ii) Behavioural skills – attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company

iii) Business Strategy encompassing analysis of macro-economic trends, Sales and Marketing, Forex Management including analysis of exchange rate trends, Administration, Decision making

iv) Governance and Regulatory

v) Financial and Management skills

vi) Technical / Professional skills and specialised knowledge in relation to Company's business

Appointment / Re-appointment of Directors

In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationship with other directors are provided in the notice convening the ensuing Annual General Meeting (AGM) of the Company.

Code of Conduct

The Company has in place the Code of Conduct for Business and Ethics for members of the Board and Senior Management Personnel approved by the Board. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed in the Company's website www.tvstyres.com. All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2019. The annual report contains a declaration to this effect signed by the Managing Director, as compliance officer of the Code.

Access to information and updation to Board

The Board reviews all information provided periodically for discussion and consideration at its meetings in terms of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These are submitted either as a part of the agenda papers well in advance of the Board Meetings or are tabled in the course of the Board Meetings.

The Board also reviews the declarations made by the Managing Director/ Chief Financial Officer and Secretary of the Company regarding compliance of all applicable laws on quarterly basis.

Separate meeting of Independent Directors

The Independent Directors met on 9th February, 2019, inter alia, to discuss the evaluation of the

- performance of Non-Independent Directors (including Chairman of the Company) and the Board of Directors as a whole;
- quality, content and timelines of flow of information between the management and the Board which is necessary for the Board perform its duties effectively and reasonably.

All the Independent Directors were present at the meeting.

Committees of the Board

For better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board determines and reviews the terms of reference of these Committees from time to time. Each of these Committee meetings are convened by the respective Committee Chairman who also informs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to respective directors individually and tabled at the board meeting.

Prevention of Insider Trading

During the year, the Company has amended the Insider Trading Policy in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The Company has automated the declarations and disclosures to identified designated persons.

All Board of Directors and the designated employees have confirmed compliance with the Code.

3. Audit Committee

Roles and responsibility of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the Company with related parties.

The Committee may make omnibus approval for related party transactions proposed to be entered into by the Company where the need cannot be foreseen and requisite details are not available subject to their value not exceeding Rs.1 crore per transaction.

In case any transaction involving any amount not exceeding rupees one crore is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and the director concerned shall indemnify the Company against any loss incurred by the Company.

9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations.
22. The Audit Committee of a listed Company shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
23. The Chairperson of this committee shall be present at the Annual General Meeting of the Company.
24. The Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings.
25. such other roles and responsibilities as may be defined by the applicable laws.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors
4. Internal Audit Reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. statement of deviations:
   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI LODR.
   b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR.
7. Subsidiary Company(s)

   The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
8. Internal Controls and Governance Processes

   Reviewing the adequacy and effectiveness of the Company’s system, internal controls and discuss with the management, Company’s major financial risk exposures and steps taken by the management to monitor and control such exposure.

   Oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Prevention Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

The Audit Committee consists of M/s M S Viraraghavan, P Vijayaraghavan, H Janardana Iyer and Rasesh R Doshi, all non-executive directors of the Company with Sri. M S Viraraghavan as its Chairman.

The Company Secretary acts as the Secretary of the Audit Committee

Chairman of the Audit Committee was present at the last AGM held on 27th September, 2018.

The Composition of the Committee is in accordance with Section 177(2) of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars of the meetings and attendance by the members of the Audit Committee are given below:

Meeting dates: 20.4.2018, 21.5.2018, 16.7.2018, 10.8.2018, 27.9.2018, 12.11.2018 and 8.2.2019

All the members were present. Senior Management also attend the meetings, as and when required

4. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee consists of M/s M S Viraraghavan, P Vijayaraghavan and H Janardana Iyer all non-executive Directors of the Company with Sri M S Viraraghavan as its Chairman, which complies pursuant to the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Chairman of the Nomination and Remuneration Committee was present at the last AGM held on 27th September, 2018.

Roles and responsibilities of Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. Shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
8. The Chairperson of this committee in his / her absence, any other member of the Committee authorised by him / her in this behalf shall attend the General Meeting of the Company.
9. The Committee shall meet at least once in a year.
10. Such other roles and responsibilities as may be defined by the applicable laws.

Particulars of meetings and the attendance by the members of the NRC are given below:

Meeting dates: 16.7.2018 and 12.11.2018

All the members were present

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Directors individually as well as the working of Audit, Nomination and Remuneration Committees

Remuneration Policy

This Policy defines the selection of Directors & remuneration guidelines and key terms of employment for Directors, Key Managerial Personnel, Senior Management and other employees of TVS Srichakra Limited. Senior management shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole Time Director / Manager (including chief executive officer /manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

Board Diversity

It will be the endeavour of the Company to attract people to be on the Board of our Company as Directors from variety of backgrounds which are appropriate to the business interests of the Company.

The overall guiding principle is that the remuneration and terms of employment shall be with an intent, that the Company will be able to attract and retain Directors, Key Managerial Personnel, Senior Management and other employees of high calibre and talent. It is competitive and in line with prevalent Industry standards.

I. Criteria for selection of Non-Executive Directors

1. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the various fields.
2. In case of appointment of Independent Directors, the Nomination and Remuneration Committee (NRC) shall satisfy itself with regard to the Independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.
3. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013 ("the Act").
4. The NRC shall consider the following attributes / criteria whilst recommending to the Board the candidature for appointment as Director.
   - Qualification, expertise and experience of the Directors in their respective fields;
   - Personal, Professional or business standing
   - Diversity of the Board
5. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration of Non-Executive Directors

The non-executive directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A non-executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- A non-executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee;
- The total commission payable to the directors shall not exceed 1% of the net profit of the Company;
- The Commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

In addition to the above, non-executive director shall be compensated for services rendered by such Director which are professional in nature and in the opinion of NRC such Director possesses requisite qualification for the practice of the profession

II. Criteria for selection / appointment of Executive Director

For the purpose of selection of the Managing Director, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and qualifications as laid down under the Act or other applicable laws.

Remuneration of Executive Director

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Act.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of commission.
- In determining the remuneration (including the fixed increment and commission) the NRC shall consider the following:
  a. the relationship of remuneration and performance benchmarks is clear;
  b. balance between fixed and commission payment reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  c. responsibility required to be shouldered by the Managing Director and the industry benchmarks and the current trends;
     the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs

III. The remuneration payable to Key Managerial Personnel (other than Executive Director), Senior Management and other employees ("Executive") shall consist of

1. Fixed Compensation

An Executive shall have a fixed compensation which will be a function of his responsibility, accountability, span of control and overall impact on the business.

2. Variable Compensation

The Variable Compensation of an Executive will be paid based on performance for the year and that of the Company in the fiscal under consideration and shall be in addition to the Fixed Compensation. It is proposed that this will be upto a maximum of 60% of the Fixed Compensation. The performance rating of an Executive will be based on the extent, one fulfils his / her Key Performance Indices (KPI's) as has been discussed and agreed to between the Manager and the Executive at the beginning of the fiscal. The decision to pay the Variable Compensation will be based on the achievement of the Company's acceptable threshold business and financial parameters as may be decided by the Management and the decision to increase, decrease or abrogate the Variable Compensation in part or in full is solely vested with the Management.

3. Other benefits, Provident Fund, Termination of Employment and separation compensation

3.1 Non-monetary benefits

Senior Management will be entitled to benefits such as Company car / leasing car facility, Fuel reimbursement and Driver reimbursements as per Company policy. Other entitlements include subsidised medical hospitalization health care policy in line with defined limits, currently at Rs 1 Lac per family per annum (for the coverage term). An Executive is also entitled to land telephone, cell and data card as per defined limits covered under the Company's Personnel policies.

3.2 Provident Fund, Superannuation & Gratuity

Executives are also entitled to Provident Fund, Superannuation (for executives who joined till end 2012) and gratuity facility as per the terms of the Law in force currently.

3.3 Termination of Employment and separation compensation for Executives

All Executives are entitled to a separation compensation of 3 months of their salary (excludes the Variable Compensation) either way.

4. Authority to decide on any deviation from the Policy

Any deviation from this policy can be only decided by the Managing Director and shall be final and binding.

Implementation of the Policy

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of this Policy.

The details of remuneration paid and the number of shares held by the Non-Executive Directors are as follows:

(a) Name (b) Sitting Fees paid [Rs. in lakhs] (c) Commission paid [Rs. in lakhs] (d) Total [Rs.in lakhs] (e) No. of shares
(a) Mr M S Viraraghavan (b) 1.70 (c) 15.00 (d) 16.70 (e) 900, (a) Mr P Vijayaraghavan (b) 2.60 (c) 15.00 (d) 17.60 (e) 150, (a) Mr H Janardhana Iyer (b) 1.70 (c) 15.00 (d) 16.70 (e) Nil (a) Mr V Ramakrishnan (b) 1.00 (c) 10.00 (d) 11.00 (e) Nil (a) Mr. Rasesh R Doshi (b) 1.80 (c) 15.00 (d) 16.80 (e) Nil (a) Mr A Arumugam (b) 0.50 (c) 7.34 (d) 7.84 (e) Nil (a) Mr V Anantha Nageswaran (b) 0.20 (c) 3.78 (d) 3.98 (e) Nil
Particulars of remuneration paid to Executive Vice Chairman and Managing Director during the financial year 2018-2019:
(a) Name (b) Designation (c) Salaries & Allowances (d) Commission (e) Perquisites (f) Total [Rs. in lakhs]
(a) Ms Shobhana Ramachandhran (b) Managing Director (c) 343.19# (d) 335.13 (e) Nil (f) 678.32; (a) Mr R Naresh (b) Executive Vice Chairman (c) 155.08 (d) 502.69 (e) Nil (f) 657.77

includes contribution to Provident and superannuation fund

5. Stakeholders Relationship Committee (SRC)

The Stakeholders Relationship Committee consists of Ms. Shobhana Ramachandhran, Mr. P Vijayaraghavan and Mr. V Ramakrishnan as its members. Mr. P Vijayaraghavan, is the Chairman of the Committee. The Committee met two times during the year.

Company Secretary is the Compliance Officer of the Committee

Particulars of meetings and the attendance by the members of the SRC are given below:

Meeting dates: 22.5.2018 and 13.11.2018

All the members were present

Roles and responsibilities of Stakeholders Relationship Committee

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. The Chairperson of this committee / any other member of the Committee authorised by him / her in his / her absence shall attend the Annual General Meeting / General Meeting of the Company.
6. The Committee shall meet at least once in a year.
7. Such other roles and responsibilities as may be defined by the applicable laws.

During the year, the Company has received Nine complaints and the same have been redressed satisfactorily

All the queries and complaints received during the financial year ended 31st March, 2019 were duly redressed and no queries were pending for resolution on this date.

All requests for dematerialization of shares were carried out within the stipulated period and no share certificate was pending for dematerialization.

6. Corporate Social Responsibility Committee (CSR)

The Committee consists of Ms. Shobhana Ramachandhran, Mr. P Vijayaraghavan and Mr. Rasesh R Doshi as its members. During the year, the Committee had three meetings.

The particulars of meetings and the attendance by the members of the CSR are given below:

Meeting dates: 21.5.2018, 16.7.2018 and 8.2.2019

All the members were present

The terms of reference of the Committee are as follows:-

a) to frame the CSR Policy and its review from time-to-time.
b) to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
c) to ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

7. Whistle Blower Policy

Various risks associated with the business have increased with the rapid expansion of business in terms of volume, value and geography. Risk of fraud misconduct is one such risk. The Audit Committee is committed to ensure fraud-free work environment for which the Committee has laid down a Whistle Blower Policy and has established the necessary Vigil Mechanism providing a platform to all the Directors, employees, vendors and customers to report any suspected or confirmed incident of fraud / misconduct. During the year, the Whistle Blower Policy was amended in line with SEBI (prohibition of Insider Trading) (Amendment) Regulations, 2018 (the insider trading regulations) enabling employees to report any violations under the Insider Trading Regulations and leak of Unpublished Price Sensitive Information. The policy is posted on Company's website (www.tvstyres.com).

During the year, no instance was reported under this policy

8. Subsidiary Companies

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiary(s) has been formulated. The policy is hosted on the Company's website www.tvstyres.com

The Audit Committee of Directors reviews the financial statements.

The minutes of the Board Meetings of unlisted Subsidiary Company is periodically placed before the Board. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary.

9. General Body Meeting

Location and time where the annual general meetings were held during the last three years

Year: 2015-16, 2016-17 and 2017-18

Date and Time: 22.9.2016/10.30 AM, 23.8.2017/11.00 AM, 27.9.2018/10.30 AM

Location: Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002

One special resolution was put through in the year 2015-16

One special resolution was put through in the year 2016-17

Four special resolutions were put through in the year 2017-18

10. Disclosures

RELATED PARTY TRANSACTIONS

Materially significant related party transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with related parties during the financial year which are in conflict with the interest of the Company. Suitable disclosure as required by the IND AS 108 has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which is available on the Company's website www.tvstyres.com

Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19

Risk Management

The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures, to ensure that executive management controls risk through means of a properly defined framework.

Instances of non-compliance(s), if any

There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the year.

Disclosure by Senior Management Personnel

The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large.

Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory auditor and all entities in the network firm / net work entity of which the Statutory Auditor is a part is are as follows

Rs.in Crore

Type of Service	2018-19
Audit Fees	0.40
Others	0.03
Total	**0.44**

Sexual Harassment at workplace

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

List of Credit Rating

The Company has obtained rating from CRISIL and India Rating, during the year ended 31st March, 2019.

Rating Agency	Rating
CRISIL	A1+
India Rating	AA-

Commodity Risk

Given that the commodity prices are volatile by the very nature, the company has been effectively managing to mitigate the after effects of it by fine tuning its procurement policies.

On the volatility arising on account of foreign exchange price fluctuations, the company has a well defined written policy of hedging which is duly approved by the Board of Directors of the company.

Recommendations of Committees to Board

During the financial year 2018-19, the Board has accepted all the recommendations of its Committees

Certificate from Practicing Company Secretary

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations

CEO and CFO certification

The Managing Director (CEO) and the President – Finance (CFO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2019.

Compliance with mandatory / non-mandatory requirements

The Company has complied with all applicable mandatory requirements in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

Means of communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are published in Business Line and Dinamalar and Dalal Street Investment Journal. These results are simultaneously posted on the website of the Company at www.tvstyres.com and also uploaded on the website of National Stock Exchange of India Ltd. and BSE Ltd.

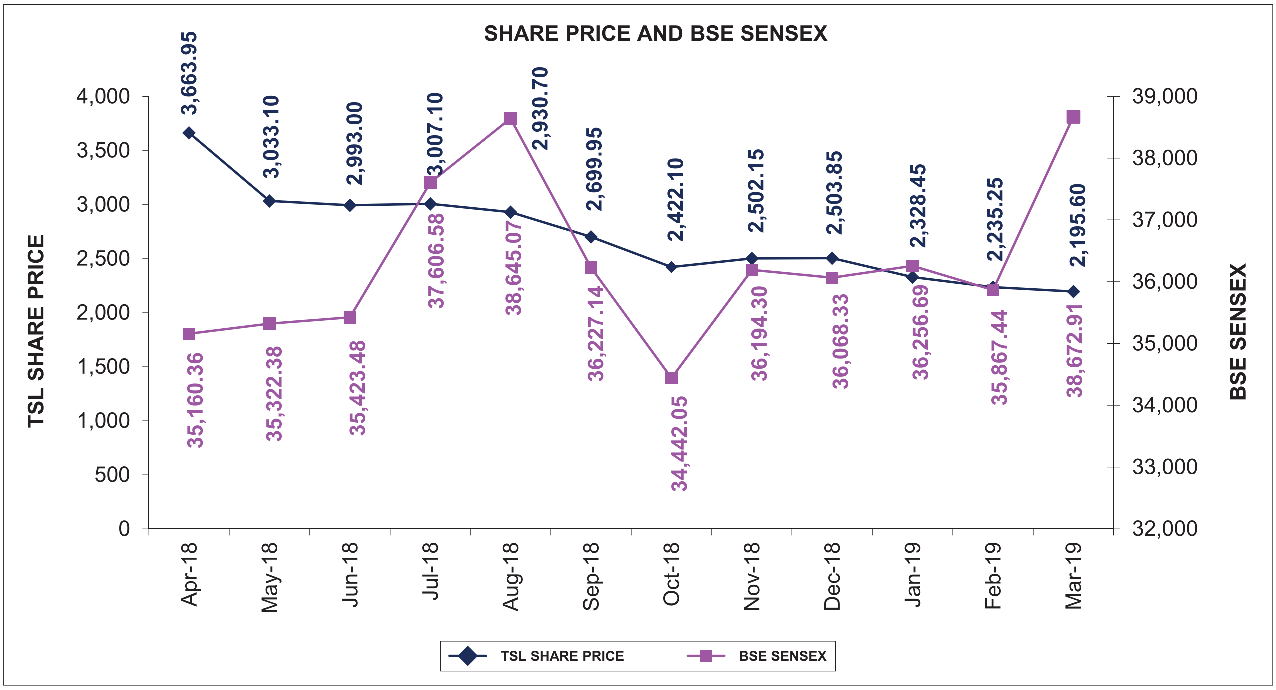
General shareholder information

(a)	Annual General Meeting, Date, Time and Venue	Date : 11.9.2019 Time : 10.30 AM Venue : Lakshmi Sundaram Hall, 15-A Gokhale Road, Madurai 625 002
(b)	Financial Year	1st April to 31st March
	Financial reporting for the quarter ending	Financial calendar 2019-20 (tentative)
	30th June 2019	Before 14th August, 2019
	30th September, 2019	Before 14th November, 2019
	31st December, 2019	Before 14th February, 2020
	31st March, 2020	Before 30th May, 2020
(c)	Dividend Payment date	From 17.9.2019
(d) (e)	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	
	Name of the Stock Exchange	Stock code / Symbol
	BSE Ltd	509243
	National Stock Exchange of India Ltd	TVSSRICHAK
	ISIN allotted by Depositories (Company ID Number)	INE421C01016
	Annual listing fees and custodial charges for the year 2018-19 were duly paid to the above Stock Exchanges and to the Depositories.	

(f) market price data- high, low during each month in last financial year

Month	BSE Ltd (BSE)		National Stock Exchange of India Ltd (NSE)	
	High	Low	High	Low
April 2018	3764.85	3210.50	3750.05	3212.05
May 2018	3684.00	3000.00	3701.00	3007.00
June 2018	3195.00	2936.00	3180.00	2935.10
July 2018	3159.85	2700.00	3307.00	2725.00
August 2018	3069.95	2830.00	3097.00	2815.00
September 2018	2956.90	2650.00	2970.00	2650.00
October 2018	2742.40	2251.00	2725.00	2261.00
November 2018	2699.00	2427.00	2722.00	2416.00
December 2018	2644.00	2368.05	2650.00	2360.00
January 2019	2545.00	2265.00	2540.75	2300.00
February 2019	2448.30	2175.00	2399.65	2201.00
March 2019	2379.95	2170.00	2389.45	2175.00

(g) performance in comparison to broad-based indices such as BSE sensex



(h) Registrar to an Issue and Share Transfer Agents

Registrar & Share Transfer Agent of the Company

M/s Integrated Registry Management Services Pvt. Limited, Chennai,

M/s Integrated Registry Management Services Pvt. Limited, Chennai, are acting as common agency for all investor servicing activities relating to both electronic and physical segments. Their address is :

M/s Integrated Registry Management Services Pvt. Limited
"Kences Towers" II Floor, No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600017
Phone 044 – 28140801 – 803 Fax 044 – 28142479
Email corpserv@integratedindia.in

(i) Share Transfer System

Shares lodged for transfers are normally processed within seven days from the date of lodgement, if the documents are valid in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the Depositories within three days. Grievances received from shareholders and other miscellaneous correspondence on change of address, mandates, etc are processed by the Share Transfer Agent of the Company within three days.

Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

Certificates have also been received from a Company Secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and participants) Regulations,1996.

As per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the following e-mail IDs, namely Sec.investorgrievances@tvstyres.com, Secretarial@tvstyres.com were hosted on the Company's website for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

Shareholders are, therefore, requested to correspond with the Share Transfer Agent for transmission of shares, change of address and queries pertaining their shareholdings, dividends, etc. at the address given in this report.

(j) Distribution of Shareholding

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1 to 500	28805	97.54	17813440	23.26
501 to 1000	457	1.55	3299210	4.31
1001 to 2000	149	0.50	2137370	2.79
2001 to 3000	46	0.16	1177510	1.54
3001 to 4000	11	0.04	380140	0.50
4001 to 5000	15	0.05	677730	0.89
5001 to 10000	11	0.04	792530	1.04
10001 & above	38	0.13	50292570	65.68
Total	**29532**	**100.00**	**7657050**	**100.00**

(k) dematerialization of shares and liquidity

Out of 4183489 shares held by persons other than promoters, 3694210 shares have been dematerialized as on 31st March, 2019 accounting to 88.30%

The Company has already achieved 100% of promoter group's shareholding in dematerialized form consisting of 3473561 equity shares of face value of Rs.10/- each

Details of public funding obtained in the last three years - No capital has been raised in the last three years

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity

TRANSFER OF UNCLAIMED DIVIDEND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHOIRTY (IEPF Authority)

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules) read with Section 124 of the Act, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividends and the corresponding shares held by them be transferred to IEPF Authority.

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. The Company has transferred 10,146 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years to the financial year ended 31st March, 2011, to the Investor Education and Protection Fund authority (IEPF Authority) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website www.tvstyres.com

Plant Locations

Tamil Nadu

1. Perumalpatti Road, Vellaripatti Village, Melur Taluk, Madurai District, Pin 625 122
2. Narasingampatti Village, Therkutheru, Melur Taluk, Madurai District, Pin 625 122

Uttarakhand

Plot No.7, Sector – 1, Integrated Industrial Estate, SIDCUL,
Pantnagar 263153, Rudrapur, Tehsil – Kichha, District Udham Singh Nagar, Uttarkhand

Address for communication

TVS Srichakra Limited, No.10, Jawahar Road, Madurai 625 002
Phone : 0452 2443300 Fax : 0452 2443466
Email : Sec.investorgrievances@tvstyres.com; Secretarial@tvstyres.com
website :www.tvstyres.com

Compliance Officer

Mr. P Srinivasan, Secretary
TVS Srichakra Limited, 10 Jawahar Road, Madurai 625 002
Phone : 0452 – 2443300 Fax : 0452 – 2443466
Email id – Srinivasan.P@tvstyres.com

Disclosures with respect to demat suspense account / unclaimed suspense account.

Unclaimed Share Certificates

In terms of the Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unclaimed share certificates were dematerialized and transferred to “Unclaimed Suspense Account” with M/s Geojit BNP Paribas Financial Services Limited, Kochi. As required under this regulation, the Company sent reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. Action has been taken thereafter to transfer the unclaimed shares to “Unclaimed Suspense Account” to comply with the requirement of this regulation. As and when the shareholder approaches the Company with required documents, the Company shall credit the shares lying in the suspense account to the demat account of the shareholder.

Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
No. of shareholders	No. of shares in the suspense account			No. of shareholders	No. of shares in the suspense account
4	130	-	-	3	105

Timely encashment of dividends

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation / losing your right to claim owing to transfer of unclaimed dividends beyond seven years to Investors Education and Protection Fund (IEPF)

As required by SEBI, shareholders are requested to furnish details of bank account number and name and address of the bank to enable the Company to credit the dividend proceeds directly to their bank account with intimation to the shareholder. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders who have not encashed their dividend warrants in respect of dividend declared for the financial year ended 31st March, 2012 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Information in respect of the unclaimed dividend of the Company with due date for remittance to IEPF is given below

Financial Year	Date of declaration	Date of transfer to special account	Proposed Date of transfer to IEPF
31.3.2012	27.9.2012	2.11.2012	1.12.2019
31.3.2013	25.9.2013	31.10.2013	30.11.2020
31.3.2014	11.9.2014	17.10.2014	15.11.2021
31.3.2015	23.9.2015	29.10.2015	26.11.2022
31.3.2016	17.2.2016	13.3.2016	10.4.2023
31.3.2016	21.3.2016	16.4.2016	14.5.2023
31.3.2017	23.8.2017	22.9.2017	19.8.2024
31.3.2018	27.9.2018	26.10.2018	24.11.2025

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of

TVS Srichakra Limited

We have examined the compliance of conditions of Corporate Governance by TVS Srichakra Limited ('the Company') for the year ended 31st March 2019, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **PKF Sridhar & Santhanam, LLP,**
Chartered Accountants
Firm's Registration No. 003990S/S200018

T.V Balasubramanian
Partner
Membership No. 027251

Madurai
Date : 23.5.2019

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION

The Board of Directors

TVS Srichakra Limited

We certify that –

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
d) We have indicated to the auditors and the Audit Committee that there were
   i) no significant changes in internal control over financial reporting during the year;
   ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K V GANESH
CHIEF FINANCIAL OFFICER

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

Madurai
Date: 23.5.2019

CERTIFICATE

The Shareholders

TVS Srichakra Limited

I, Shobhana Ramachandhran, Managing Director of the Company, hereby confirm that all the Members of your Board and the Senior Management Personnel of your Company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2019.

Madurai
Date: 23.5.2019

SHOBHANA RAMACHANDHRAN
MANAGING DIRECTOR

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

N.BALACHANDRAN B.COM., A.C.S.,
COMPANY SECRETARY IN PRACTICE

C/2 YAMUNA FLATS
16TH STREET
NANGANALLUR
CHENNAI -600061
PH.NO.22670412
CELL: 9444376560

To,
The Members

TVS SRICHAKRA LIMITED
CIN: L25111TN1982PLC009414
TVS Building,
No 7B, West Veli Street,
Madurai- 625001.

Sub: Certificate Of Non-Disqualification Of Directors (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the Financial Year ending on 31st March, 2019.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TVS SRICHAKRA LIMITED**, having CIN: L25111TN1982PLC009414 and having registered office at TVS Building, No 7B, West Veli Street, Madurai- 625001 (hereinafter referred to as `the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature: Sd/-
Name: N Balachandran
Designation : Company Secretary In Practice
Membership No.: A5113
CP No.: 3200

Place : Chennai
Date : 23.05.2019

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2018 – 19

Introduction

TVS Srichakra Limited (TSL) is a Company listed in BSE Ltd and National Stock Exchange of India Ltd.

TSL presents its Business Responsibility Report (BRR) for the Financial Year 2018-19. The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective

Section A – General Information about the Company

1.	Corporate Identity Number (CIN)	L25111TN1982PLC009414	
2.	Name of the Company	TVS Srichakra Limited	
3.	Registered address	TVS Building, 7-B West Veli Street, Madurai 625 001	
4.	Website	www.tvstyres.com	
5.	E-mail Id	Sec.investorgrievances@tvstyres.com	
6.	Financial Year reported	2018 – 19	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code	Description
		Section C	Manufacturing
		Division 22	Manufacture of Rubber & Plastic Products
		Group 221	Manufacture of Rubber Products
		Class 2211	Manufacture of Rubber Tyres & Tubes, Retreading and Rebuilding of Rubber Tyres
8.	List three key products / services that the Company manufacture / provides (as in Balance Sheet)	Manufacture and sale of Automotive Tyres, Tubes and related products	
9.	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (Provide details of major 5) - Nil. ii) Number of National Locations - Three. Two at Madurai and One at Uttarkhand		

10.	Markets served by the Company			
	Local	State	National	International
	√	√	√	√

Section B – Financial Details of the Company (as on 31.3.2019)

1.	Paid up Capital (INR in Crores)	7.66
2.	Total turnover (INR in Crores)	2381.76
3.	Total Profit After Taxes (INR in Crores)	103.17
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	4.43 (4.29%)
5.	List of activities in which expenditure in 4 above has been incurred The major activities in which the above CSR expenditure has been incurred includes • Strengthening Village level organization • Intellectual Development • Health Care • Livelihood Enhancement • Environmental Development • Protection of National Heritage	

Section C – Other Details

1.	Does the Company have any Subsidiary Company / Companies?
	Yes. Company has two subsidiaries, namely - TVS Srichakra Investments Limited - TVS Sensing Solutions Private Limited
2.	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)
	Subsidiary Companies do not participate, as most of the BR are handled by Parent Company
3.	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity / entities? (Less than 30%, 30-60%, more than 60%)
	Not Applicable

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2018 – 19

Section D – BR Information

1. Details of Director / Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the BR policy / policies

The Corporate Social Responsibility Committee comprises members of the Board of Directors and are responsible for implementation of CSR and BR Policies.

The Committee comprises of following Directors

Name	Designation	DIN
Ms Shobhana Ramachandhran *	Managing Director	00273837
Mr P Vijayaraghavan	Director	00633205
Mr Rasesh R Doshi	Director	00538059

* Chairman

b) Details of the BR Head

Sl. No.	Particulars	Details
1	DIN	-
2	Name	Mr K V Ganesh
3	Designation	Chief Financial Officer
4	Telephone No.	0452 2443300
5	E-mail ID	Ganesh.kv@tvstyres.com

2. Principle-wise (as per NVGs) BR policy / policies (Reply Y/N)

a) Details of compliance (Reply in Y/N)

Sl. No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed on line?	Certain policies are available in Company's website – www.tvstyres.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Most of the above Policies are covered either under different name or under specific regulations like ISO – 50001:2009 EnMs certification for Environment and ISO – 9001:2008, ISO -14001:2004 and ISO/TS – 16949:2009 for Quality, etc.

b) If answer to S. No. 1 against any principle is “NO” please explain why (tick upto 2 options)

1.	The Company has not understood the principles	Not applicable
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not applicable
3.	The Company does not have financial or manpower resources available for the task	Not applicable
4.	It is planned to be done within next 6 months	Not applicable
5.	It is planned to be done within the next 1 year	Company will analyse the requirement of having separate policies for each one of the above and implement
6.	Any other reason (please specify)	Not applicable

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
  Business Responsibility is being reviewed by the CEO and Sr Management and action taken as and when required.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published
  The Business Responsibility Report is available as part of the Annual Report. The Business Responsibility Report is published annually. The same can be reviewed at www.tvstyres.com

SECTION E – Principle-wise performance

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   TSL has in place a ‘Code of Conduct’ (CoC) in order to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders through trust, integrity and credibility. All TSL employees are required to adhere to the CoC’s requisites. It outlines good working norms, as well as the process to address any violations.

   TSL also has in place a policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns of grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company’s CoC or ethics policy and any other event which would adversely affect the interests of the business of the Company.

   In the year 2018-19, no complaints were received with respect to the above policy.

   The Company’s Directors and Senior Management are required to abide by a separate CoC. Their affirmation to the CoC is communicated to all stakeholders by TSL’s Managing Director, through a declaration in the Annual Report.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

From	Received and resolved during the year 2018-19
Stakeholders	9
Customers	416

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities

   We developed silica based tyre which offers low rolling resistance and less fuel emission and by that keeping environment cleaner.

   Our products are designed to maximize use of natural fillers and eco-friendly materials.

   Use of recycled materials has been our endeavour and to this effect we have continuously developed technologies.

   We develop high performance tyres offering phenomenal grip, riding comfort and safety to our customers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional)
   (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain
   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year
   TSL takes up internal projects to reduce energy consumption per kilo of tyre
   The Company is also pursuing the TPM and LEAN manufacturing process
3. Does the Company have procedure in place for sustainable sourcing (including transportation)?
   (a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so
   The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw materials, service, manufacturing of product or delivery of goods
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   Yes. The Company avails services from MSME vendors, wherever possible. The Company also avail the services of the local communities surrounding the work whenever to enhance their capabilities.
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also provide details thereof, in about 50 words or so
   Supply Chain sustainability initiative is covered under TSL's 'Total Productive Maintenance' (TPM) initiative, which has helped to improve operational, human and cost efficiencies.
   As a part of sustainable manufacturing, 3R principles (Reduce, Reuse, Recycle) are applied in waste reduction at our plants.

Principle 3: Businesses should promote the wellbeing of all employees

The health of its employees is a vital area of care and concern for the Company. Employee well-being is ensured through provision of regular medical check-ups and other benefits such as Group medical insurance and personnel accident policy for employees, in accordance with medical needs.

The Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed

1. Please indicate the total number of employees - 2765
2. Please indicate the total number of employees hired on temporary / contractual / casual basis - 2524
3. Please indicate the Number of permanent women employees - 31
4. Please indicate the Number of permanent employees with disabilities – Nil
5. Do you have an employee association that is recognised by management – Yes.
6. What percentage of your permanent employees is members of this recognised employee association? – 100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training, in the last year?
   A. Permanent Employees – 100%
   B. Permanent Women Employees – 75%
   C. Casual / Temporary / Contractual Employees – 100%
   D. Employees with disabilities – Not Applicable

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?
   Yes. The Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, customers, employees, suppliers, communities, civil society, media and the Government.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?
   Yes. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth
   The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Stakeholders Relationship Committee oversees and reviews all matters connected with share transfers, duplicate share certificate, and other issues pertaining to shares. The committee also looks into the redressal of investors grievances pertaining to transfer of shares, non-receipt of Balance Sheet, non-receipt of dividends etc. The Company, as a matter of policy, disposes investor complaints within a span of three days.

All the queries and complaints received during the financial year ended 31st March, 2019 were duly redressed satisfactorily and no queries were pending for resolution on this date and there were no unresolved complaints for other stake holders

Principle 5 – Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company has Policies on Human Rights applicable to its employees and its value chains. The Policies and their implementation are directed towards adherence to applicable laws

   The Company has adopted policies like Prevention of Sexual Harassment at work place, CSR Policy etc.
2. How many stakeholder complaints have been received in the past financial year and what percent were satisfactorily resolved by the Management

   Nil

Principle 6 – Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company aims to ensure occupational health and safety in manufacturing and other related processes to achieve and sustain its goal of 'ZERO ACCIDENTS AND ZERO HEALTH HAZARDS'. Company's EHS Policy covers all manufacturing plants of the Company and includes employees, contractors and customers. The policy addresses compliance with legal. Statutory, regulatory and customer specific requirements related to health, safety and environment
2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.

   Yes.
3. Does the Company identify and assess potential environmental risks?

   Yes. As part of environmental management program a) We are conducting S&Q (Safety & Quality) program to develop safety and quality as a culture to all our employees. b) We are conducting OPL (One Point Lesson) training to all our employees and executives by trained team executives and team leader respectively.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   The Company periodically files return to Pollution Control Board as per legal requirement
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.

   Yes Details are provided in Annexure 6 to the Directors Report
6. Are the Emission / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

   During the financial year 2018-19, the plants were complied of relevant statutory laws in this regard and the requisite reports are filed periodically to State PCBs.
7. Number of show cause / legal notices received from CPOB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year

   Nil

Principle 7 – Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.

   The Company is a member of the following

   - Confederation of Indian Industry (CII)
   - Automotive Tyre Manufacturer Association (ATMA)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, inclusive Development Policies, Energy security, Water, Food Security, sustainable Business Principles, others)
   No

Principle 8 – Business should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof
   The Company has constituted a Corporate Social Responsibility Committee. Based on the CSR Committee's recommendation, the Board has approved a CSR Policy. Details of the policy and the programmes undertaken are given in the CSR Report (Annexure 1 to the Director's Report)
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?
   CSR programmes / projects of the Company are run by in-house team and external NGOs
3. Have you done any impact assessment of your initiative?
   The project activities are periodically reviewed by CSR Committee. Reports are sought from the implementing agencies to understand the impact of the initiatives.
4. What is your Company's direct contribution to community development projects. Amount in INR and the details the projects undertaken
   Details are given in Annexure 1 to Director's Report. During the financial year 2018-19, the Company has spent Rs.4.43 Cr on CSR initiatives.
5. Have you taken steps to ensure that this Community development initiative is successfully adopted by the Community? Please explain in 50 words or so
   The Company's CSR projects have been primarily focused on skill development, health care projects, education and livelihood enhancement projects. The Company has taken steps to conduct employee engagement and well-being programs like Awareness on Child Labour Abolish Day, International Women's day, Founder's day celebration, National safety week celebration, Quality month celebration
   All these projects have achieved their objectives in terms of adoption by the Community

Principle 9 – Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as at the end of financial year?
   NIL
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?
   Yes
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so
   No Court case has been filed against the Company regarding unfair trade practices and / or irresponsible advertising during the last five years and pending as on end of financial year.
4. Did your Company carry out any consumer survey / consumer satisfaction trends?
   Yes.

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Srichakra Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of TVS Srichakra Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the *standalone* financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition:

a. Description:

The Company recognizes revenue of sale of products on the following basis:

(i) OE Manufacturers:

Revenue is recognized only on delivery being made at the OE factory site

Price variance for the change in input costs is adjusted through debit / credit notes on the same after being approved by the concerned OE

(ii) After Market:

Sales to dealers in the after-market segment is accounted on despatch being effected from the depots.

Credit notes for schemes and discounts are estimated and accounted in the period when the sales revenue is recorded itself as a reduction from the revenue recognized. Actual credit notes issued are adjusted against such provisions made on a periodical basis.

Considering:

- the new accounting standard Ind AS 115 – Revenue from Customers has also been implemented,
- magnitude and high volume of sales transactions carried out, and
- estimation involved in price variance accounting as well as accruals for discounts and schemes;

revenue recognition represented a key audit matter in the audit

b. Our response:

Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.

Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.

The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations.

Our audit procedures included analytical review of sales transactions and accounting of revenue.

It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion and Analysis Report (MDA), Report on Corporate Governance, Financial Highlights and Business Responsibility Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the Directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at 31st March 2019 on its financial position in its standalone financial statements – Refer Note 41 to the standalone financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2019.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its Directors is in accordance with the prescribed provisions and the remuneration paid to every Director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
Membership No. 027251

Place : Madurai
Date : 23rd May 2019

ANNEXURE A INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of TVS Srichakra Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2019.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date.

(ii) The inventory, except stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees or security. The Company has not granted any loans under Section 185.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value Added Tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of statute	Period to which amounts relates	Forum where dispute is pending	Amount (Rs. In crores)*
Income Tax	2008-09 to 2018-19	Income Tax Office CPC (TDS)	0.09
Excise Duty & Service Tax	Jul'12 to Mar'16	Asst. Commissioner	0.18
	Various periods	CESTAT	0.92
	Feb'05 to Aug'05	Commissioner	0.01
	Various periods	Deputy Commissioner	0.04
	Various periods	Joint Commissioner	0.20
	Various periods	High Court	9.05
	Apr'16 to Jun'17	Superintendent	0.03

Nature of statute	Period to which amounts relates	Forum where dispute is pending	Amount (Rs. In crores)*
Sales Tax	Various periods	Asst. Commissioner	3.63
	Various periods	Dy. Commissioner	0.08
	Various periods	Dy. Commissioner (Appeals)	0.02
	Various periods	Jt. Commissioner (Appeals)	0.54

* net of amounts paid under protest.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares, private placement of shares, fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of the Order is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
Membership No. 027251

Place : Madurai
Date : 23rd May 2019

ANNEXURE B INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TVS Srichakra Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
Membership No. 027251

Place : Madurai
Date : 23rd May 2019

STANDALONE BALANCE SHEET AS ON MARCH 31, 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

			Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
I	**ASSETS**					
1	**Non-current assets**					
	(a)		Property, Plant and Equipment	3	**616.65**	586.99
	(b)		Capital work-in-progress		**33.24**	26.16
	(c)		Other Intangible assets	4	**5.57**	7.96
	(d)		Intangible assets under development		**0.61**	0.12
	(e)		**Financial Assets**			
		(i)	Investments	5	**106.93**	67.96
		(ii)	Loans	6	**75.89**	69.57
		(iii)	Others	7	**-**	3.48
	(f)		Income Tax Assets (Net)		**9.67**	5.51
	(g)		Other non-current assets	8	**47.63**	30.81
2	**Current assets**					
	(a)		Inventories	9	**488.75**	331.53
	(b)		**Financial Assets**			
		(i)	Trade receivables	10	**323.63**	243.70
		(ii)	Cash and cash equivalents	11(a)	**7.50**	6.63
		(iii)	Bank balances other than (ii) above	11(b)	**8.96**	8.84
		(iv)	Others	12	**41.18**	29.90
	(c)		Other Current Assets	13	**34.10**	22.30
			TOTAL ASSETS		**1,800.31**	1,441.46
II	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a)		Equity Share capital	14	**7.66**	7.66
	(b)		Other Equity	15	**735.49**	646.60
	Liabilities					
1	**Non-current liabilities**					
	(a)		**Financial Liabilities**			
		(i)	Borrowings	16 (a)	**46.88**	7.65
		(ii)	Other financial liabilities (other than those specified above)	17	**84.35**	85.57
	(b)		Provisions	18(a)	**9.56**	7.37
	(c)		Deferred tax liabilities (Net)	19	**55.54**	43.35
	(d)		Other Non-current liabilities	20	**4.88**	5.47
2	**Current liabilities**					
	(a)		**Financial Liabilities**			
		(i)	Borrowings	21	**362.69**	293.22
		(ii)	Trade payables			
			Total outstanding dues of micro and small enterprises	22	**1.08**	-
			Total outstanding dues of creditors other than micro and small enterprises	22	**326.16**	174.49
		(iii)	Other financial liabilities (other than those specified above)	23	**154.72**	152.53
	(b)		Other current liabilities	24	**7.33**	14.14
	(c)		Provisions	18(b)	**3.97**	3.41
			TOTAL EQUITY AND LIABILITIES		**1,800.31**	1,441.46
Significant Accounting Policies & Notes to Financial Statement				1-47		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23-05-2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

	Particulars	Note	Year ended 31-Mar-19	Year ended 31-Mar-18
I.	Revenue from operations	25	**2,381.76**	2,202.66
II.	Other income	26	**11.42**	15.37
III.	**Total Income (I + II)**		**2,393.18**	2,218.03
IV.	**Expenses:**			
	Cost of materials consumed	27	**1,512.96**	1,229.91
	Purchase of Stock-in-trade		**1.20**	1.55
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	28	**(66.34)**	38.81
	Excise duty		**-**	50.41
	Employee benefits expense	29	**273.42**	247.32
	Finance costs	30	**34.50**	29.70
	Depreciation and amortization expense	3	**82.83**	68.21
	Other expenses	31	**401.31**	382.87
	Total expenses		**2,239.88**	2,048.78
V.	Profit before exceptional items and tax (III-IV)		**153.30**	169.25
VI.	Exceptional items		**-**	-
VII.	Profit before tax (V - VI)		**153.30**	169.25
VIII.	Tax Expense:			
	(1) Current Tax		**46.00**	46.94
	(2) Deferred Tax		**4.13**	4.70
IX.	Profit for the year from continuing operations (VII-VIII)		**103.17**	117.61
X.	Profit from discontinued operations		**-**	-
XI.	Tax expense of discontinued operations		**-**	-
XII.	Profit from discontinued operations (after tax) (X-XI)		**-**	-
XIII	Profit for the year (IX+XII)		**103.17**	117.61
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gains on equity through Other Comprehensive Income		**32.97**	9.45
	Remeasurement of Net Defined Benefit Liability/Asset		**(2.25)**	0.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(8.05)**	(1.87)
	B (i) Items that will be reclassified to profit or loss		**-**	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
XV	Total Comprehensive Income for the year (XIII+XIV)(Comprising Profit and Other Comprehensive Income for the year)		**125.84**	126.01
XVI	Earnings per equity share (for continuing operation):			
	- Basic & Diluted (Refer Note 33)		**134.74**	153.60
XVII	Earnings per equity share (for discontinued operation):			
	- Basic & Diluted		**-**	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	- Basic & Diluted		**134.74**	153.60

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23-05-2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Crores of Rupees unless otherwise stated)

	Particulars	Year ended 31-Mar-19		Year ended 31-Mar-18	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before tax		**153.30**		169.25
	Adjustments for :				
	Depreciation	**82.83**		68.21	
	Interest paid	**34.50**		29.70	
	Interest received	**(11.42)**		(15.37)	
	Loss/(Gain) due to Exchange rate Fluctuations	**2.92**		2.34	
	Advances Written off	**0.16**		-	
	Deferred Government Grant	**-**		(0.02)	
	Bad Debts	**0.91**		-	
	Assets Condemned	**0.12**		0.05	
	Fair value changes in employee benefits	**(2.25)**		0.82	
			107.77		85.73
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**261.07**		254.98
	Adjustments for :				
	Trade Receivables	**(80.84)**		(40.12)	
	Other Receivables	**(34.06)**		(8.95)	
	Inventories	**(157.22)**		80.25	
	Trade and other payables	**143.84**		(52.67)	
			(128.28)		(21.49)
	Cash Generated From Operations		**132.79**		233.49
	Direct taxes paid		**(50.16)**		(47.66)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**82.62**		185.83
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets	**(118.95)**		(104.80)	
	Investments Purchased	**(6.00)**		(11.71)	
	Interest received	**11.42**		15.37	
	Bank deposits	**(0.12)**		(1.15)	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(113.66)**		(102.29)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Interest paid	**(32.22)**		(30.02)	
	Proceeds/ (Repayment) from short term borrowings	**69.47**		17.08	
	Proceeds/(Repayment) of long term borrowings	**31.28**		(19.78)	
	Dividend & Dividend tax paid	**(36.63)**		(45.87)	
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**31.90**		(78.59)
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**0.87**		4.95
	OPENING CASH AND CASH EQUIVALENTS		**6.63**		1.68
	CLOSING CASH AND CASH EQUIVALENTS (Refer Note 11(a))		**7.50**		6.63

Refer Note 16(b) for Net Debt Reconciliation

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23-05-2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Amount
Balance as at March 31, 2017	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**7.66**

(b) Other Equity

Particulars	Reserves and Surplus					Equity Instrument through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Account	General Reserve	Amalgamation Reserve	Retained Earnings		
Balance as at March 31, 2017	**0.01**	**0.93**	**31.01**	**0.46**	**533.41**	**1.50**	**567.32**
Total Comprehensive income for the year	-	-	-	-	0.55	7.85	8.40
Dividends including Dividend Distribution Tax	-	-	-	-	(46.73)	-	(46.73)
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	117.61	-	117.61
Balance as at March 31, 2018	**0.01**	**0.93**	**31.01**	**0.46**	**604.84**	**9.35**	**646.60**
Total Comprehensive income for the year	-	-	-	-	(3.00)	25.67	22.67
Dividends including Dividend Distribution Tax	-	-	-	-	(36.93)	-	(36.93)
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	103.17	-	103.17
Balance as at March 31, 2019	**0.01**	**0.93**	**31.01**	**0.46**	**668.07**	**35.01**	**735.49**

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23-05-2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

1. Corporate Information

TVS Srichakra Limited ('TSL' or 'the Company') is a public limited Company domiciled and incorporated in India having its registered office at TVS Building, 7-B West Veli Street, Madurai 625001. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in the business of two-wheeler, three-wheeler and other industrial tyre manufacturing.

The standalone financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 23, 2019.

2. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain financial instruments and long term employee benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. GAAP comprises Indian Accounting standards as specified in section 133 of the Act read together with rule 4 of Companies (Indian Accounting Standard) Rules 2015 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on a going concern basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Note 2(w). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31,2019 have been prepared in accordance with Ind AS as notified above.

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards which were applicable from this financial year, namely

i. Ind AS 115, which combines, enhances and replaces specific guidance on recognizing revenue with a single standard. It defines a new five-step model to recognize revenue from customer contracts,

ii. Amendment to Ind AS 40 providing the principle for transfer of asset to, or from, Investment Property,

iii. Amendment to Ind AS 21 requiring determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized,

iv. Amendment to Ind AS 20 providing an alternative to the erstwhile presentation, whereby - Government grant related to assets can also be presented by deducting the grant from the carrying amount of the asset; and Non-monetary grant can be recognized at a nominal amount.

v. Amendment to Ind AS 12 requiring segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognize deferred tax asset. Further, consequential amendment has been made to state that deferred tax is not required to be recognized in respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

vi. Amendment to Ind AS 16, whereby consequential amendment states that carrying amount of an item of PP&E may be reduced by government grants in accordance with Ind AS 20.

vii. Amendment to Ind AS 38, whereby consequential amendment states that intangible asset acquired free of charge or for a nominal amount, by way of government grant, may be recognized at fair value or a nominal amount.

viii. Amendment to Ind AS 28 permits the election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organizations, and,

ix. Amendment to Ind AS 112 provides the Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation.

The Company had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the Company. None of the other amendments had any effect on the Company's financial statements.

d) Changes in Accounting Standards that may affect the Company after 31st March 2019

(i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Company is assessing the impact on its financial statements from adopting Ind AS 116 and plans to adopt the standard as at April 1, 2019.

(ii) Other Amendments

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;
(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
(iii) income tax consequences in case of dividends;
(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
(vi) accounting for prepayment features with negative compensation in case of debt instruments;
(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements.

e) Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is Company's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Crore (Cr) with two decimals except where otherwise indicated.

f) Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Critical Judgments in applying accounting policies

i. Classification of investment in TVS Automobile Solutions Private Limited

The Company holds investments in equity shares of TVS Automobile Solutions Private Limited ("TVS ASPL"). In the opinion of the management, TVS ASPL is not considered to be an associate of the Company. Accordingly, the investment in their shares have been designated as investment at FVTOCI.

ii. Lease classification

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Assumptions and Key Sources of Estimation Uncertainty

i. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 2(v).

ii. Provisions for liabilities and charges

The value of provisions recognized in the Financial Statements represent the best estimate to date made by management for a range of issues. This estimate entails the adoption of assumptions which depend on factors that may change over time and which could therefore have a significant impact on the current estimates made by management in preparing the Financial Statements.

iii. Useful life of Property, Plant & Equipment (PPE)

The Company reviews the estimated useful lives of PPE at the end of each reporting period.

iv. Employee Benefits - Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

g) Financial Instruments

i. Financial Assets - Investment in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

ii. Financial Assets - Other than investment in subsidiaries, associates and joint ventures

Financial assets comprise investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognized immediately in statement of profit and loss). Purchase or sales of financial assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date.

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using Effective Interest Rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss.

The Company while applying above criteria has classified the following at amortized cost

a) Trade receivable

b) Other financial assets

ii. Financial asset at FVTOCI

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income

Equity instruments held for trading are classified as FTVPL. For other equity instruments the Company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI excluding dividends, are recognized in other comprehensive income (OCI).

iii. Financial asset at FVTPL

All fair value changes are recognized in the Statement of Profit and loss.

Derecognition of financial asset

Financial assets are derecognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Impairment of financial asset

Trade receivables, lease receivables under Ind AS 109, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for their respective financial asset

a) Trade receivable

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

b) Other financial assets

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

iv. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortized cost
- at fair value through the statement of profit and loss

Financial Liabilities at amortized cost

The Company is classifying the following under amortized cost;

a) Borrowings from banks

b) Borrowings from others

c) Finance lease liabilities

d) Trade payables

e) Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through statement of profit and loss

Financial liabilities held for trading are measured at FVTPL.

De-recognition of financial liabilities

A financial liability is de-recognized when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

v. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The Company also enters into cross currency interest rate swaps for hedging the risk against variability in cash flows of its term loan. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

vi. Hedge accounting

The Company has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

vii. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

viii. Reclassification of financial assets

In case of any reclassification, the Company applies the reclassification prospectively and does not restate any previously recognized gains, losses (Including impairment gains, or losses) or interest.

h) Share capital and Dividend to Shareholders

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognized as deduction from equity, net of any tax effects.

Dividend distribution to equity shareholders is distribution to owners of capital in statement of changes in equity, in the period in which it was paid. Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

i) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The cost of day to day servicing of property, plant and equipment are recognized in statement of profit or loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss under straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased asset are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Assets costing Rs.5000 or below acquired during the year considered not material are depreciated in full retaining Rs.1 per asset. The Useful life has been considered in line with schedule II except in the following cases which are based on technical estimates.

Estimated useful life in years

Particulars	Useful life
Plant and Machinery other than generator sets	20 years
Electronics	6 years
Moulds / trolleys / weighing balance / drums / PCI stand / Storage stand / motor / pump	6 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

j) Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in the statement of profit and loss.

Amortization of intangible asset with finite useful lives

Amortization is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software License is amortised over 5 years.

k) Impairment of Non-financial assets

The carrying amount of the Company's non-financial asset, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use and its fair value less cost to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows into continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

l) Leases

At the inception of a lease, the lease arrangement is classified either as finance or operating lease, based on the substance of the lease arrangement.

Asset taken on Finance lease:

A financial lease is recognized as an asset and liability at the commencement of lease, at lower of the fair value of leased asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payment made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease:

Assets taken on operating leases are not recognized in the Company's Balance Sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

Assets given on operating lease:

Assets given on operating lease are depreciated over the useful life of the assets. Rental income is recognized in statement of profit and loss under straight line basis over the lease term.

Deposits provided to lessors:

Any lease deposits paid by the Company to the lessors are discounted to its fair value and the difference between the fair value and the deposit amount is recognized as pre-payments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight-line basis over the lease term as lease rental expense.

m) Inventories

Inventories are measured at the lower of cost (determined using Weighted average method) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Cost includes direct material cost, direct labour cost, taxes and duties (other than duties and taxes for which input credit is available), freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

o) Revenue recognition

Revenue is recognized on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognized when the performance obligations towards customers have been met at an amount that reflects the consideration to which the Company believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns, excise duty and GST. Variable consideration in the form of trade discounts and volume rebates are netted off from revenue. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale.

Considering the general terms of sales, there is no significant financing element included in the sales consideration.

Subsidies on export and other incentives

Government Subsidies and incentives, in the nature of Business Support Subsidy and MEIS are recognized when there is a reasonable assurance that the condition attaching to the incentive would be complied with and incentives will be recognized. Government grant received relating to assets are treated as Deferred Revenue and are recognized over the period in which the economic benefit is expected from such assets.

p) Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

i. Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the statement of profit and loss when incurred.

ii. Defined benefit plan (gratuity)

In accordance with applicable Indian laws, the Company provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Company recognizes all re-measurements of net defined benefit liability / asset directly in other comprehensive income and presented within retained earning under equity.

iii. Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv. Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in statement of profit or loss as additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

q) Finance Income and expense

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on date when the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

r) Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

s) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

(ii) Differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

(iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity-method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the Company's share of the income and expenses of the equity-method accounted investee is recorded in the statement of profit and loss after considering any taxes on dividend payable by equity-method accounted investee and no deferred tax is set up in the books as the tax liability is not with the Company.

t) Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in statement of profit and loss for determination of net profit or loss during the period."

u) Earnings per share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

v) Fair value measurements

Ind AS requires the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - Unadjusted quoted prices in active market for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable outputs for the assets and liabilities

For assets and liabilities that are recognized in the financial statement at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting period. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, in respect of such financial statements, fair value generally approximates the carrying amount due to the short-term nature of such assets. This fair value is determined for disclosure purpose or when acquired in a business combination.

(iii) Lease Security Deposits

Lease deposits paid by the Company to the lessors are discounted to its fair value based on the market rate of interest at the reporting date. For operating lease, where the interest rate implicit in the lease contract is not available, the market rate of interest is determined by reference to the interest on bank deposits.

(iv) Derivatives

The fair value of forward exchange contracts is based on quoted price. Fair value reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Company and the counter party when appropriate.

(v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date. For financial lease, the market rate of interest is determined by reference to similar lease agreements.

w) Current and non-current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

x) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

y) Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The Company operates only in one segment namely manufacturing of two-wheeler, three-wheeler and other industrial tyres and tubes.

z) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

3. Property, plant and equipment

The following table presents the changes in PPE during the year ended Mar 31, 2019

Particulars	Original cost				Depreciation				Net book value	
	As at Apr 1, 2018	Additions during the year	Deletions during the year	**As at Mar 31, 2019**	As at Apr 1, 2018	For the year	Disposals	**As at Mar 31, 2019**	**As at Mar 31, 2019**	As at Mar 31, 2018
Freehold Land **(Refer Note below)**	38.85	3.53	-	**42.38**	-	-	-	**-**	**42.38**	38.85
Building	171.86	25.27	-	**197.13**	14.49	6.62	-	**21.11**	**176.02**	157.37
Plant and Machinery	367.72	65.66	1.32	**432.06**	95.40	46.35	1.27	**140.48**	**291.58**	272.32
Furniture and Fittings	8.08	2.14	0.17	**10.05**	1.86	0.98	0.11	**2.73**	**7.32**	6.22
Vehicles	1.32	0.46	0.09	**1.69**	0.46	0.17	0.07	**0.56**	**1.13**	0.86
Official equipment	12.36	3.50	1.56	**14.30**	5.33	3.19	1.56	**6.96**	**7.34**	7.03
Others (electrical)	147.07	9.20	0.03	**156.24**	42.73	22.65	0.02	**65.36**	**90.88**	104.34
Total	**747.26**	**109.76**	**3.17**	**853.85**	**160.27**	**79.96**	**3.03**	**237.20**	**616.65**	**586.99**

The following table presents the changes in PPE during the year ended Mar 31, 2018

Particulars	Original cost				Depreciation				Net book value	
	As at Apr 1, 2017	Additions during the year	Deletions during the year	As at Mar 31, 2018	As at Apr 1, 2017	For the year	Disposals	As at Mar 31, 2018	As at Mar 31, 2018	As at Mar 31, 2017
Freehold Land	37.08	1.77	-	38.85	-	-	-	-	38.85	37.08
Building	144.24	27.62	-	171.86	8.78	5.71	-	14.49	157.37	135.46
Plant and Machinery	287.16	80.57	0.01	367.72	56.58	38.82	-	95.40	272.32	230.58
Furniture and Fittings	6.47	1.61	-	8.08	1.03	0.83	-	1.86	6.22	5.44
Vehicles	1.28	0.09	0.05	1.32	0.31	0.16	0.01	0.46	0.86	0.97
Official equipment	7.59	4.77	-	12.36	3.24	2.09	-	5.33	7.03	4.35
Others (electrical)	108.39	38.68	-	147.07	24.78	17.95	-	42.73	104.34	83.61
Total	**592.21**	**155.11**	**0.06**	**747.26**	**94.72**	**65.56**	**0.01**	**160.27**	**586.99**	**497.49**

Note:

Additions during the year Includes Rs.3.53 crores of freehold land acquired via exchange of residential units to residents near the factory.

Note: The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e 1st of April 2015 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. Refer below for the gross block value and the accumulated depreciation on 1st of April 2015 under previous GAAP.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

Particulars	Gross block as on 01.04.2015	Accumulated depreciation as on 01.04.2015	Net block as on 01.04.2015
Freehold Land	1.96	-	1.96
Building	87.82	16.06	71.76
Plant and Machinery	265.02	133.57	131.45
Furniture and Fittings	4.80	2.68	2.12
Vehicles	1.55	0.57	0.98
Office equipment	6.92	3.83	3.09
Others (electrical)	66.35	16.25	50.10
Total	**434.42**	**172.96**	**261.46**

4. Intangible assets

The following table presents the changes in PPE during the year ended Mar 31, 2019

Particulars	Original cost				Amortisation				Net book value	
	As at Apr 1, 2018	Additions during the year	Deletions during the year	**As at Mar 31, 2019**	As at Apr 1, 2018	For the year	Disposals	**As at Mar 31, 2019**	**As at Mar 31, 2019**	As at Mar 31, 2018
Computer software	13.88	0.48	-	**14.36**	5.92	2.87	-	**8.79**	**5.57**	7.96
Total	**13.88**	**0.48**	**-**	**14.36**	**5.92**	**2.87**	**-**	**8.79**	**5.57**	**7.96**

The following table presents the changes in PPE during the year ended Mar 31, 2018

Particulars	Original cost				Amortisation				Net book value	
	As at Apr 1, 2017	Additions during the year	Deletions during the year	As at Mar 31, 2018	As at Apr 1, 2017	For the year	Disposals	As at Mar 31, 2018	As at Mar 31, 2018	As at Mar 31, 2017
Computer software	11.87	2.01	-	13.88	3.27	2.65	-	5.92	7.96	8.60
Total	**11.87**	**2.01**	**-**	**13.88**	**3.27**	**2.65**	**-**	**5.92**	**7.96**	**8.60**

Note: The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e.1st of April 2015 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. (Refer below for the gross block value and the accumulated depreciation on 1st of April 2015 under previous GAAP).

Particulars	Gross block as on 01.04.2015	Accumulated depreciation as on 01.04.2015	Net block as on 01.04.2015
Computer software	7.36	4.38	2.98
License	1.81	1.81	-
Total	**9.17**	**6.19**	**2.98**

(All amounts are stated in Rupees in Crores unless otherwise stated)

	Particulars	As at 31-Mar-19	As at 31-Mar-18
5.	**Investments (Non-current Financial Assets)**		
	Investment in equity of others - Unquoted		
	Subsidiaries:		
	TVS Srichakra Investments Ltd	**8.05**	2.05
	24,59,780 equity shares (PY - 20,50,000 shares) of Rs.10 each		
	Associate:		
	Van Leeuwen Tyres and wheels BV	**0.09**	0.09
	15,000 equity shares (PY - 15,000 shares) of Euro 1 each		
	Others:		
	Sai Regency Power Corporation Private Limited	**0.15**	0.15
	1,50,000 equity shares (PY - 1,50,000 shares) of Rs.10 each		
	Myrtah Vayu Manijra private limited	**0.45**	0.45
	4,49,840 equity shares (PY - 4,49,840 shares) of Rs.10 each		
	Coromandel Electricity Private Limited	**0.01**	0.01
	10,000 equity shares (PY - 10,000 shares) of Rs.10 each		
	TVS Automobile Solutions Private Limited	**96.01**	63.04
	9,11,741 equity shares (PY - 9,11,741 shares) of Rs.100 each		
	Other Investments - Deemed Equity		
	Fair valuation of equity option in convertible debentures issued by TVS Srichakra Investments Ltd.	**2.26**	2.26
	Total	**107.02**	68.05
	Less: Provision for diminution in value of investments	**(0.09)**	(0.09)
	Total	**106.93**	67.96
	Aggregate amount of unquoted investment	**104.76**	65.79
	Aggregate amount of impairment in the value of investment	**(0.09)**	(0.09)
6.	**Loans - Non-current Financial Assets**		
	Secured, Considered Good	**-**	-
	Unsecured, Considered Good:		
	Security Deposits	**29.88**	24.72
	Advance to related parties -		
	11% optional convertible debentures*	**43.40**	42.61
	Other Loans	**2.61**	2.24
	Loans which have significant increase in Credit Risk	**-**	-
	Loans - Credit impaired	**-**	-
	Total	**75.89**	69.57

*Note - Redeemable at the end of 59 months of issue if conversion option is not excercised by then.

	Particulars	As at 31-Mar-19	As at 31-Mar-18
7.	**Other - Non-current Financial Assets**		
	Derivative Asset on Loan Swap	**-**	3.48
	Total	**-**	3.48
8.	**Other non current assets**		
	Capital advance	**9.82**	1.14
	Prepaid expenses	**34.21**	25.68
	Lease prepayments	**3.60**	3.99
	Total	**47.63**	30.81

(All amounts are stated in Rupees in Crores unless otherwise stated)

Particulars		As at 31-Mar-19	As at 31-Mar-18
9. Inventories			
Raw material and components		**301.53**	213.90
Work in progress		**32.68**	15.53
Finished goods		**142.28**	93.15
Stock in trade		**0.28**	0.23
Stores and spares		**11.98**	8.72
Total		**488.75**	331.53
10. Trade receivables			
Trade Receivables considered good - Secured		**-**	-
Trade Receivables considered good - Unsecured		**323.63**	243.70
Trade Receivables which have significant increase in Credit Risk		**-**	-
Trade Receivables - credit impaired		**-**	-
		323.63	243.70
Less:Allowance for doubtful receivables		**-**	-
Total		**323.63**	243.70
11. Cash and bank balances			
(a) Cash & Cash Equivalents			
a) Balance with banks			
(i) in current accounts		**6.93**	6.01
b) Cash on hand		**0.57**	0.62
	Sub-Total	**7.50**	6.63
(b) Other bank balances			
(i) Bank deposits*		**4.54**	4.43
(ii) Unpaid dividend		**4.42**	4.11
(iii) Margin money deposit		**-**	0.30
	Sub-Total	**8.96**	8.84
Total		**16.46**	15.47

* Balances in deposits accounts subject to lien in favour of banks for obtaining bank guarantees/letter of credits

Particulars	As at 31-Mar-19	As at 31-Mar-18
12. Other financial assets		
Interest accrued on debentures	**5.00**	5.00
Accrued Income	**36.18**	24.90
Total	**41.18**	29.90
13. Other current assets (Unsecured, Considered good)		
(a) Advance other than capital advance -		
Other Advances:		
Advances to suppliers	**13.79**	19.59
	13.79	19.59
(b) Others		
Balance with service tax and sales tax authorities	**0.07**	-
Prepaid expenses	**2.51**	2.34
Lease prepayments	**0.37**	0.37
GST Input Tax Credit (Net) available for set-off/refund	**16.89**	-
Others	**0.47**	-
	20.31	2.71
Total	**34.10**	22.30

(All amounts are stated in Rupees in Crores unless otherwise stated)

Particulars	As at 31-Mar-19	As at 31-Mar-18
14. Equity share capital		
Authorised (1,00,00,000 equity shares at Rs.10 each) (PY 1,00,00,000 equity shares at Rs.10 each)	**10.00**	10.00
Subscribed and fully paid up (76,57,050 equity shares at Rs.10 each) (PY 76,57,050 equity shares at Rs.10 each)	**7.66**	7.66
Total	**7.66**	7.66

14.1 Reconciliation of number of shares in the beginning and at end of the year

FY 2018-19	Number of shares	Amount
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66

FY 2017-18	Number of shares	Amount
Balance as at the beginning of the year	76,57,050	7.66
Balance as at the end of the year	76,57,050	7.66

14.2 Shareholding more than 5 % of the shares of the Company

Name of the Company		
T.V. Sundram Iyengar & Sons Private Limited	**27.73%**	27.73%
Sundaram Industries Private Limited	**9.79%**	9.79%

14.3 Rights, preferences and restrictions attached to shares -

Equity shares - The Company has one class of equity shares having a par value of Rs. 10/- each. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

14.4 Shares held by holding / ultimate holding and / or their subsidiary / associates - NIL

14.5 The Company does not have any outstanding shares issued under options.

14.6 The Company does not have any bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (31st March, 2019).

15. Other equity		
Reserves and surplus		
Securities premium	**0.93**	0.93
General reserve	**31.01**	31.01
Capital reserve	**0.01**	0.01
Reserve on amalgamation	**0.46**	0.46
Surplus		
Opening balance	**604.84**	533.41
Profit for the year	**103.17**	117.61
Less : Appropriations		
Remeasurement of DBO	**(3.00)**	0.55
Final Dividends paid	**(30.63)**	(38.82)
Dividend distribution tax paid	**(6.30)**	(7.91)
Closing balance	**668.08**	604.84
Gains on Equity Instrument through Other Comprehensive Income		
Opening Balance	**9.35**	1.50
Fair Valuation of Investments	**25.67**	7.85
Closing Balance	**35.02**	9.35
Total	**735.49**	646.60

(All amounts are stated in Rupees in Crores unless otherwise stated)

Particulars	As at 31-Mar-19	As at 31-Mar-18
16 (a) Borrowings - Non current		
Term loans		
Secured		
From banks	**50.00**	18.72
Less: Amount Transferred to current maturities	**(3.12)**	(11.07)
Total	**46.88**	7.65

Additional Information :

Details of Security for Secured Loans:

A) Term Loan Availed from HDFC Bank is secured by exclusive first charge on the assets created out of the term loans.

B) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village,Madurai.

(b) NET DEBT RECONCILIATION

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cash and Bank Balances	**16.46**	15.47
ECB Swap Derivative	**-**	3.48
Current Borrowing* (Working Capital Loan)	**(362.69)**	(293.22)
Non - Current Borrowing plus Current maturities of long term debt	**(50.42)**	(19.05)
Total	**(396.65)**	(293.32)

Particulars	Other Assets		Borrowings		Total Net borrowings
	Cash and Bank Balances	ECB Swap Derivative	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at 1st April 2018	**15.47**	**3.48**	**(293.22)**	**(19.05)**	**(293.32)**
Cash Flows					
Increase/(Decrease) in cash and Bank Balances	0.99	-	-	-	0.99
Borrowings	-	-	(69.47)	(50.00)	(119.47)
Repayment/Receipt	-	-	-	18.72	18.72
Utilization of derivative instrument for loan repayment	-	(3.48)	-	-	(3.48)
Interest expense	-	-	(22.14)	(1.34)	(23.48)
Interest paid	-	-	22.14	1.25	23.39
(Net debt)/Cash & Bank Balances as at 31 March 2019	**16.46**	**-**	**(362.69)**	**(50.42)**	**(396.65)**

Particulars	Other Assets		Borrowings		Total Net borrowings
	Cash and Bank Balances	ECB Swap Derivative	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash & Bank Balances as at 1st April 2017	9.37	8.05	(276.14)	(39.16)	(297.88)
Cash Flows					
Increase/(Decrease) in cash and Bank Balances	6.10	-	-	-	6.10
Borrowings	-	-	(17.08)	-	(17.08)
Repayment	-	(4.57)	-	19.79	15.22
Interest expense	-	-	(20.16)	(2.06)	(22.22)
Interest paid	-	-	20.16	2.38	22.54
(Net debt)/Cash & Bank Balances as at 31 March 2018	**15.47**	**3.48**	**(293.22)**	**(19.05)**	**(293.32)**

*Includes accrued interest

17. Other Financial Liabilities		
Security deposit	**84.35**	85.57
Total	**84.35**	85.57

Particulars	**As at 31-Mar-19**	As at 31-Mar-18
18. Provisions		
(a) Non Current provisions for employee benefits		
Gratuity	**1.28**	-
Compensated absences	**8.28**	7.37
Total	**9.56**	7.37
(b) Current provisions for employee benefits		
Gratuity	**2.82**	2.91
Compensated absences	**1.14**	0.50
Total	**3.97**	3.41
19. Deferred Tax Liability (Net)		
i) Deferred Tax Liability		
a) On Account of Depreciation on Fixed Assets	**51.83**	45.19
b) On account of Liabilities/Provisions	**(4.34)**	(3.76)
c) On account of Ind AS fair value adjustments	**8.05**	1.92
Total	**55.54**	43.35
20. Other non current liabilities		
Deferred Government Grant (Capital Subsidy)	**0.24**	0.25
Deferred Income	**4.64**	5.22
Total	**4.88**	5.47
21. Borrowings (Current)		
Secured		
Loans repayable on demand from banks	**312.69**	293.22
Unsecured		
Loans repayable on demand from banks	**50.00**	-
Total	**362.69**	293.22

Additional Information :

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by a first charge by way of hypothecation of Stock of Raw Materials, Stores, Work-in-Progress, Finished goods and Book Debts. Working Capital facilities are also secured through a second charge on the assets created out of the term loans including: EM of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E, Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the Company.

22. Trade payables		
i) To Micro Small and Medium Enterprises (Refer Note 42)	**1.08**	-
ii) Others	**326.16**	174.49
Total	**327.24**	174.49
23. Other financial liabilities		
Capital creditors *	**25.37**	17.83
Current maturities of long term debt	**3.12**	11.07
Interest accrued but not due on borrowings	**2.61**	0.33
Unpaid dividends	**4.42**	4.11
Other payables	**119.20**	119.19
Total	**154.72**	152.53

* Includes Rs.2.80 crores of dues to MSME Creditors

(All amounts are stated in Rupees in Crores unless otherwise stated)

	Particulars		Year Ended 31-Mar-19	Year Ended 31-Mar-18
24.	**Other current liabilites**			
	Advances from customers		**3.49**	0.41
	Statutory payables		**3.84**	13.73
	Total		**7.33**	14.14
25.	**Revenue from operations**			
	Sale of products (Net of commision & discount)		**2,375.36**	2,196.98
	Other Operating Revenue		**6.40**	5.68
	Total		**2,381.76**	2,202.66
26.	**Other income**			
	Interest Income from bank deposits		**0.47**	0.33
	Others		**3.94**	4.16
		(a)	**4.41**	4.49
	Provision for Liability no longer required written back		**7.01**	10.88
		(b)	**7.01**	10.88
	Total (a) + (b)		**11.42**	15.37
27.	**Cost of materials consumed**			
	Opening Stock		**213.90**	255.55
	Add: Purchase (includes processing charges Rs.92.05 Cr (Previous year Rs 72.06 Cr)		**1,600.59**	1,188.26
	Sub-Total		**1,814.49**	1,443.81
	Less: Closing Stock		**301.53**	213.90
	Cost of Materials consumed		**1,512.96**	1,229.91
28.	**Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade**			
	Opening Stock of Finished goods &Traded goods		**93.38**	125.33
	Opening Stock of Work in progress		**15.53**	22.39
	Closing Stock of Finished goods & Traded Goods		**142.56**	93.38
	Closing Stock of Work in progress		**32.68**	15.53
	(Increase) / Decrease in Finished goods & Traded Goods		**(49.19)**	31.95
	(Increase) / Decrease in Work in progress		**(17.15)**	6.86
	Total (Increase) / Decrease in Stock		**(66.34)**	38.81
29.	**Employee benefit Expense**			
	(a) Salaries and wages		**223.02**	197.33
	(b) Contributions to -			
	(i) Superannuation Fund		**0.95**	0.92
	(ii) Gratuity fund contributions *		**2.31**	2.29
	(iii) Provident Fund and other funds		**13.07**	12.76
	(c) Remuneration to Whole time directors		**13.37**	13.65
	(d) Staff welfare expenses **		**20.71**	20.37
	Total		**273.42**	247.32

* Excludes Actuarial Gain/Loss on account of Gratuity, ** Excludes Actuarial Gain/Loss on account of Compensated absence

	Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
30.	**Finance costs**		
	Interest expense	**34.13**	29.34
	Other borrowing cost (inlcuding letter of credit and bill discounting charges)	**0.37**	0.36
	Total	**34.50**	29.70

(All amounts are stated in Rupees in Crores unless otherwise stated)

31. Other expenses

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Consumption of Stores & Spares	**54.49**	49.69
Power & Fuel	**99.78**	86.44
Repairs to building	**2.85**	5.87
Repairs to machinery	**13.43**	10.61
Repairs Others	**2.33**	2.48
Insurance	**4.91**	5.25
Rates & taxes	**10.76**	4.33
Telephone & Internet Charges	**1.07**	1.44
Travelling Expense	**15.88**	15.31
Exchange Rate Fluctuation Loss (Net)	**2.92**	2.34
Bank charges	**1.46**	1.55
Advertisement and sales Promotion	**31.21**	43.07
CSR Activities (Refer Note 43)	**4.43**	4.12
Freight Out	**85.71**	80.23
Advance written off	**0.16**	-
Bad Debts	**0.91**	-
Assets condemned	**0.12**	0.05
Commission to non Whole time directors	**0.81**	0.80
Director's sitting fees	**0.10**	0.07
Rent & Lease rentals	**22.00**	24.64
Auditor's Remuneration: (Refer Note 45)		
a) Audit fees	**0.25**	0.18
b) Others	**0.11**	0.05
Donation	**0.30**	0.02
Consultancy	**29.21**	26.92
Warranty Claims	**12.11**	13.74
Other expenses	**4.00**	3.67
Total	**401.31**	382.87

32. Reconciliation of effective tax rates

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income taxes to the income before taxes is summarised below:

Profit before taxes	**153.30**	169.25
Enacted tax rates in India	**34.94%**	34.61%
Expected tax expense/(benefit)	**53.57**	58.58
Items leading to difference in Effective Rate compared to Statutory Rate :		
Effect of Income tax exemption benefit u/s.80IC of the Income Tax Act with respect to Uttarakhand Plant	**(4.19)**	(5.19)
Additional tax benefit on account of Research & Development (Income & Expenditure)	**(6.76)**	(6.04)
Other Impacts due to allowances/disallowances as per IT Act	**2.45**	(0.41)
Effect of Excess Provison maintained	**0.93**	-
Others	**4.13**	4.70
Tax Expense as per P&L	**50.13**	51.64
Tax Charged to Other Comprehensive Income for		
Net loss/(gain) on remeasurement of Defined Benefit Plans	**(8.05)**	(1.87)

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
33. Details of Earnings Per Share		
Profits for the Year	**103.17**	117.61
Number of Equity Shares (Nos.)	**76,57,050**	76,57,050
Face Value of Shares (In Rupees)	**10**	10
Basic and Diluted Earnings per Share (In Rupees)*	**134.74**	153.60

* There are no potential dilutive equity shares

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
34. Employee benefit Liabilities - Compensated Absences		
Service cost	**2.33**	1.97
Interest cost	**0.54**	0.53
Actuarial (gain)/loss	**0.41**	(1.54)
Project benefit obligation at the end of the year	**9.42**	7.87
Present Value of Defined Benefits - Gratuity	**28.00**	24.64
Service cost	**2.15**	2.22
Interest cost	**2.11**	1.84
Actuarial (gain)/loss	**1.77**	0.40
Benefits paid	**(1.63)**	(1.10)
Project benefit obligation at the end of the year	**32.40**	28.00
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**25.09**	22.86
Interest income	**1.99**	1.78
Employers contribution	**2.91**	1.87
Benefits paid	**(1.63)**	(1.10)
Actuarial gain/(loss)	**(0.06)**	(0.32)
Fair value of plan assets at the end of the year	**28.30**	25.09
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	**32.40**	28
Fair value of plan assets at the end of year	**28.30**	25.09
Funded staus amount of liablity recognised in balance sheet	**4.10**	2.91
Expense recognised in statement of profit or loss		
Service cost	**2.15**	2.22
Interest cost	**2.11**	1.84
Interest income	**(1.99)**	(1.78)
Net gratutity cost	**2.26**	2.28
Actual return on plan asset	**1.93**	1.45
Summary of actuarial assumptions		
Discount rate	**7.75%**	7.63%
Expected rate of plan assets	**7.75%**	7.63%
Salary escalation rate	**5.00%**	6.00%
Attrition rate	**5.00%**	5.00%

Discount rate - based on prevailing market yeilds of Indian governement securitires as at the balance sheet date for estimated term of obligations expected rate of retun on plan assets - expectation of the average long term rate of return expected on investment of the funds druing the estimated terms of the obligations salary escalation rate - estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors contributions - the Company expects to contribute Rs. 4.10 Crores to its gratuity fund during the year ending Mar 31, 2019. The expected cash flows over the next few years are as follows:

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Within 1 year	**1.91**	2.05
2 to 5 years	**8.70**	8.30
6 to 10 years	**8.74**	7.44
more than 10 years	**13.04**	10.19

Sensitivity analysis of significant actuarial assumption

Particulars - Gratuity	31-Mar-19	
	% inc/dec in DBO	**Liability (Rs in Crores)**
Discount Rate + 100 basis points	-7.89%	29.84
Discount Rate - 100 basis points	9.09%	35.34
Salary growth rate + 100 basis points	9.05%	35.33
Salary growth rate - 100 basis points	-7.96%	29.82
Attrition Rate + 100 basis points	1.49%	32.88
Attrition Rate - 100 basis points	-1.66%	31.86
Mortality Rate 10% Up	0.06%	32.42

Particulars - Gratuity	31-Mar-18	
	% inc/dec in DBO	**Liability (Rs in Crores)**
Discount Rate + 100 basis points	-7.41%	25.92
Discount Rate - 100 basis points	8.49%	30.37
Salary growth rate + 100 basis points	8.18%	30.29
Salary growth rate - 100 basis points	-7.26%	25.96
Attrition Rate + 100 basis points	0.60%	28.16
Attrition Rate - 100 basis points	-0.67%	27.81
Mortality Rate 10% Up	0.04%	28.01

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

35. Segment reporting

The Company has identified manufacture and sale of tyres as the only reportable segment taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly disclosure of segment-wise information is not applicable under Ind AS 108 - Operating Segments.

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Exports	**242.38**	210.20
Domestic	**2,132.98**	1,986.78
Total	**2,375.36**	2,196.98

(All amounts are stated in Rupees in Crores unless otherwise stated)

36. Movement in provision for product warranty

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening Balance	**8.71**	8.71
Add: Provided during the year	**12.11**	13.74
Less: Claims made	**(12.11)**	(13.74)
Closing Balance	**8.71**	8.71

The estimated provision takes into account historical information frequency and average cost of warranty claims and the estimated future incidence of claims.

37. Related party and transactions

a) Related parties and their relationship

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the Company has had transaction during the years 2018-19 and 2017-18 as follows:

Entity with significant influence and its subsidiaries, associates and join venture

T V Sundram Iyengar & Sons Private Limited (holds more than 10 % shareholding)
Sundaram Industries Private Limited
TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited)
TVS Dynamic Global Freight Services Limited
TVS Auto Bangladesh
SI Air Springs Private Limited (formerly known as Firestone TVS Private Limited)
ZF India Private Limited (upto 03.06.2018)
ZF Friedrichshafen AG (upto 03.06.2018)
ZF Electronics Systems Pleasant Prairie LLC, USA (upto 03.06.2018)
ZF Electronics UK Limited (upto 03.06.2018)
ZF Electronics (Zhuhai) Company Limited (upto 03.06.2018)
TVS Automobile Solutions Private Limited

Subsidiaries

TVS Srichakra Investments Ltd.,
TVS Sensing Solutions Pvt. Ltd. (formerly known as ZF Electronics TVS (India) P Ltd (w.e.f 04 June 2018)

Associates

VanLeeuwen Tyres & Wheels B. V. Holland

Joint venture

TVS Sensing Solutions Pvt. Ltd. (formerly known as ZF Electronics TVS (India) P Ltd (till 03 June 2018)

Key Management Personnel/Relative of KMP's

Sri R. Naresh, Executive Vice Chairman
Ms Shobhana Ramachandhran, CEO & Managing Director
Sri R Haresh (Chairman/Director - M/s TVS Sensing Solutions Private Limited)

Independent and Non-Executive Directors

Sri M S Viraraghavan
Sri P Vijayaraghavan - Non Independent - Non Executive Director
Sri H Janardana Iyer
Sri V Ramakrishnan
Sri Rasesh R Doshi
Sri A Arumugam (up to 23-12-2018)
Sri Anantha Nageswaran (w.e.f 13-11-2018)

(All amounts are stated in Rupees in Crores unless otherwise stated)

b) Related party transaction and balance

Transactions for the year and balance as at Mar 31, 2019 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Subsidiaries	Joint venture	Key Management Personnel	Independent and Non-Executive Directors
Purchase of Goods	3.16	-	-	-	-
Sale of goods	18.42	-	-	-	-
Receipt of Services	11.51	-	-	-	-
Lease rent paid	-	0.18	-	0.05	-
Salaries and other benefits	-	-	-	4.98	-
Sitting fees	-	-	-	-	0.10
Commission	-	-	-	8.39	0.81
Canteen recovery	-	0.03	-	-	-
Subscription to Rights Issue	-	6.00	-	-	-
Amount Receivable	**7.57**	**0.51**	**-**	**-**	**-**
Amount Payable	**4.48**	**-**	**-**	**8.39**	**0.81**
OCD due from Subsidiary (including interest due)	**-**	**49.59**	**-**	**-**	**-**

Note: Investment in Associate has been fully provided for in the books

Transactions for the year and balance as at Mar 31, 2018 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Subsidiary	Joint venture	Key Management Personnel	Independent and Non-Executive Directors
Purchase of Goods	3.79	-	-	-	-
Sale of goods	13.44	-	-	-	-
Receipt of Services	16.58	-	0.02	-	-
Lease rent paid	-	0.20	-	0.04	-
Salaries and other benefits	-	-	-	4.46	-
Sitting fees	-	-	-	-	0.07
Commission	-	-	-	9.19	0.80
Canteen recovery from JV	-	-	0.22	-	-
Investments	11.71	-	-	-	-
Amount Receivable	**4.88**	-	**0.22**	-	-
Amount Payable	**2.43**	**0.14**	-	**9.19**	**0.80**
OCD due from Subsidiary (including interest due)	-	**49.59**	-	-	-

Note: Investment in Associate has been fully provided for in the books

38. Financial instruments

a. Derivative financial instruments

(i) Forward and option contract

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2019 and March 31, 2018 are given below:

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Forward contracts (Sell)	USD	**1,25,95,442**	80,26,496
	Euro	**70,110**	3,37,153
Forward contracts (Buy)	USD	**25,19,947**	33,28,268
	Euro	**17,37,070**	16,30,201
Gain/(loss) mark to market in respect of forward contracts outstanding	Rupees in Crores	**(1.81)**	(0.06)

All open forward exchange contracts mature within three-nine months from the balance sheet date.

(ii) Cross Currency Swap:

The Company had entered into a Cross Currency Swap (Principal Only Swap arrangement) in order to hedge the cash flows arising out of the principal and interest payments of the underlying INR term loan. The period of the swap contract had been co terminus with the period of the underlying term loan. As per the terms of engagement the Company had to pay USD fixed and received fixed INR principal and interest cash flows during the term of contract. The swap arrangement was marked to market and losses/ gains were recognised in the statement of profit and loss. The details of the outstanding balances and the mark to market losses recognised are as under:

Particulars	Value of oustanding INR term loan	Value of outstanding US principal	Mark to market Gain INR
Position as at Mar 31, 2019	-	-	-
Position as at Mar 31, 2018	11.07	22,50,000	(0.18)

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at Mar 31, 2019 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Asset			
Investment in Others	-	-	96.62
Investment in Subsidiary and Associate	8.05	-	-
Investment in Optionally Convertible Debentures	45.66	-	-
Employee advances	2.61	-	-
Derivative Asset on ECB Loan Swap	-	-	-
Security Deposits	29.88	-	-
Trade Receivables	323.63	-	-
Cash and Bank Balances	16.46	-	-
Interest accrued on debentures	5.00	-	-
Accrued income	36.18	-	-
Liabilities			
Loans from Banks	412.69	-	-
Interest accrued but not due	2.61	-	-
ECB Loan	-	-	-
Security Deposits	84.35	-	-
Trade payables	327.24	-	-
Capital Creditors	25.37	-	-
Other Creditors	119.20	-	-
Unpaid Dividends	4.42	-	-

(All amounts are stated in Rupees in Crores unless otherwise stated)

The carrying value and fair value of financial instruments by each category as at Mar 31, 2018 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Asset			
Investment in Others	-	-	63.65
Investment in Subsidiary and Associate	2.05	-	-
Investment in Optionally Convertible Debentures	44.87	-	-
Employee advances	2.24	-	-
Derivative Asset on ECB Loan Swap	-	3.48	-
Security Deposits	24.72	-	-
Trade Receivables	243.70	-	-
Cash and Bank Balances	15.47	-	-
Interest accrued on debentures	5.00	-	-
Accrued income	24.90	-	-
Liabilities			
Loans from Banks	297.22	-	-
Interest accrued but not due	0.33	-	-
ECB Loan	14.73	-	-
Security Deposits	85.57	-	-
Trade payables	174.49	-	-
Capital Creditors	17.83	-	-
Other Creditors	119.19	-	-
Unpaid Dividends	4.11	-	-

Details of financial assets pledged as collateral :

Carrying amount of financial assets as at Mar 31, 2019 and 2018 that the Company has provided as a collateral for obtaining borrowing and other facilities from the bankers are as follows :

Particulars	As at 31-Mar-19	As at 31-Mar-18
Fixed Deposits	**4.54**	4.43

c. Fair value measurement of financial instruments measured at fair value on recurring basis:

Particulars	As at 31-Mar-19		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	96.01	0.61
Derivative Asset on ECB Loan Swap	-	-	-

Particulars	As at 31-Mar-18		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	63.04	0.61
Derivative Asset on ECB Loan Swap	-	3.48	-

Level 1 - Unadjusted quoted prices In active market for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable outputs for the assets and liabilities

d. Interest income/(expense), gain/(losses) recognised on financial assets and liabilites

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
(a) Financial assets at amortised cost		
Interest income on bank deposits	**0.47**	0.33
interest income on other financial asset	**0.99**	0.64

(All amounts are stated in Rupees in Crores unless otherwise stated)

	Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
(b)	Financial liabilities at amortised cost		
	Interest expenses on borrowings from banks, others and overdrafts	**34.50**	29.70
(c)	Financial asset at FVTPL		
	Net gain/(losses) on fair valuation on derivative financial instruments	**0.18**	0.45
(d)	Financial asset at FVTOCI		
	Net gain/(losses) on fair valuation of investments	**32.97**	9.45

39. Financial risk management

The Company has exposure to the following risks from its use of financial instruments

39.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Credit risk is managed by the entity. Considering the credit risk assessment made by the management and based on past history, no provision towards expected credit loss was deemed necessary.

39.2 Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Long term borrowings		
- Upto 1 Year	**3.12**	11.07
- 1 to 3 Years	**46.88**	7.65
Short term borrowings		
- Upto 1 Year	**362.69**	293.22
Trade Payable		
- Upto 1 Year	**327.24**	174.49
Security Deposits from Customer		
- 1 to 3 Years	**12.35**	13.57
- More than 3 Years	**72.00**	72.00
Capital creditors		
- Upto 1 Year	**25.37**	17.83
Other Financial Liabilities		
- Upto 1 Year	**126.23**	123.63
Total	**975.88**	713.46

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**As at 31-Mar-19**	As at 31-Mar-18
Fixed Deposits with Banks		
- Upto 1 Year	**4.54**	4.73
Trade Receivables		
- Upto 1 Year	**323.63**	243.70
Loans to Subsidiary (Debentures)		
- 1 to 3 Years	**48.40**	47.61
Loan to Employees		
- 1 to 3 Years	**2.61**	2.24
Security Deposits		
- 1 to 3 Years	**29.88**	24.72
Other Financial Assets		
- Upto 1 Year	**36.18**	24.90
Unpaid Dividend		
- Upto 1 Year	**4.42**	4.11
Cash & Cash Equivalents		
- Upto 1 Year	**7.50**	6.63
Investment in Unquoted Shares		
- More than 3 Years	**106.93**	67.96
Total	**564.10**	426.60

The Company has access to committed credit facilities as described below, of which Rs.57.31 cr were unused at the end of the reporting period (as at March 31, 2018 Rs.26.78 cr). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Unsecured bank overdraft facility, reviewed annually and payable at call:	**As at 31-Mar-19**	As at 31-Mar-18
Amount used	**312.69**	293.22
Amount unused	**57.31**	26.78

39.3 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

39.3.1 Commodity Price Risk - The primary commodity price risks that the Company is exposed to include rubber prices that could adversely affect the value of the Company's financial assets or expected future cash flows.

39.3.2 Foreign currency risk management - The Company imports raw materials from outside India as well as make export sales to countries outside India. The Company is, therefore, exposed to foreign currency risk principally arsing out of foreign currency movement against the Indian Currency. Foreign currency exchange risks are managed by entering into forward contracts against firm purchase commitment and receivables.

39.3.2.1 The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balance as at 31-Mar-19

Particulars	**Exchange Rate**	**Amount in Foreign Currency**	**Amount in INR (crores)**
Trade Receivables (Assets)			
USD	68.43	0.28	18.96
EUR	76.30	0.19	14.71
Trade Payables (Liabilities)			
USD	69.93	0.25	17.24
EUR	79.02	0.01	0.58

Balance as at 31-Mar-18

Particulars	Exchange Rate	Amount in Foreign Currency	Amount in INR (crores)
Trade Receivables (Assets)			
USD	64.49	0.35	22.83
EUR	79.81	0.24	19.29
Trade Payables (Liabilities)			
USD	65.34	0.17	11.04
EUR	81.51	-	0.16
JPY	62.20	0.49	30.52

39.3.2.2 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR and EURO-INR currency pair, sensitivity of profit/(loss) only on outstanding foreign currency denominated monetary items at the period end is presented below:

The Company's foreign currency sensitivity analysis at the end of the reporting period expressed in INR, are as follows:

Particulars	31-Mar-19		31-Mar-18	
	USD	EUR	USD	EUR
Impact on Receivables due to +/- 5% Change in Currency Rates	**0.95**	**0.74**	1.14	0.96
Impact on Payables due to +/- 5% Change in Currency Rates	**0.86**	**0.03**	0.55	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

39.3.2.3 Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency payments and receipts 100% of the exposure generated.

39.3.3 Interest rate risk management

The Company is exposed to interest rate risk because of borrowal of short term funds at floating interest rates.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2019 would decrease/increase by Rs.2.04 Cr; as against Rs.1.54 Cr for the year ended March 31, 2018.

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, general reserve and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of borrowings and related covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Interest-bearing loans and borrowings	**412.69**	323.01
Less: cash and short-term deposits	**12.05**	11.06
Net debt	**400.65**	311.95
Equity Capital	**7.66**	7.66
Other Equity	**735.49**	646.60
Total capital	**743.15**	654.26
Gearing ratio	**0.54**	0.48

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are stated in Rupees in Crores unless otherwise stated)

41. Commitments and Contingencies

	Particulars	As at 31-Mar-19	As at 31-Mar-18
a)	Estimated amount of contract remaining to be executed on capital account	**51.52**	40.28
b)	Letter of Credit opened by Company's Bankers	**54.67**	30.96
c)	Excise duty and service tax under dispute	**13.87**	12.04
d)	Sales Tax under dispute	**5.58**	1.17
e)	Income Tax under dispute	**0.09**	1.30
f)	Provident Fund	**4.00**	-
g)	Customs duty on goods lying at Bonded warehouse	**0.07**	1.10

42. Due to micro and small enterprises

Principal amount due to a suppliers registered under the MSMED Act and remaining unpaid as at year end	**3.88**	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.03**	-
Principal amounts paid to suppliers registered under the MSMED Act beyond the appointed day during the year	**2.78**	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**0.03**	-
Futher interest remaining due and payable for earlier years	**-**	-

Note: Out of Rs. 3.88 crores of MSMED payable, Rs.1.08 crores relates to Trade Payables & Rs. 2.80 crores relates to Capital Creditors

43. Contribution to corporate social responsibilities

Sec 135 of Companies Act 2013, requires Company to spend towards corporate social responsibility.

The Company is expected to spend Rs.4.38 crores in compliance to this requirement. A sum of Rs. 4.43 crores has been spent during the current year towards (including 0.06 crore unspent in previous year) CSR acitivities as explained below. Balance amount to be spent is Rs.Nil.

CSR Expenditure			
Amount required to be spent under Section 135 of the Companies Act, 2013		**4.38**	4.18
Amount spent during the year on:			
i)	Construction/acquisition of an asset	**-**	-
ii)	Purposes other than (i) above	**4.43**	4.12
Amount unspent		**-**	0.06

44. Research and Development Expenditure

Capital expenditure		
Plant & Machinery	**3.25**	7.45
Electrical Installations	**4.03**	0.01
Vehicles	**0.04**	0.07
Computers	**-**	0.02
Furniture	**0.53**	0.01
Buildings	**2.09**	0.15
Intangible Assets	**0.05**	0.03
Office Equipment	**0.07**	-
Capital Work in Progress	**0.91**	2.79
Total	**10.97**	10.53
Revenue Expenditure		
Raw Materials consumed	**1.49**	1.35
Stores & Spares consumed	**0.78**	0.20
Allowances	**6.60**	5.57
Rent including lease rentals	**0.02**	-
Rates & Taxes	**1.39**	0.78

Particulars	As at 31-Mar-19	As at 31-Mar-18
Insurance	**0.01**	0.05
Travelling expenses	**1.72**	1.62
Repairs & Maintenance	**0.89**	1.22
Consultancy-Foreign	**5.57**	3.96
Consultancy-Domestic	**0.15**	0.29
Freight	**0.04**	-
Power	**-**	0.67
Others	**0.51**	1.35
Total	**19.16**	17.06
Total Research and Development Expenditure	**30.13**	27.59

45. Details of Auditor's Remuneration

a)	Statutory Audit	**0.25**	0.15
b)	Taxation	**0.03**	0.00
c)	Certification	**0.03**	0.03
d)	Towards reimbursement of expenses	**0.05**	0.05
	Total	**0.36**	0.23

46. Lease committments

The Company has taken few vehicles on financial lease and few machineries on operating lease. The future minimum lease payment under finance lease as at Mar 31 2019 and at Mar 31 2018 are as follows:

Payable not later than one year	**0.25**	17.78
Payable later than one year and not later than 5 years	**0.75**	1.00
Payable later than 5 years	**-**	-
Total	**1.00**	18.78

47. Dividend

An amount of Rs.40 per share (400 %) (PY - Rs.40 per share [400%]) has been recommended by the board of directors towards dividend aggregating to Rs.30.63 crores excluding Dividend Distribution Tax.

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For **PKF SRIDHAR & SANTHANAM LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of TVS Srichakra Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Srichakra Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition:

a. Description:

The Company recognizes revenue of sale of products on the following basis:

(i) OE Manufacturers:

Revenue is recognized only on delivery being made at the OE factory site

Price variance for the change in input costs is adjusted through debit / credit notes on the same after being approved by the concerned OE

(ii) After Market:

Sales to dealers in the after-market segment is accounted on despatch being effected from the depots.

Credit notes for schemes and discounts are estimated and accounted in the period when the sales revenue is recorded itself as a reduction from the revenue recognized. Actual credit notes issued are adjusted against such provisions made on a periodical basis.

Considering:

- the new accounting standard Ind AS 115 – Revenue from Customers has also been implemented,
- magnitude and high volume of sales transactions carried out, and
- estimation involved in price variance accounting as well as accruals for discounts and schemes;

revenue recognition represented a key audit matter in the audit

b. Our response:

Our audit procedures included verification of existence, completeness, accuracy and cut-off for the sales transactions.

Our tests included performance of an understanding and evaluation of the internal controls over the revenue recognition and a validation of relevant controls.

The tests further covered the proper recognition of revenue through testing of samples of sales transactions, obtaining appropriate supporting evidence with specific attention to key contractual terms that regulate the various performance obligations.

Our audit procedures included analytical review of sales transactions and accounting of revenue.

It also extended to performing confirmation procedures over trade receivables with the objective of validating trade receivable balances, testing samples of credit notes and year-end accruals.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion and Analysis Report (MDA), Report on Corporate Governance, Financial Highlights and Business Responsibility Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the Holding Company and its subsidiaries as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and its subsidiaries, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 43 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, incorporated in India.

As required by Section 197(16) of the Act, we report that the remuneration paid by the Group to its Directors is in accordance with the prescribed provisions and the remuneration paid to every Director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
Membership No. 027251

Place : Madurai
Date : 23.05.2019

ANNEXURE A INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of TVS Srichakra Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of TVS Srichakra Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
T V Balasubramanian
Partner
Membership No. 027251

Place : Madurai
Date : 23.05.2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

(All amounts are in Crores of Rupees unless otherwise stated)

(Rs in Crores)

		Particulars	Note	As at 31-Mar-19	As at 31-Mar-18
I.	**ASSETS**				
1	**Non-current assets**				
	(a)	Property, Plant and Equipment	3	**631.97**	586.99
	(b)	Capital work-in-progress		**33.37**	26.16
	(c)	Investment Property	5	**24.88**	25.23
	(d)	Other Intangible assets	4	**5.61**	7.97
	(e)	Intangible assets under development		**0.61**	0.12
	(f)	Investment in Joint Venture accounted using equity method	6(a)	**-**	4.82
	(g)	**Financial Assets**			
		(i) Investments	6(b)	**96.62**	63.65
		(ii) Loans	7	**32.50**	26.95
		(iii) Others	8	**0.16**	3.48
	(h)	Income tax assets (net)	26	**9.69**	5.51
	(i)	Other non-current assets	9	**48.10**	30.89
2	**Current assets**				
	(a)	Inventories	10	**498.59**	331.52
	(b)	Financial Assets			
		(i) Trade receivables	11	**336.61**	243.74
		(ii) Cash and cash equivalents	12(a)	**9.03**	13.04
		(iii) Bank balances other than (ii) above	12(b)	**8.96**	8.84
		(iv) Others	13	**36.37**	24.89
	(c)	Other Current Assets	14	**36.19**	22.30
		TOTAL ASSETS		**1,809.26**	1,426.10
II.	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a)	Equity Share capital	15	**7.66**	7.66
	(b)	Other Equity	16	**720.60**	631.24
2	**Liabilities**				
	Non-current liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	17(a)	**46.88**	7.65
		(ii) Other financial liabilities (other than those specified above)	18	**84.36**	85.57
	(b)	Provisions	19(a)	**9.69**	7.37
	(c)	Deferred tax liabilities (Net)	20	**53.57**	43.35
	(d)	Other Non-current liabilities	21	**5.00**	5.47
	Current liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	22	**370.26**	293.22
		(ii) Trade payables			
		Total outstanding dues of micro and small enterprises	23	**1.28**	-
		Total outstanding dues of creditors other than micro and small enterprises	23	**333.41**	174.49
		(iii) Other financial liabilities (other than those specified above)	24	**162.50**	152.53
	(b)	Other current liabilities	25	**9.39**	14.14
	(c)	Provisions	19(b)	**4.66**	3.41
		TOTAL EQUITY AND LIABILITIES		**1,809.26**	1,426.10
Significant Accounting Policies & Notes to Financial Statement			**1-51**		

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(All amounts are in Crores of Rupees unless otherwise stated)

(Rs in Crores)

	Particulars	Note	Year ended 31-Mar-19	Year ended 31-Mar-18
I.	Revenue from operations	27	**2,430.98**	2,202.76
II.	Other income	28	**12.00**	15.37
III.	**Total Income (I + II)**		**2,442.98**	2,218.13
IV.	**Expenses:**			
	Cost of materials consumed	29	**1,538.94**	1,229.91
	Purchase of Stock-in-trade		**4.83**	1.55
	Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	30	**(67.22)**	38.81
	Excise Duty		**-**	50.41
	Employee benefits expenses	31	**281.29**	247.32
	Finance costs	32	**35.70**	29.70
	Depreciation and amortization expenses	3&4	**84.77**	68.57
	Other expenses	33	**411.38**	382.88
	Total expenses		**2,289.69**	2,049.15
V.	Profit before exceptional items and tax (III-IV)		**153.29**	168.98
VI.	Exceptional items		**-**	-
VII.	Profit before tax (V - VI)		**153.29**	168.98
VIII.	Tax Expense:			
	(1) Current Tax		**46.12**	46.94
	(2) Deferred Tax		**3.90**	4.70
IX.	Profit for the year from continuing operations (VII-VIII)		**103.27**	117.34
X.	Profit from discontinued operations		**-**	-
XI.	Tax expense of discontinued operations		**-**	-
XII.	Profit from discontinued operations (after tax) (X-XI)		**-**	-
XIII	Profit for the year (IX+XII)		**103.27**	117.34
XIV	Share of Profit from Joint Venture		**(0.33)**	(1.20)
XV	Minority Interest		**-**	-
XVI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gains on equity through Other Comprehensive Income		**32.97**	9.45
	Remeasurement of Net Defined Benefit Liability/Asset		**(2.28)**	0.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(8.04)**	(1.87)
	B (i) Items that will be reclassified to Profit or loss and income tax theron		**-**	-
	Share of Other Comprehensive Income of Joint venture		**-**	-
XVII	Total Comprehensive Income for the year (XIII+XIV+XV+XVI)(Comprising Profit and Other Comprehensive Income for the year)		**125.59**	124.54
XVIII	Earnings per equity share (for continuing operations):			
	- Basic & Diluted (Refer Note 35)		**134.43**	151.67
XIX	Earnings per equity share (for discontinued operations):			
	- Basic & Diluted			
XX	Earnings per equity share (for discontinued & continuing operations)			
	- Basic & Diluted		**134.43**	151.67

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Crores of Rupees unless otherwise stated)

(Rs in Crores)

		31.03.2019		31.03.2018	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before tax		**153.29**		168.98
	Adjustments for :				
	Effect of Acquisition (Refer Note 50)	**(12.96)**		-	
	Depreciation	**84.77**		68.57	
	Finance Costs	**35.70**		29.70	
	Loss/(Gain) due to Exchange rate fluctuations	**2.98**		2.34	
	Interest received	**(12.00)**		(15.37)	
	(Profit)/loss on Sale of Assets	**-**		-	
	Bad Debts	**0.91**		-	
	Advances Written off	**0.19**		-	
	Deferred Government Grant	**-**		(0.02)	
	Changes in Fair Value of Financial Assets	**-**		-	
	Assets Condemned	**0.12**		0.05	
	Non operating income	**-**		-	
	Fair value change in employee benefits	**3.01**		0.82	
			102.73		86.09
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**256.02**		255.07
	Adjustments for :				
	Trade Receivables	**(96.94)**		(40.08)	
	Other Receivables	**(46.75)**		(9.02)	
	Inventories	**(167.07)**		80.26	
	Trade and other payables	**168.78**		(52.92)	
			(141.98)		(21.76)
	Cash Generated From Operations		**114.04**		233.31
	Less: Direct taxes paid		**50.02**		47.86
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**64.02**		185.45
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets	**(134.88)**		(104.80)	
	Proceeds from disposal of assets	**-**		-	
	Investments Purchased	**4.82**		(11.71)	
	Bank deposits	**(0.12)**		(1.15)	
	Advances given	**(2.22)**		-	
	Interest received	**12.00**		15.37	
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(120.40)**		(102.29)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Interest paid	**(35.70)**		(30.02)	
	Proceeds / (Repayment) from short term borrowings	**38.01**		17.08	
	Proceeds / (Repayment) of long term borrowings	**87.01**		(19.78)	
	Dividend & Dividend tax paid	**(36.94)**		(45.87)	
	NET CASH FLOW FROM FINANCING ACTIVITIES: (C)		**52.37**		(78.59)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(4.00)**		4.57
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		**13.04**		8.47
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**9.03**		13.04

Refer Note 17(b) for Net Debt Reconciliation

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2019

(All amounts are in Crores of Rupees unless otherwise stated)

(a) Equity share capital

Particulars	Amount
Balance as at March 31, 2017	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**7.66**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**7.66**

(b) Other Equity

Particulars	Reserves and Surplus						Equity Instrument through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Amalgamation Reserve	Retained Earnings	Share of Net Worth in Joint venture		
Balance as at March 31, 2017	**0.01**	**0.93**	**31.01**	**0.46**	**525.52**	**(6.00)**	**1.50**	**553.43**
Total Comprehensive income for the year	-	-	-	-	0.55	-	7.85	8.40
Dividends including Dividend Distribution Tax	-	-	-	-	(46.73)	-	-	(46.73)
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	117.34	(1.20)	-	116.14
Balance as at March 31,2018	**0.01**	**0.93**	**31.01**	**0.46**	**596.68**	**(7.20)**	**9.35**	**631.24**
Total Comprehensive income for the year	-	-	-	-	(3.01)	-	25.67	22.65
Dividends including Dividend Distribution Tax	-	-	-	-	(36.94)	-	-	(36.94)
Transfer to Retained Earnings from Profit & Loss	-	-	-	-	103.27	(0.33)	-	102.94
Effect arising from Acquisition as Subsidiary of an erstwhile Joint Venture	0.10	-	2.46	-	(9.38)	7.53	-	0.71
Balance as at March 31,2019	**0.11**	**0.93**	**33.47**	**0.46**	**650.62**	**-**	**35.02**	**720.60**

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

1. Corporate Information

TVS Srichakra Limited ('TSL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at TVS Building, 7-B West Veli Street, Madurai 625001. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in the business of two-wheeler, three-wheeler and other industrial tyre manufacturing.

The Consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 23, 2019.

2. Significant Accounting Policies

a) Basis of preparation and Consolidation

The consolidated financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain financial instruments and long term employee benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. GAAP comprises Indian Accounting standards as specified in Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Rules 2015 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on a going concern basis.

The Consolidated financial statements comprise the financial statements of TVS Srichakra Limited (the holding company), its subsidiaries TVS Srichakra Investments Limited and TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited) (the holding company, its subsidiary is referred to as the "Group")

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in Note 2(y). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Statement of Compliance with Ind AS

The Consolidated Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2019 have been prepared in accordance with Ind AS as notified above.

c) Changes in Accounting Standards

There were certain amendments to the Accounting Standards which were applicable from this financial year, namely

i. Ind AS 115, which combines, enhances and replaces specific guidance on recognizing revenue with a single standard. It defines a new five-step model to recognize revenue from customer contracts,

ii. Amendment to Ind AS 40 providing the principle for transfer of asset to, or from, Investment Property,

iii. Amendment to Ind AS 21 requiring determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized,

iv. Amendment to Ind AS 20 providing an alternative to the erstwhile presentation, whereby - Government grant related to assets can also be presented by deducting the grant from the carrying amount of the asset; and Non-monetary grant can be recognized at a nominal amount.

v. Amendment to Ind AS 12 requiring segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognize deferred tax asset. Further, consequential amendment has been made to state that deferred tax is not required to be recognized in respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

vi. Amendment to Ind AS 16, whereby consequential amendment states that carrying amount of an item of PP&E may be reduced by government grants in accordance with Ind AS 20.

vii. Amendment to Ind AS 38, whereby consequential amendment states that intangible asset acquired free of charge or for a nominal amount, by way of government grant, may be recognized at fair value or a nominal amount.

viii. Amendment to Ind AS 28 permits the election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organizations, and,

ix. Amendment to Ind AS 112 provides the Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation.

The Group had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the group. None of the other amendments had any effect on the group's financial statements.

d) Changes in Accounting Standards that may affect the Group after 31st March, 2019

(i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Group is assessing the impact on its financial statements from adopting Ind AS 116 and plans to adopt the standard as at April 1, 2019.

(ii) Other Amendments

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;
(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
(iii) income tax consequences in case of dividends;
(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
(vi) accounting for prepayment features with negative compensation in case of debt instruments;
(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Group's financial statements.

e) Functional and Presentation Currency

Items included in financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the functional currency of the Group.

The Financial Statements are presented in Indian Rupees which is Group's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Crore (Cr) with two decimals except where otherwise indicated.

f) Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Critical Judgments in applying accounting policies

i. Classification of investment in TVS Automobile Solutions Private Limited

The Company holds investments in equity shares of TVS Automobile Solutions Private Limited ("TVS ASPL"). In the opinion of the management, TVS ASPL is not considered to be an associate of the Company. Accordingly, the investment in their shares have been designated as investment at FVTOCI.

ii. Lease classification

The Group enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Assumptions and Key Sources of Estimation Uncertainty

i. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 2(x).

ii. Provisions for liabilities and charges

The value of provisions recognized in the Financial Statements represent the best estimate to date made by management for a range of issues. This estimate entails the adoption of assumptions which depend on factors that may change over time and which could therefore have a significant impact on the current estimates made by management in preparing the Financial Statements.

iii. Useful life of Property, Plant & Equipment (PPE)

The Group reviews the estimated useful lives of PPE at the end of each reporting period.

iv. Employee Benefits - Defined Benefit Obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

g) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

h) Financial Instruments

i. Financial Assets - Investments

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognized immediately in statement of profit and loss). Purchase or sales of financial assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date.

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using Effective Interest Rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss.

The Group while applying above criteria has classified the following at amortized cost

a) Trade receivable

b) Other financial assets

ii. Financial asset at FVTOCI

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income

Equity instruments held for trading are classified as FTVPL. For other equity instruments the Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI excluding dividends, are recognized in other comprehensive income (OCI).

iii. Financial asset at FVTPL

All fair value changes are recognized in the Statement of Profit and loss.

Derecognition of financial asset

Financial assets are derecognized when the contractual right to cash flows from the financial asset expires or the financial asset is transferred, and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognized in the statement of profit and loss (except for equity instruments designated as FVTOCI).

Impairment of financial asset

Trade receivables, lease receivables under Ind AS 109, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for their respective financial asset

a) Trade receivable

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

b) Other financial assets

Other financial assets are tested for impairment and expected credit losses are measured at an amount equal to 12 month expected credit loss. If the credit risk on the financial asset has increased significantly since initial recognition, then the expected credit losses are measured at an amount equal to life-time expected credit loss.

iv. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortized cost
- at fair value through the statement of profit and loss

Financial liabilities at amortized cost

The group is classifying the following under amortized cost;

a) Borrowings from banks

b) Borrowings from others
c) Finance lease liabilities
d) Trade payables
e) Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through statement of profit and loss

Financial liabilities held for trading are measured at FVTPL.

De-recognition of financial liabilities

A financial liability is de-recognized when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

v. Derivative financial instruments

Foreign exchange forward contracts and options are entered into by the Group to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The group also enters into cross currency interest rate swaps for hedging the risk against variability in cash flows of its term loan. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

vi. Hedge accounting

The group has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

vii. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in Balance Sheet when, and only when, the Group has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

viii. Reclassification of financial assets

In case of any reclassification, the group applies the reclassification prospectively and does not restate any previously recognized gains, losses (Including impairment gains, or losses) or interest.

i) Share capital and Dividend to Shareholders

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognized as deduction from equity, net of any tax effects.

Dividend distribution to equity shareholders is distribution to owners of capital in statement of changes in equity, in the period in which it was paid. Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the respective Company's Board of Directors.

j) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The cost of day to day servicing of property, plant and equipment are recognized in statement of profit or loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss under straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased asset are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Assets costing Rs.5000 or below acquired during the year considered not material are depreciated in full retaining Rs.1 per asset. The Useful life has been considered in line with schedule II except in the following cases which are based on technical estimates.

Estimated useful life in years:

Particulars	Useful life
Plant and Machinery other than generator sets	20 years
Electronics	6 years
Moulds / trolleys / weighing balance / drums / PCI stand / Storage stand / motor / pump	6 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

k) Intangible assets

Intangible assets that are acquired by the group, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in the statement of profit and loss.

Amortization of intangible asset with finite useful lives

Amortization is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software License is amortised over 5 years.

l) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes) and that is not meant for use by the company. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful life.

The useful life of Investment properties – Buildings have been estimated at 30 years. The useful life has been determined based on technical evaluation performed by management expert. Based on management's estimate, the residual value has been considered as NIL.

m) Impairment of Non-financial assets

The carrying amount of the Group's non-financial asset, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use and its fair value less cost to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows into continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

n) Leases

At the inception of a lease, the lease arrangement is classified either as finance or operating lease, based on the substance of the lease arrangement.

Asset taken on Finance lease:

A financial lease is recognized as an asset and liability at the commencement of lease, at lower of the fair value of leased asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payment made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease:

Assets taken on operating leases are not recognized in the Balance Sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

Assets given on operating lease:

Assets given on operating lease are depreciated over the useful life of the assets. Assets subject to operating lease are included under Investment Property head in the Balance Sheet. Lease income on an operating lease is recognized in the statement of profit and loss as per the lease terms.

Deposits provided to lessors:

Any lease deposits paid by the Group to the lessors are discounted to its fair value and the difference between the fair value and the deposit amount is recognized as pre-payments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight-line basis over the lease term as lease rental expense.

o) Inventories

Inventories are measured at the lower of cost (determined using Weighted average method) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Cost includes direct material cost, direct labour cost, taxes and duties (other than duties and taxes for which input credit is available), freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

q) Revenue recognition

Revenue is recognized on their accrual and when no significant uncertainty on measurability or collectability exists.

Revenue from the sale of goods is recognized when the performance obligations towards customers have been met at an amount that reflects the consideration to which the group believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns, excise duty and GST. Variable consideration in the form of trade discounts and volume rebates are netted off from revenue. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale.

Considering the general terms of sales, there is no significant financing element included in the sales consideration.

Revenue from lease rentals is recognized on time proportionate basis. In case of uncertainty in realization of the lease rentals, recognition of such income is deferred.

Subsidies on export and other incentives

Government Subsidies and incentives, in the nature of Business Support Subsidy and MEIS are recognized when there is a reasonable assurance that the condition attaching to the incentive would be complied with and incentives will be recognized. Government grant received relating to assets are treated as Deferred Revenue and are recognized over the period in which the economic benefit is expected from such assets.

r) Employee benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group, as detailed below:

i. Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the statement of profit and loss when incurred.

ii. Defined benefit plan (gratuity)

In accordance with applicable Indian laws, the Group provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Group recognizes all re-measurements of net defined benefit liability / asset directly in other comprehensive income and presented within retained earning under equity.

iii. Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iv. Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Group recognizes an obligation for compensated absences in the period in which the employee renders the services. The Group provides for the expected cost of compensated absence in statement of profit or loss as additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

s) Finance Income and expense

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on date when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

t) Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the respective Company in the group which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Group capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

u) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company in the group is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company in the group is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

(i) The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss

(ii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

(iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity-method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the Investor company's share of the income and expenses of the equity-method accounted investee is recorded in the statement of profit and loss after considering any taxes on dividend payable by equity-method accounted investee and no deferred tax is set up in the books as the tax liability is not with the Company.

v) Foreign Currency Transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in statement of profit and loss for determination of net profit or loss during the period.

w) Earnings per share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

x) Fair value measurements

Ind AS requires the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - Unadjusted quoted prices in active market for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable outputs for the assets and liabilities

For assets and liabilities that are recognized in the financial statement at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and/or disclosures purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting period. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, in respect of such financial statements, fair value generally approximates the carrying amount due to the short-term nature of such assets. This fair value is determined for disclosure purpose or when acquired in a business combination.

(iii) Lease Security Deposits

Lease deposits paid by the group to the lessors are discounted to its fair value based on the market rate of interest at the reporting date. For operating lease, where the interest rate implicit in the lease contract is not available, the market rate of interest is determined by reference to the interest on bank deposits.

(iv) Derivatives

The fair value of forward exchange contracts is based on quoted price. Fair value reflects the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group and the counter party when appropriate.

(v) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flow discounted at the market rate of interest at the reporting date. For financial lease, the market rate of interest is determined by reference to similar lease agreements.

y) Current and non-current classification

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Group’s normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

z) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

aa) Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The group’s reportable segment is classified into:

a. Manufacturing of two-wheeler, three-wheeler and other industrial tyres and tubes.

b. Others

bb) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(All amounts are in Crores of Rupees unless otherwise stated)

3. Property, plant and equipment

The following table presents the changes in PPE during the year ended Mar 31, 2019

Particulars	Original cost				Depreciation				Net book value	
	As at Apr 1, 2018	Additions / Effect of Acquisition*	Deletions during the year	As at Mar 31, 2019	As at Apr 1, 2018	For the year / Effect of Acquisition*	Disposals	As at Mar 31, 2019	As at Mar 31, 2019	As at Mar 31, 2018
Freehold Land (Refer Note 1 below)	38.85	4.30	-	**43.15**	-	-	-	**-**	**43.15**	38.85
Building	171.86	30.77	-	**202.63**	14.49	7.54	-	**22.03**	**180.60**	157.37
Plant and Machinery	367.72	80.82	1.32	**447.22**	95.40	52.14	1.27	**146.27**	**300.96**	272.32
Furniture and Fittings	8.08	2.95	0.17	**10.86**	1.86	1.44	0.11	**3.19**	**7.67**	6.22
Vehicles	1.32	0.56	0.09	**1.79**	0.46	0.21	0.07	**0.60**	**1.19**	0.86
Office equipment	12.36	4.03	1.56	**14.83**	5.33	3.53	1.56	**7.30**	**7.54**	7.03
Others (electrical)	147.07	9.20	0.03	**156.24**	42.73	22.65	0.02	**65.37**	**90.87**	104.34
Total	**747.26**	**132.63**	**3.17**	**876.72**	**160.27**	**87.51**	**3.03**	**244.75**	**631.97**	**586.99**

The following table presents the changes in PPE during the year ended Mar 31, 2018

Particulars	Original cost				Depreciation				Net book value	
	As at Apr 1, 2017	Additions during the year	Deletions during the year	As at Mar 31, 2018	As at Apr 1, 2017	For the year	Disposals	As at Mar 31, 2018	As at Mar 31, 2018	As at Mar 31, 2017
Freehold Land	37.08	1.77	-	38.85	-	-	-	-	38.85	37.08
Building	144.24	27.62	-	171.86	8.78	5.71	-	14.49	157.37	135.46
Plant and Machinery	287.16	80.57	0.01	367.72	56.58	38.82	-	95.40	272.32	230.58
Furniture and Fittings	6.47	1.61	-	8.08	1.03	0.83	-	1.86	6.22	5.44
Vehicles	1.28	0.09	0.05	1.32	0.31	0.16	0.01	0.46	0.86	0.97
Office equipment	7.59	4.77	-	12.36	3.24	2.09	-	5.33	7.03	4.35
Others (electrical)	108.39	38.68	-	147.07	24.78	17.95	-	42.73	104.34	83.61
Total	**592.21**	**155.11**	**0.06**	**747.26**	**94.72**	**65.56**	**0.01**	**160.27**	**586.99**	**497.49**

Notes:

1. Additions during the year Includes Rs.3.53 crores of freehold land acquired via exchange of residential units to residents near the factory.
2. *Additions to Gross Block and Accumulated Depreciation includes the effect of acquistion of additional stake in TVS Sensing Solutions P Ltd (formerly known as ZF Electronics TVS (India) Pvt Ltd) as detailed in Note 50.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Crores of Rupees unless otherwise stated)

Note: The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e 1st of April 2015 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. Refer below for the gross block value and the accumulated depreciation on 1st of April 2015 under previous GAAP.

Particulars	**Gross block as on 01.04.2015**	**Accumulated depreciation as on 01.04.2015**	**Net block as on 01.04.2015**
Freehold Land	1.96	-	1.96
Building	87.82	16.06	71.76
Plant and Machinery	265.94	134.01	131.93
Furniture and Fittings	7.33	5.03	2.30
Vehicles	1.96	0.81	1.15
Office equipment	9.71	6.15	3.56
Others (electrical)	66.35	16.25	50.10
Total	**441.07**	**178.31**	**262.76**

4. Intangible assets

The following table presents the changes in Intangible Assets during the year ended Mar 31, 2019

Particulars	Original cost				Amortisation				Net book value	
	As at Apr 1, 2018	Additions / Effect of Acquistion*	Deletions during the year	**As at Mar 31, 2019**	As at Apr 1, 2018	For the year / Effect of Acquisition*	Disposals	**As at Mar 31, 2019**	**As at Mar 31, 2019**	As at Mar 31, 2018
Computer software	13.89	0.71	-	**14.60**	5.92	3.06	-	**8.99**	**5.61**	7.97
License	-	-	-	**-**	-	-	-	**-**	**-**	-
Total	**13.89**	**0.71**	**-**	**14.60**	**5.92**	**3.06**	**-**	**8.99**	**5.61**	7.97

The following table presents the changes in Intangible Assets during the year ended Mar 31, 2018

Particulars	Original cost				Amortisation				Net book value	
	As at Apr 1, 2017	Additions during the year	Deletions during the year	As at Mar 31, 2018	As at Apr 1, 2017	For the year	Disposals	As at Mar 31, 2018	As at Mar 31, 2018	As at Mar 31, 2017
Computer software	11.89	2.01	-	13.90	3.27	2.65	-	5.92	7.97	8.62
License	-	-	-	-	-	-	-	-	-	-
Total	**11.89**	**2.01**	**-**	**13.90**	**3.27**	**2.65**	**-**	**5.92**	**7.97**	**8.62**

*Additions to Original Cost and Amortisation includes the effect of acquistion of additional stake in TVS Sensing Solutions P Ltd (formerly known as ZF Electronics TVS (India) Pvt Ltd) as detailed in Note 50.

Note: The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition i.e.1st of April 2015 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. (Refer below for the gross block value and the accumulated depreciation on 1st of April 2015 under previous GAAP).

Particulars	**Gross block as on 01.04.2015**	**Accumulated depreciation as on 01.04.2015**	**Net block as on 01.04.2015**
Computer software	7.38	4.39	2.99
License	1.81	1.81	-
Total	**9.19**	**6.20**	**2.99**

Note 5 : Investment Properties

(i) Carrying Amount of Investment Properties

Gross Carrying Amount	**As at 31-Mar-19**	As at 31-Mar-18
Opening Gross Carrying Amount / Deemed Cost		
- Freehold Land	**17.13**	17.13
- Buildings	**9.14**	9.14
- Borewell	**0.01**	-
	26.28	26.27
Additions	-	0.01
Disposals	-	-
Closing Gross Carrying Amount	**26.28**	26.28
Accumulated Depreciation		
Opening Accumulated Depreciation	**1.05**	0.69
Depreciation Charge (Buildings+Borewell)	**0.35**	0.36
Closing Accumulated Depreciation	**1.40**	1.05
Net Carrrying Amount	**24.88**	25.23

(ii) Fair Valuation of investment properties

Investment properties	**29.45**	29.48

(iii) Estimation of Fair value

The company obtains independent valuations of its investment properties annually.

The best evidence of fair value is the current prices in an active market for similar properties.

The fair values of investment properties have been determined by Ram Dass and Kishore Kamsey, Chartered Engineers.

The main inputs used are the rented growth rates, expected vacancy rates, terminal yields and discounted rates based on comparable transaction and industry data.

All resulting fair value estimates for investment properties are included in level 3.

6 (a). Investment in Joint Venture accounted using equity method

TVS Sensing Solutions Pvt Ltd (formerly known as ZF Electronis TVS (India) Private Limited*)	-	4.82
Total	-	4.82

* Includes goodwill of Rs 0.04 Crores

(b). Investments (Non-current Financial Assets)

Investment in equity of Group companies accounted on Cost Basis - Unquoted		
Associate:		
Van Leeuwen Tyres and Wheels BV 15,000 equity share (PY - 15,000 shares) of Euro 1 each	**0.09**	0.09
Others: Equity instruments at FVTOCI - Unquoted		
Sai Regency Power Corporation Private Limited (Equity shares - 1,50,000 of Rs.10 each; PY - 1,50,000 shares)	**0.15**	0.15
Myrtah Vayu Manijra private limited (Equity shares - 4,49,840 of Rs.10 each; PY - 4,49,840 shares)	**0.45**	0.45
Coromandel Electricity Private Limited (Equity shares - 10,000 of Rs.10 each; PY - 10,000 shares)	**0.01**	0.01
TVS Automobile Solutions Private Limited Equity shares - 9,11,741 of Rs.100 each; PY - 9,11,741 shares)	**96.01**	63.04
Total	**96.71**	63.74
Less: Provision for diminution in value of investments	**(0.09)**	(0.09)
Total	**96.62**	63.65
Aggregate amount of unquoted investment	**96.71**	68.57
Aggregate amount of impairment in the value of investment	**(0.09)**	(0.09)

(All amounts are in Crores of Rupees unless otherwise stated)

7. Loans - Non current Financial Assets

Particulars	As at 31-Mar-19	As at 31-Mar-18
Secured, Considered Good	-	-
Unsecured, Considered Good:		
Security Deposits	29.89	24.72
Other Loans	2.61	2.23
Loans which have significant increase in Credit Risk	-	-
Loans - Credit impaired	-	-
Total	32.50	26.95

8. Other - Non-current Financial Assets

Particulars	As at 31-Mar-19	As at 31-Mar-18
Derivative Asset on ECB Loan Swap	-	3.48
Deposits with banks with maturity period more than 12 months (held as lien by bank against bank guarantee)	0.13	-
Deposits with Government authorities	0.03	-
Total	0.16	3.48

9. Other non current assets

Particulars	As at 31-Mar-19	As at 31-Mar-18
Capital advance	10.16	1.14
Prepaid expenses	34.21	25.68
Deposits with Government authorities	0.12	-
Non current tax assets	-	0.08
Lease prepayments	3.60	3.99
Total	48.10	30.89

10. Inventories

Particulars	As at 31-Mar-19	As at 31-Mar-18
Raw material and components	308.51	213.90
Work in progress	33.47	15.53
Finished goods	143.92	93.15
Stock in trade	0.70	0.23
Stores and spares	11.99	8.71
Total	498.59	331.52

11. Trade receivables

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables, considered good - Secured	-	-
Trade Receivables, considered good - Unsecured	336.61	243.70
Trade Receivable with Significant Increase in Credit Risk	-	-
Trade Receivable - Credit Impaired	0.29	-
Other debts - Considered good	-	0.04
	336.89	243.74
Less:Allowance for doubtful receivables	0.29	-
Total	336.61	243.74

12. Cash and bank balances

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cash & Cash Equivalents:		
(a) Balance with banks		
(i) in current accounts	8.44	12.42
(b) Cash on hand	0.59	0.62
Total	9.03	13.04
Other bank balances		
(i) Bank deposits*	4.54	4.43
(ii) Unpaid dividend	4.42	4.11
(iii) Margin money deposit	-	0.30
Total	8.96	8.84

* Balances in deposits accounts subject to lien in favour of banks for obtaining bank guarantees/letter of credits

(All amounts are in Crores of Rupees unless otherwise stated)

	Particulars	As at 31-Mar-19	As at 31-Mar-18
13.	**Other financial assets**		
	Accrued Income	**36.18**	24.89
	Others	**0.19**	-
	Total	**36.37**	24.89
14.	**Other current assets (Unsecured)**		
(a)	**Advance other than capital advance -**		
	Other Advances:		
	Advances to suppliers - Considered Good	**15.31**	19.59
	Advances to suppliers - Credit Impaired	**0.06**	-
	less: provision for doubtful advances	**(0.06)**	-
		15.31	19.59
(b)	**Others (Considered good)**		
	Balances with Government authorities	**0.12**	-
	Prepaid expeses	**2.92**	2.34
	Lease prepayments	**0.37**	0.37
	Advances to employees	**0.01**	-
	GST Input Tax Credit (Net) available for set-off/refund	**16.90**	-
	Others	**0.56**	-
		20.88	2.71
	Total	**36.19**	22.30
15.	**Equity share capital**		
	Authorised		
	(1,00,00,000 equity shares at Rs.10 each) (PY 1,00,00,000 equity shares at Rs.10 each)	**10.00**	10.00
	Subscribed and fully paid up		
	(76,57,050 equity shares at Rs.10 each) (PY 76,57,050 equity shares at Rs.10 each)	**7.66**	7.66
	Total	**7.66**	7.66

15.1 Reconciliation of number of shares in the beginning and at end of the year

FY 2018-19	**Number of shares**	**Amount**
Balance as at the beginning of the year	**76,57,050**	7.66
Balance as at the end of the year	**76,57,050**	7.66
FY 2017-18	**Number of shares**	**Amount**
Balance as at the beginning of the year	**76,57,050**	7.66
Balance as at the end of the year	**76,57,050**	7.66

15.2 Shareholding more than 5 % of the shares of the company

Name of the Company	As at 31-Mar-19	As at 31-Mar-18
T.V. Sundram Iyengar & Sons Private Limited (CY - 28%, PY - 28%)	**21,23,115**	21,23,115
Sundaram Industries Private Limited (CY - 10%, PY - 10%)	**7,50,000**	7,50,000

15.3 Rights, preferences and restrictions attached to shares -

Equity shares - The company has one class of equity shares having a par value of Rs. 10/- each. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Each shareholder also has a residual interest in the assets of the Company in proportion to their shareholding.

15.4 Shares held by holding / ultimate holding and / or their subsidiary / associates - NIL

15.5 The Company does not have any outstanding shares issued under options.

15.6 The Company does not have any bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (31st March, 2019).

16. Other equity

Reserves and surplus

	Particulars	**As at 31-Mar-19**	As at 31-Mar-18
(a)	**Securities premium**	**0.93**	0.93
(b)	**General reserve**	**-**	-
	Opening Balance	**31.01**	31.01
	Effect of Acquisition (Refer Note 50)	**2.46**	-
	Closing Balance	**33.47**	31.01
(c)	Capital reserve	**-**	-
	Opening Balance	**0.01**	0.01
	Effect of Acquisition (Refer Note 50)	**0.10**	-
	Closing Balance	**0.11**	0.01
(d)	**Amalgamation Reserve**	**0.46**	0.46
(e)	**Share in Net worth of Joint Venture**		
	Opening Balance	**(7.20)**	(6.00)
	Profit for the Year	**(0.33)**	(1.20)
	Effect of Acquisition (Refer Note 50)	**7.53**	-
	Closing Balance	**-**	(7.20)
(f)	**Retained Earnings**		
	Opening balance	**596.68**	525.52
	Profit for the year	**103.27**	117.34
	Remeasurement of DBO from OCI	**(3.01)**	0.55
	Final Dividends paid	**(30.63)**	(38.82)
	Dividend distribution tax paid	**(6.30)**	(7.91)
	Effect of Acquisition (Refer Note 50)	**(9.39)**	-
	Closing balance	**650.61**	596.68
(g)	**FVOCI - Equity Instruments**		
	Opening Balance	**9.35**	1.50
	Actuarial Gain/(Loss) on Employee benefit schemes (net of taxes)	**-**	-
	Fair Valuation of Investments	**25.67**	7.85
	Closing Balance	**35.02**	9.35
	Total (a+b+c+d+e+f+g)	**720.60**	631.24

17 (a) Borrowings - Non current

Term loans		
Secured		
From banks	**56.00**	18.72
Less: Amount Transferred to current maturities	**(9.12)**	(11.07)
Total	**46.88**	7.65

Additional Information :

Details of Security for Secured Loans:

A) Term Loan Availed from HDFC Bank is secured by exclusive first charge on the assets created out of the term loans.

B) Term Loan from DBS Bank is secured by hypothecation of Specific Plant & Machinery located at Vellaripatti Village,Madurai.

C) Term loan from HDFC Bank with sanctioned amount of INR 6 crore is repayable in 20 equal quarterly installments of INR 0.3 crore commencing from February 2015. Interest is charged by bank on a monthly basis at 10.8% p.a. on the outstanding balance. Loan is secured by a first charge on specific fixed assets acquired out of the term loan, pari passu first charge on mortgage of land and buildings and pari passu second charge on the current assets of the Company.This term loan is subsequently closed in current financial year.

D) Term loan from HDFC Bank with sanctioned amount of INR 6 crore is repayable in June 2019. Interest is charged by bank on a monthly basis at 12.50% p.a. on the outstanding balance. Loan is primarily secured by a pari passu first charge on movable fixed assets of the Company.

E) Term Loan from HDFC Bank with sanctioned amount of INR 4.5 crore is repayable in 5 years including 12 months moratorium. Loan is primarily secured by factory land & building and plant and machinery of the company. The loan was sanctioned during the year but has not been utilised as on 31st March 2019.

(All amounts are in Crores of Rupees unless otherwise stated)

17(b) NET DEBT RECONCILIATION

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cash and Bank Balances	**17.99**	21.88
ECB Swap Derivative	**-**	3.48
Current Borrowing (Working Capital Loan)	**(370.26)**	(293.22)
Non - Current Borrowing plus Current maturities of long term debt*	**(56.48)**	(19.05)
Total	**(408.75)**	(286.91)

Particulars	Other Assets		Borrowings		Total Net borrowings
	Cash and Bank Balances	ECB Swap Derivative	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash and Bank Balances as at 1st April 2018	**21.88**	**3.48**	**(293.22)**	**(19.05)**	**(286.91)**
Cash Flows					
Balances due to acquisition of subsidiary	**0.16**	**-**	**(7.77)**	**(7.77)**	**(15.38)**
Increase/(Decrease) in cash and Bank Balances	(4.05)	-	-	-	**(4.05)**
Borrowings	-	-	(69.27)	(50.00)	**(119.27)**
Repayment/Receipt	-	-	-	20.19	**20.19**
Utilization of derivative instrument for loan repayment	-	(3.48)	-	-	**(3.48)**
Interest expense	-	-	(22.60)	(2.04)	**(24.64)**
Interest paid	-	-	22.60	2.19	**24.79**
(Net debt)/ Cash and Bank Balances as at 31 March 2019	**17.99**	**-**	**(370.26)**	**(56.48)**	**(408.75)**

Particulars	Other Assets		Borrowings		Total Net borrowings
	Cash and Bank Balances	ECB Swap Derivative	Current Borrowing (Working Capital Loan)	Non - Current Borrowing plus current maturity of long term debt*	
Net (debt)/ Cash & Bank Balances as at 1st April 2017	16.16	8.05	(276.14)	(39.16)	(291.09)
Cash Flows					
Increase/(Decrease) in cash and Bank Balances	5.72	-	-	-	5.72
Borrowings	-	-	(17.08)	-	(17.08)
Repayment	-	(4.57)	-	19.79	15.22
Interest expense	-	-	(20.16)	(2.06)	(22.22)
Interest paid	-	-	20.16	2.38	22.54
(Net debt)/ Cash & Bank Balances as at 31 March 2018	**21.88**	**3.48**	**(293.22)**	**(19.05)**	**(286.91)**

*Includes accrued interest

18. Other Financial Liabilities

Security deposit	**84.36**	85.57
Total	**84.36**	85.57

19. Provisions

(a) Non Current provisions for employee benefits

Gratuity	**1.39**	-
Compensated absence	**8.30**	7.37
Total	**9.69**	7.37

Particulars	As at 31-Mar-19	As at 31-Mar-18
(b) Current provisions for employee benefits		
Gratuity	**2.97**	2.91
Compensated absence	**1.15**	0.50
Other Provisions	**0.54**	-
Total	**4.66**	3.41

20. Deferred Tax Liability

a) On Account of Depreciation on Fixed Assets	**52.83**	45.19
b) On account of Liabilities/Provisions	**(4.34)**	(3.76)
c) On account of Ind AS fair value adjustments	**5.09**	1.92
Total	**53.57**	43.35

Refer note 50 for impact on account of acquisition of additional stake in TVS Sensing Solutions P Ltd (formerly known as ZF Electronics TVS (India) Pvt Ltd).

21. Other non current liabilities

Deferred Government Grant (Capital Subsidy)	**0.36**	0.25
Deferred Income	**4.64**	5.22
Total	**5.00**	5.47

22. Borrowings (Current)

Secured		
Loans repayable on demand from banks	**320.26**	293.22
Unsecured		
Loans repayable on demand from banks	**50.00**	-
Total	**370.26**	293.22

Additional Information :

a. Details of Security for Secured Loans

Working Capital facilities availed from State Bank of India are secured by a first charge by way of hypothecation of Stock of Raw Materials, Stores, Work in Progress, Finished goods and Book Debts.Working Capital facilities are also secured through a second charge on the assets created out of the term loans including: EM of Lease hold rights over 28424 Sq mt plot of land, Plot No.7, Sector I, Industrial Area, I.I.E, Pant Nagar, Uttam Singh Dist and buildings thereon, Uttrakhand belonging to the company.

Working capital loans availed from HDFC Bank represents cash credit, bills discounted and packing credit facilities from banks which are secured by a hypothecation of inventories and receivables both present and future and by way of equitable mortgage by deposit of title deeds of the Company's immovable properties situated at Madurai.

23. Trade payables

Towards purchase of goods and services		
i) To Micro and Small Enterprises (Refer Note 44)	**1.28**	-
ii) Others	**333.41**	174.49
Total	**334.69**	174.49

24. Other financial liabilities

Capital creditors *	**25.97**	17.83
Current maturities of long term debt	**9.12**	11.07
Interest accrued but not due on borrowings	**2.67**	0.33
Unpaid dividends	**4.42**	4.11
	42.18	33.34
Other payables	**120.32**	119.19
Total	**162.50**	152.53

* Includes Rs.2.80 crores of dues to MSME Creditors

(All amounts are in Crores of Rupees unless otherwise stated)

25. Other current liabilites

Particulars		As at 31-Mar-19	As at 31-Mar-18
Advances from customers		**5.07**	0.41
Deferred Government Grant (Capital Subsidy)		**0.04**	-
GST Payable		**-**	-
Statutory payables		**4.28**	13.73
Total		**9.39**	14.14

26. Income tax assets (net)

Advance Income Tax (Net of Provision for Tax)		**9.69**	5.51
Total		**9.69**	5.51

27. Revenue from operations

Sale of products		**2,422.04**	2,197.08
Other Operating Revenue		**8.94**	5.68
Total		**2,430.98**	2,202.76

28. Other income

Interest Income from bank deposits		**0.47**	1.33
Others		**3.20**	3.16
Provision for liability no longer required written back		**7.70**	10.88
	(a)	**11.37**	15.37
Other non-operating income (net of expenses directly attributable to such income)		**0.63**	-
	(b)	**0.63**	-
Total (a) + (b)		**12.00**	15.37

29. Cost of materials consumed

Opening Stock		**213.90**	255.55
Stock arising out of Acquistion (Refer Note 50)		**6.63**	-
Add : Purchase (includes processing charges Rs 92.05 Cr (Previous year Rs 72.06 Cr)		**1,626.91**	1,188.26
Total		**1,847.45**	1,443.81
Less Closing Stock		**308.51**	213.90
Cost of Materials consumed		**1,538.94**	1,229.91

30. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Opening Stock of Finished goods &Traded goods		**93.38**	125.33
Opening Stock of Work in progress		**15.53**	22.39
Stock arising out of Acquistion (Refer Note 50)		**1.97**	-
Closing Stock of Finished goods & Traded Goods		**144.62**	93.38
Closing Stock of Work in progress		**33.47**	15.53
Total (Increase) / Decrease in Stock		**(67.22)**	38.81

31. Employee benefit expense

(a) Salaries and wages		**229.79**	197.33
(b) Contributions to -			
(i) Superannuation Fund		**1.04**	0.92
(ii) Gratuity fund contributions *		**2.41**	2.29
(iii) Provident Fund and other funds		**13.36**	12.76
(c) Remuneration to Whole time directors		**13.37**	13.65
(d) Staff welfare expenses **		**21.32**	20.37
Total		**281.29**	247.32

* Excludes Actuarial Gain/Loss on account of Gratuity.

** Excludes Actuarial Gain/Loss on account of Compensated absence

(All amounts are in Crores of Rupees unless otherwise stated)

32. Finance costs

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest expense	35.29	29.34
Other borrowing cost (inlcuding letter of credit and bill discounting charges)	0.41	0.36
Total	**35.70**	29.70

33. Other expenses

Consumption of Stores & Spares	54.67	49.69
Power & Fuel	100.64	86.44
Repairs to building	2.92	5.87
Repairs to machinery	13.77	10.61
Repairs Others	3.81	2.48
Insurance	5.07	5.25
Rates & taxes	11.16	4.37
Telephone & Internet Charges	1.13	1.44
Travelling Expense	16.48	15.31
Exchange Rate Fluctuation Loss (Net)	2.98	2.34
Bank charges	1.63	1.55
Advertisement and sales Promotion	31.21	43.07
CSR Activities (Refer note 45)	4.43	4.12
Freight Out	85.87	80.23
Advances written off	0.19	-
Bad debts	0.91	-
Assets condemned	0.12	0.05
Commission to non Whole time directors	0.81	0.80
Director's sitting fees	0.10	0.07
Rent & Lease rentals	21.86	24.47
Auditor's Remuneration: (Refer Note 47)		
a) Audit Fees	0.32	0.18
b) Others	0.12	0.05
Donation	0.30	0.02
Consultancy	30.03	26.92
Warranty Claims	12.33	13.74
Tooling expenses	1.35	-
Contract labour charges	1.35	-
Other expenses	5.82	3.81
Total	**411.38**	382.88

34. Reconciliation of effective tax rates

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income taxes to the income before taxes is summarised below:

Profit before taxes	153.29	168.98
Enacted tax rates in India	Refer Footnote	34.61%
Expected tax expense/(benefit)	53.93	58.48
Items leading to difference in Effective Rate compared to Statutory Rate :		
Effect of Income tax exemption benefit u/s.80IC of the Income Tax Act with respect to Uttarakhand Plant	(4.19)	(5.19)
Additional tax benefit on account of Research & Development (Income & Expenditure)	(6.76)	(6.04)
Other Impacts due to allowances/disallowances as per IT Act	2.44	(0.32)
Effect of Excess Provison maintained	0.93	-
Effect of difference in statutory tax rates between holding & subsidiary	1.18	-
Others	2.49	4.70
Tax Expense as per P&L	**50.02**	51.64

(All amounts are in Crores of Rupees unless otherwise stated)

Note:

The tax rate applicable for TVS Srichakra Ltd and TVS Srichakra Investments Ltd is 34.94%, The Tax Rate applicable for TVS Sensing Solutions Private Ltd. Is 25.75%.

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Tax Charged to Other Comprehensive Income for		
Net loss/(gain) on remeasurement of Defined Benefit Plans	**(8.04)**	(1.87)

35. Details of Earnings Per Share

Profit for the Year (Includes share of profit from Joint Venture until June 3, 2018)	**102.94**	116.14
Number of Equity Shares (Nos.)	**76,57,050**	76,57,050
Face Value of Shares (In Rupees)	**10**	10
Basic and Diluted Earnings per Share (In Rupees) *	**134.43**	151.67

* There are no potential dilutive equity shares

36. Employee benefit Liabilities

(i) Compensated Absense :

Service cost	**2.37**	1.97
Interest cost	**0.54**	0.53
Actuarial (gain)/loss	**0.47**	(1.54)
Project benefit obligation at the end of the year	**9.45**	7.87

(ii) Gratuity :

Present Value of Defined Benefits (Opening Balance)	**28.00**	24.64
Additional DBO due to Acquisition of Subsidiary	**1.02**	-
Service cost	**2.25**	2.22
Interest cost	**2.18**	1.84
Actuarial (gain)/loss	**1.80**	0.40
Benefits paid	**(1.65)**	(1.10)
Project benefit obligation at the end of the year	**33.60**	28.00
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**25.09**	22.86
Additonal Plan Assets due to Acquisition of Subsidiary	**0.76**	-
Interest income	**2.06**	1.78
Employers contribution	**3.07**	1.87
Benefits paid	**(1.65)**	(1.10)
Actuarial gain/(loss)	**(0.07)**	(0.32)
Fair value of plan assets at the end of the year	**29.26**	25.09
Amount recognised in balance sheet		
Present value of projected benefit obligaiton at the end of the year	**33.60**	28.00
Fair value of plan assets at the end of year	**29.26**	25.09
Funded status amount of liability recognised in balance sheet	**4.36**	2.91
Expense recognised in statement of profit or loss		
Service cost	**2.25**	2.22
Interest cost	**2.18**	1.84
Interest income	**(2.06)**	(1.78)
Net gratutity cost	**2.38**	2.28
Actual return on plan asset	**1.99**	1.45
Summary of actuarial assumptions		
Discount rate	**7.75%**	7.63%
Expected rate of plan assets	**7.75%**	7.63%
Salary escalation rate	**5% - 7%**	6.00%

Discount rate - based on prevailing market yeilds of Indian governement securities as at the balance sheet date for estimated term of obligations expected rate of retun on plan assets - expectation of the average long term rate of return expected on investment of the funds during the estimated terms of the obligations salary escalation rate - estimates of future salary increases considered taken into account the inflation, seniority, promotion and other relevant factors contributions - the company expects to contribute Rs. 4.34 Crores to its gratuity fund during the year ending Mar 31, 2019. The expected cash flows over the next few years are as follows:

Particulars - Gratuity	**Year ended 31-Mar-19**	Year ended 31-Mar-18
Within 1 Year	**1.96**	2.05
2 to 5 years	**9.00**	8.30
6 to 10 years	**9.46**	7.44
more than 10 years	**13.04**	10.19

Sensitivity analysis of significant actuarial assumption

Particulars - Gratuity	**31-Mar-19**	
	% change in DBO	**Amount (Rs.-crores)**
Discount Rate + 100 basis points	**-7.91%**	**30.95**
Discount Rate - 100 basis points	**9.10%**	**36.66**
Salary growth rate + 100 basis points	**9.05%**	**36.65**
Salary growth rate - 100 basis points	**-7.96%**	**30.93**
Attrition Rate + 100 basis points	**1.44%**	**34.09**
Attrition Rate - 100 basis points	**-1.60%**	**33.07**
Mortality Rate 10% Up	**0.07%**	**33.63**

Particulars - Gratuity	**31-Mar-18**	
	% change in DBO	**Amount (Rs.-crores)**
Discount Rate + 100 basis points	-7.41%	25.92
Discount Rate - 100 basis points	8.49%	30.37
Salary growth rate + 100 basis points	8.18%	30.29
Salary growth rate - 100 basis points	-7.26%	25.96
Attrition Rate + 100 basis points	0.60%	28.16
Attrition Rate - 100 basis points	-0.67%	27.81
Mortality Rate 10% Up	0.04%	28.01

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

37. Segment reporting

The Group has identified the following reportable segment taking into account the different types of products produced and services rendered, different risks and returns, the organization structure and the internal reporting systems : (i) Tyres & Tubes (ii) Others

Information about revenue from segments :

Tyres & Tubes	**2,375.36**	2,197.08
Others	**46.68**	-
Total	**2,422.04**	2,197.08

(All amounts are in Crores of Rupees unless otherwise stated)

Information about net profit/(loss) from segments :

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Tyres & Tubes	**101.77**	117.34
Others	**1.17**	(1.20)
Total	**102.94**	116.14

Geographical Breakup of Revenue through sale of products is as under:

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
(i). Tyres & Tubes		
Exports	**242.38**	210.20
Domestic	**2,132.98**	1,986.88
Sub-Total	**2,375.36**	2,197.08
(ii). Others		
Exports	**7.86**	-
Domestic	**38.82**	-
Sub-Total	**46.68**	-
Total	**2,422.04**	2,197.08

38. Movement in provision for product warranty

Opening Balance	**8.71**	8.71
Add: Provided during the year	**12.11**	13.74
Less: Claims made	**(12.11)**	(13.74)
Closing Balance	**8.71**	8.71

The estimated provision takes into account historical information frequency and average cost of warranty claims and the estimated future incidence of claims.

39. Related party and transactions

a) Related parties and their relationship

The related party where control/joint control/significant influence exists are subsidiaries, joint ventures and associates. Key managerial personnel are those persons having authority and responsibility in planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. The other related parties are those with whom the company has had transaction during the years 2018-19 and 2017-18 as follows:

Entity with significant influence and its subsidiaries, associates and joint venture

T V Sundram Iyengar & Sons Private Limited (holds more than 10 % shareholding)
Sundaram Industries Private Limited
TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited)
TVS Dynamic Global Freight Services Ltd
TVS Auto Bangladesh
SI Air Springs Private Limited (formerly known as Firestone TVS Private Limited)
ZF India Private Limited (upto 03.06.2018)
ZF Friedrichshafen AG (upto 03.06.2018)
ZF Electronics Systems Pleasant Prairie LLC, USA (upto 03.06.2018)
ZF Electronics UK Limited (upto 03.06.2018)
ZF Electronics (Zhuhai) Company Limited (upto 03.06.2018)
TVS Automobile Solutions Private Limited

Associates

Van Leeuwen Tyres & Wheels B.V.Holland

Joint venture

TVS Sensing Solutions Pvt. Ltd. (formerly known as ZF Electronics TVS (India) P Ltd) (till 03 June 2018)

Key Management Personnel/ Relative of KMP's

Sri R Naresh, Executive Vice Chairman
Ms Shobhana Ramachandhran, CEO & Managing Director
Sri R Haresh (Chairman/Director - M/s TVS Sensing Solutions Private Limited)

Independent and Non-Executive Directors

Sri M S Viraraghavan
Sri P Vijayaraghavan - Non Independent - Non Executive Director
Sri H Janardana Iyer
Sri V Ramakrishnan
Sri Rasesh R Doshi
Sri A Arumugam (up to 23-12-2018)
Sri Anantha Nageswaran (w.e.f 13-11-2018)

b) Related party transaction and balance

Transactions for the year and balance as at Mar 31, 2019 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Key Management Personnel & Relatives of KMP's	Independent and Non-Executive Directors
Purchase of Goods	4.87	-	-
Sale of Goods	19.86	-	-
Receipt of Services	11.51	-	-
Services Rendered	0.03	-	-
Lease Rental Paid	-	0.05	-
Salaries & Other Benefits	-	4.98	-
Sitting Fees	-	-	0.10
Commission	-	8.39	0.81
Reimbursement of Expenses	0.01	-	-
Amount Receivable	**7.57**	**-**	**-**
Amount Payable	**4.50**	**8.39**	**0.81**

Note: Investment in Associate has been fully provided for in the books

Transactions for the year and balance as at Mar 31, 2018 were as follows:

Particulars	Entity with significant influence and its subsidiaries, associates and joint venture	Joint venture	Key Management Personnel	Independent and Non-Executive Directors
Purchase of Goods	3.79	-	-	-
Sale of goods	13.44	-	-	-
Receipt of Services	16.58	0.02	-	-
Lease rent paid	-	-	0.04	-
Salaries and other benefits	-	-	4.46	-
Sitting fees	-	-	-	0.07
Commission	-	-	9.19	0.80
Canteen recovery from JV	-	0.22	-	-
Investments	11.71	-	-	-
Amount Receivable	**4.88**	**0.22**	-	-
Amount Payable	**2.43**	-	**9.19**	**0.80**

Note: Investment in Associate has been fully provided for in the books

40. Financial instruments

a. Derivative financial instruments

(i) Forward and option contract

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. The gains or losses arising from changes in the fair value of the derivative contracts are recognized in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2019 and March 31, 2018 are given below:

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Forward contracts (Sell)	USD	**1,25,95,442**	80,26,496
	Euro	**70,110**	3,37,153
Forward contracts (Buy)	USD	**25,19,947**	33,28,268
	Euro	**17,37,070**	16,30,201
Gain/(loss) mark to market in respect of forward contracts outstanding	Rupees in Crores	**(1.81)**	(0.06)

All open forward exchange contracts mature within three-nine months from the balance sheet date.

(ii) Cross Currency Swap:

The Company had entered into a Cross Currency Swap (Principal Only Swap arrangement) in order to hedge the cash flows arising out of the principal and interest payments of the underlying INR term loan. The period of the swap contract had been co terminus with the period of the underlying term loan. As per the terms of engagement the company had to pay USD fixed and received fixed INR principal and interest cash flows during the term of contract. The swap arrangement was marked to market and losses/gains were recognised in the statement of profit and loss. The details of the outstanding balances and the mark to market losses recognised are as under:

(All amounts are in Crores of Rupees unless otherwise stated)

Particulars	Value of oustanding INR term loan	Value of outstanding US principal	Mark to market Gain/(Loss) INR
Position as at Mar 31, 2019	-	-	-
Position as at Mar 31, 2018	11.07	22,50,000	(0.18)

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at Mar 31, 2019 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Asset			
Investment in Others	-	-	96.62
Employee advances	2.61	-	-
Derivative Asset on ECB Loan Swap	-	-	-
Deposit with Bank & Government authorities (non-current)	0.16	-	-
Security Deposits	29.89	-	-
Trade Receivables	336.61	-	-
Cash and Bank Balances	17.99	-	-
Accrued Income	36.37	-	-
Liabilities		-	-
Loans from Banks	426.26	-	-
Interest accrued but not due	2.67	-	-
ECB Loan Derivative	-	-	-
Security Deposits	84.36	-	-
Trade Payables	334.69	-	-
Capital Creditors	25.97	-	-
Other creditors	120.32	-	-
Unpaid Dividend	4.42	-	-

The carrying value and fair value of financial instruments by each category as at Mar 31, 2018 were as follows:

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Asset			
Investment in Others	-	-	63.65
Employee advances	2.23		-
Derivative Asset on ECB Loan Swap	-	3.48	-
Deposit with Bank & Government authorities (non-current)	-	-	-
Security Deposits	24.72	-	-
Trade Receivables	243.74	-	-
Cash and Bank Balances	21.88	-	-
Accrued Income	24.89	-	-
Liabilities		-	-
Loans from Banks	297.22	-	-
Interest Accrued but not due	0.33	-	-
ECB Loan Derivative	14.73	-	-
Security Deposits	85.57	-	-
Trade Payables	174.49	-	-
Capital Creditors	17.83	-	-
Other creditors	119.19	-	-
Unpaid Dividend	4.11	-	-

Details of financial assets pledged as collateral :

Carrying amount of financial assets as at Mar 31, 2019 and 2018 that the Company has provided as a collateral for obtaining borrowing and other facilities from the bankers are as follows :

Particulars	As at 31-Mar-19	As at 31-Mar-18
Fixed Deposits	**4.54**	4.43

(All amounts are in Crores of Rupees unless otherwise stated)

c. Fair value measurement of financial instruments measured at fair value on recurring basis:

Particulars	As at 31-Mar-19		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	96.01	0.61
Derivative Asset on ECB Loan Swap	-	-	-

Particulars	As at 31-Mar-18		
	Level 1	Level 2	Level 3
Assets			
Investment in Others	-	63.04	0.61
Derivative Asset on ECB Loan Swap	-	3.48	-

Level 1 - Unadjusted quoted prices In active market for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable outputs for the assets and liabilities

d. Interest income/(expense), gain/(losses) recognised on financial assets and liabilities

	Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
(a)	Financial assets at amortised cost		
	Interest income on bank deposits	**1.54**	1.33
	Interest income on other financial asset	**1.04**	0.64
(b)	Financial liabilities at amortised cost		
	Interest expenses on borrowings from banks, others and overdrafts	**31.77**	29.70
(c)	Financial asset at FVTPL		
	Net gain/(losses) on fair valuation on derivative financial instruments	**0.18**	0.45
(d)	Financial asset at FVTOCI		
	Net gain/(losses) on fair valuation of investments	**27.29**	9.45

41. Financial risk management

The company has exposure to the following risks from its use of financial instruments

41.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Credit risk is managed by the entity. Considering the credit risk assessment made by the management and based on past history, no provision towards expected credit loss was deemed necessary.

41.2 Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(All amounts are in Crores of Rupees unless otherwise stated)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Long term borrowings		
- Upto 1 Year	**9.12**	11.07
- 1 to 3 Years	**46.88**	7.65
Short term borrowings		
- Upto 1 Year	**370.26**	293.22
Trade Payable		
- Upto 1 Year	**334.69**	174.49
Security Deposits from Customer		
- 1 to 3 Years	**12.36**	13.57
- More than 3 Years	**72.00**	72.00
Capital Creditors		
- Upto 1 Year	**25.97**	17.83
Other Financial Liabilities		
- Upto 1 Year	**127.42**	123.63
Total	**998.69**	713.47

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Fixed Deposits with Banks		
-Upto 1 Year	**4.54**	4.73
Trade Receivables		
- Upto 1 Year	**336.61**	243.74
Loan to Employees		
- 1 to 3 Years	**2.61**	2.23
Security Deposits		
- 1 to 3 Years	**29.89**	24.72
Deposit with Bank & Government authorities (non-current)		
- 1 to 3 Years	**0.16**	-
Other Financial Assets		
- Upto 1 Year	**36.37**	24.89
Unpaid Dividend		
- Upto 1 Year	**4.42**	4.11
Cash and Cash Equivalents		
- Upto 1 Year	**9.03**	13.04
Investment in Unquoted Shares		
- More than 3 Years	**96.62**	63.65
Total	**520.24**	381.12

The Company has access to committed credit facilities as described below, of which Rs.59.74 cr were unused at the end of the reporting period (as at March 31, 2018 Rs.26.78 cr). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Unsecured bank overdraft facility, reviewed annually and payable at call:	**As at 31-Mar-19**	As at 31-Mar-18
Amount used	**320.26**	293.22
Amount unused	**59.74**	26.78

41.3 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

41.3.1 Commodity Price Risk - The primary commodity price risks that the Company is exposed to include rubber prices that could adversely affect the value of the Company's financial assets or expected future cash flows.

(All amounts are in Crores of Rupees unless otherwise stated)

41.3.2 Foreign currency risk management - The group imports raw materials from outside India as well as make export sales to countries outside India. The group is, therefore, exposed to foreign currency risk principally arsing out of foreign currency movement against the Indian Currency. Foreign currency exchange risks are managed by entering into forward contracts against firm purchase commitment and receivables.

41.3.2.1 The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Exchange Rate	Amount in Foreign Currency	Amount in INR
Balance as at 31-Mar-19			
Trade Receivables (Assets)			
USD	68.43	0.28	19.49
EUR	76.30	0.21	16.22
Trade Payables (Liabilities)			
USD	69.93	0.26	18.08
EUR	79.02	0.04	2.89
Balance as at 31-Mar-18			
Trade Receivables (Assets)			
USD	64.49	0.35	22.83
EUR	79.81	0.24	19.29
Trade Payables (Liabilities)			
USD	65.34	0.17	11.04
EUR	81.51	-	0.16
JPY	62.20	0.49	30.52
GBP	92.95	-	0.01

41.3.2.2 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5%, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

The Company's foreign currency sensitivity analysis at the end of the reporting period expressed in INR, are as follows:

Sensitivity at year end	USD	
	2018-2019	2017-2018
Receivables:		
Weakening of INR by 5%	**0.97**	1.14
Strengthening of INR by 5%	**(0.97)**	(1.14)
Payable		
Weakening of INR by 5%	**0.90**	0.55
Strengthening of INR by 5%	**(0.90)**	(0.55)

Sensitivity at year end	EURO	
	2018-2019	2017-2018
Receivables:		
Weakening of INR by 5%	**0.81**	0.96
Strengthening of INR by 5%	**(0.81)**	(0.96)
Payable		
Weakening of INR by 5%	**0.14**	0.01
Strengthening of INR by 5%	**0.01**	(0.01)

Sensitivity at year end	JPY	
	2018-2019	2017-2018
Receivables:		
Weakening of INR by 5%	**-**	-
Strengthening of INR by 5%	**-**	-
Payable		
Weakening of INR by 5%	**-**	1.53
Strengthening of INR by 5%	**-**	(1.53)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

41.3.3 Interest rate risk management

The Company is exposed to interest rate risk because of borrowal of short term funds at floating interest rates.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2019 would decrease/increase by Rs.2.11 Cr; as against Rs.1.54 Cr for the year ended March 31, 2018.

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, general reserve and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of borrowings and related covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Interest-bearing loans and borrowings	**426.26**	311.95
Less: cash and short-term deposits	**13.57**	17.47
Net debt	**412.69**	294.48
Equity Capital	**7.66**	7.66
Other Equity	**720.60**	631.24
Total capital	**728.26**	638.90
Gearing ratio	**0.57**	0.46

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it provide for a strong financial strengtht to meet the Company's growth needs and meet borrowing related capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

43. Commitments and Contingencies

	Particulars	As at 31-Mar-19	As at 31-Mar-18
a)	Estimated amount of contract remaining to be executed on capital account	**53.58**	40.28
b)	Letter of Credit opened by Company's Bankers	**54.67**	30.96
c)	Excise duty and service tax under dispute	**13.87**	12.04
d)	Sales Tax under dispute	**5.64**	1.17
e)	Income Tax under dispute	**0.09**	1.30
f)	Provident Fund	**4.00**	-
g)	Customs duty on goods lying at Bonded warehouse	**0.07**	1.10

44. Dues to micro and small enterprises

Particulars	As at 31-Mar-19	As at 31-Mar-18
Principal amount due to a suppliers registered under the MSMED Act and remaining unpaid as at year end	**4.03**	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.09**	-
Principal amounts paid to suppliers registered under the MSMED Act beyond the appointed day during the year	**4.34**	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**0.06**	-
Futher interest remaining due and payable for earlier years	**0.03**	-

Note: Out of Rs.4.03 crores of MSMED payable, Rs.1.23 crores relates to Trade Payables & Rs. 2.80 crores relates to Capital Creditors

45. Contribution to corporate social responsibilities

Sec 135 of companies act 2013, requires company to spend towards corporate social responsibility. The company is expected to spend Rs.4.38 crores in compliance to this requirement. A sum of Rs. 4.43 crores has been spent during the current year towards (including 0.06 crore unspent in previous year) CSR acitivities as explained below. Balance amount to be spent is Rs.Nil.

CSR Expenditure		
Amount required to be spent under section 135 of the Companies Act, 2013	**4.38**	4.18
Amount spent during the year on:		
i) Construction/acquisition of an asset	**-**	-
ii) Purposes other than (i) above	**4.43**	4.12
Amount unspent	**-**	0.06

46. Research and Development

Capital expenditure		
Plant & Machinery	**3.25**	7.45
Electrical Installations	**4.03**	0.01
Vehicles	**0.04**	0.07
Computers	**-**	0.02
Furniture	**0.53**	0.01
Buildings	**2.09**	0.15
Intangible Assets	**0.05**	0.03
Office Equipment	**0.07**	-
Capital Work in Progress	**0.91**	2.79
Total	**10.97**	10.53
Revenue Expenditure		
Raw Materials consumed	**1.49**	1.35
Stores & Spares consumed	**0.78**	0.20
Allowances	**6.60**	5.57
Rent including lease rentals	**0.02**	-
Rates & Taxes	**1.39**	0.78
Insurance	**0.01**	0.05
Travelling expenses	**1.72**	1.62
Repairs & Maintenance	**0.89**	1.22
Consultancy-Foreign	**5.57**	3.96
Consultancy-Domestic	**0.15**	0.29
Freight	**0.04**	-
Power	**-**	0.67
Others	**0.51**	1.35
Total	**19.16**	17.06
Total Research and Development Expenditure	**30.13**	27.59

47. Details of Auditor's Remuneration

Particulars	31-Mar-19	31-Mar-18
a) For audit fees	**0.32**	0.15
b) For taxation matters,	**0.04**	0.00
c) For Certification*	**0.03**	0.03
d) Towards reimbursement of expenses	**0.05**	0.05
Total	**0.44**	0.23

48. Lease commitments

The company has taken few vehicles on financial lease and few machineries on operating lease. The future minimum lease payment under finance lease as at Mar 31 2019 and at Mar 31 2018 are as follows:

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Payable not later than one year	**0.25**	17.78
Payable later than one year and not later than 5 years	**0.75**	1.00
Payable later than 5 years	**-**	-
Total	**1.00**	18.78

49. Additional Disclosure in respect of Subsidiary

Particulars	Parent	Subsidiary	Subsidiary
Name of the Entity	TVS Srichakra Limited	TVS Srichakra Investments Limited	TVS Sensing Solutions Private Limited (formerly known as ZF Electronics TVS (India) Private Limited)
Whether Indian or Foreign	Indian	Indian	Indian
Extent of Holding by Parent	NA	100%	50% - till 03 June 2018; 100% - w.e.f 04 June 2018
Net Asset	**718.82**	**(1.52)**	**10.95**
Net Asset as a % of Consolidated Net Asset	98.70%	-0.21%	1.50%
Share in Profit or Loss	**103.17**	**(1.41)**	**1.18**
Share in Profit or Loss as a % of Consolidated Profit or Loss	100.22%	-1.37%	1.15%
Share in Other Comprehensive Income	**(8.05)**	**-**	**0.01**
Share in Other Comprehensive Income as a % of Consolidated Other Comprehensive Income	100.10%	0.00%	-0.10%
Share in Total Comprehensive Income	**125.84**	**(1.41)**	**1.15**
Share in Total Comprehensive Income as a % of Consolidated Total Comprehensive Income	100.21%	-1.12%	0.92%

50. Acquistion of 100% stake in TVS Sensing Solutions P Ltd

On 4th June 2018, the company acquired the 50% stake held by others in TVS Sensing Solutions P Ltd (formerly known as ZF Electronics TVS (India) P Ltd) resulting in the said company becoming a 100% subsidiary from the erstwhile status of being a Joint Venture company. Accordingly the acquisition accounting was effected under Ind AS 103 with recognition of Capital Reserve of Rs.0.10 crores.

51. Dividend

An amount of Rs.40 per share (400 %) (PY - Rs.40 per share [400%]) has been recommended by the board of directors towards dividend aggregating to Rs.30.63 crores excluding Dividend Distribution Tax.

SHOBHANA RAMACHANDHRAN
Managing Director
DIN : 00273837

R NARESH
Executive Vice Chairman
DIN : 00273609

As per our report attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.003990S/S200018

Place : Madurai
Date : 23.05.2019

K V GANESH
Chief Financial Officer

P SRINIVASAN
Secretary

T V BALASUBRAMANIAN
Partner
Membership No. : 027251

Notes:

TVS SRICHAKRA LIMITED

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Manufacturing Units: Tamil Nadu: Vellaripatti, Melur Taluk, Madurai - 625 122.
Uttarakhand: Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur Tehsil, Kicha Dist - 263 153.

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